



Shirble Department Store Holdings (China) Limited
歲寶百貨控股（中國）有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 312

2021

INTERIM REPORT



 歲寶 Shirble

• SHIRBLE PLAZA •

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CORPORATE PROFILE

Shirble Department Store Holdings (China) Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability on 5 November 2008. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in department store operations, property development and provision of property development consulting services in the People’s Republic of China (the “**PRC**”).

The Group is one of the long-established Shenzhen-based department store chains. Targeting the mid-market segment, it runs its department stores under the “**岁货百货**” and “Shirble Plaza” brands. As at 30 June 2021, the Group owned and/or operated 16 department stores, 11 of which are within Shenzhen, three in Shanwei, one in Meizhou City and one in Changsha, with a total gross floor area of 301,030.1 sq.m.

CORPORATE PROFILE



- ▲ Land/Property of the Group
- Department stores of the Group



FINANCIAL HIGHLIGHTS

OPERATING RESULTS

RMB'000	For the six months ended 30 June	
	2021 (unaudited)	2020 (unaudited)
Revenue	115,951	317,894
Operating (loss)/profit	(180,335)	116,950
(Loss)/profit before income tax	(213,683)	80,446
(Loss)/profit attributable to owners of the Company	(215,721)	21,785
(Loss)/earning per share for the (loss)/profit attributable to owners of the Company during the period (expressed in RMB per share) – Basic and diluted	(0.09)	0.01

ASSETS, LIABILITIES AND EQUITY

RMB'000	At 30 June 2021 (unaudited)	At 31 December 2020 (audited)	At 30 June 2020 (unaudited)
	Total assets	4,032,067	4,248,525
Total liabilities	2,129,146	2,129,709	2,280,211
Total equity	1,902,921	2,118,816	2,217,613

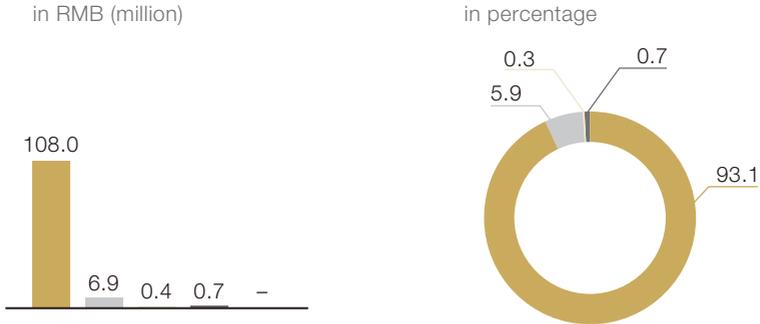
SEGMENT RESULTS

	Six months ended 30 June 2021 (unaudited)				Six months ended 30 June 2020 (unaudited)				
	Department store business		Property business	Others	Department store business		Property business	Others	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	115,951	-	-	115,951	135,317	182,577	-	317,894	
Operating (loss)/profit	(36,125)	(127,753)	(16,457)	(180,335)	7,857	124,675	(15,582)	116,950	
Profit/(loss) before income tax	(66,740)	(130,383)	(16,560)	(213,683)	(25,160)	121,842	(16,236)	80,446	
(Loss)/profit for the period	(68,796)	(130,383)	(16,560)	(215,739)	(44,287)	82,305	(16,236)	21,782	

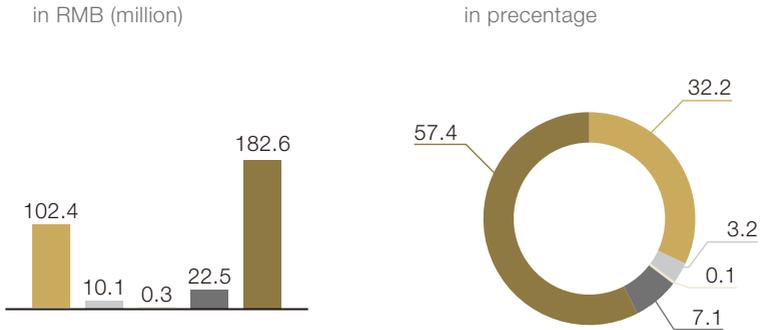
FINANCIAL HIGHLIGHTS

REVENUE BY CATEGORY

1H 2021



1H 2020



- Rental income
- Direct sales
- Commission from concessionaire sales
- Income from reversal of long-aged unredeemed pre-paid cards and unredeemed awards credits
- Property development consulting service income

CHAIRMAN'S STATEMENT

It has been almost two years since the outbreak of the coronavirus (“**COVID-19**”) pandemic. With the increasing public awareness of infection prevention and control and vaccination programs being rolled out in different regions, the global economy is gradually recovering. According to the National Bureau of Statistics of China, the GDP of China in the first half of 2021 amounted to RMB53.2 trillion, representing an increase of 12.7% as compared to the same period in 2020. The national consumer price index (“**CPI**”) in June 2021 was 1.1% higher year-on-year, and CPI for first half of 2021 was up 0.5% year-on-year. The total retail sales of consumer goods in the first half of 2021 increased by 23% year-on-year. The total online retail sales also increased by 23.2% year-on-year, of which the sales of physical goods increased by 18.7% year-on-year.

The Group will continue to seize market opportunities by focusing on retail business and strengthening online sales channels to maintain its competitiveness.

BUSINESS REVIEW

The Group's operating results are presented in three reportable operating segments, namely (a) department store business; (b) property business; and (c) others. For the six months ended 30 June 2021, the Group recorded revenue of RMB116.0 million (2020: RMB317.9 million). Loss attributable to owners of the Company was RMB215.7 million (2020: profit attributable to owners of the Company amounted to RMB21.8 million). The fluctuations were mainly due to (a) the Group had no revenue generated from the provision of property development consulting service for the six months ended 30 June 2021, due to the termination of two property development consultancy agreements with effect from 30 December 2020, and (b) there was fair value losses of RMB115.9 million on the listed equity securities at fair value through profit or loss on the 1,320,000,000 ordinary shares of TFG International Group Limited (stock code: 00542) held by Group.

CHAIRMAN'S STATEMENT

Department store business

Over the years, the Group has been working to transform its department stores into “Shirble Plaza”, a one-stop shopping mall concept, to meet the demand of the middle-class population in the PRC for high-quality food, merchandise and services. The Group has also cooperated with strategic partners to use most of the traditional supermarket spaces in its department stores, thus boosting foot traffic for the supermarket spaces successfully. Moreover, the Group embraces the online-to-offline “new retail” concept to increase the customers’ satisfaction on their consumption experience. These efforts also create more effective operating results for the Group.

As at 30 June 2021, the Group owned and/or operated 16 department stores with a total gross floor area of 301,030.1 sq.m.

Property business

Shenzhen Shirble Enterprise Management Co., Ltd. (“**Shirble Management**”), a wholly-owned subsidiary of the Company, acquired a parcel of land in Jinwan District, Zhuhai through an equity acquisition entered into in November 2019. The land has been developed into a two-building complex and the completion certificate was issued in April 2021, thus sale or leasing could start as and when appropriate.

The Group entered into two property development consulting service agreements (the “**Integrated Consulting Service Agreements**”) in 2019 to provide consulting service in respect of two development projects located in Futian District and Bao’an District in Shenzhen. The Integrated Consulting Service Agreements were terminated with effect from 30 December 2020. Further information on the termination is set forth in the Company’s announcement dated 30 December 2020.



CHAIRMAN'S STATEMENT

BUSINESS OUTLOOK

Although COVID-19 has profound impact on the business operations in many industries, the Group believes that with the pandemic gradually coming under control, long-suppressed consumption sentiment will be released. Taking into account the retail market in China is picking up and stimulate consumption programs are being launched in different regions, the Group remains optimistic about the performance of the department store retail industry in the PRC.

The GDP of Guangdong Province exceeded RMB5.7 trillion in the first half of 2021, representing a year-on-year growth of 13.0%, with Shenzhen is the first within the province with a total GDP of RMB1.43 trillion. The per capita disposable income of Guangdong Province was RMB23,000, a year-on-year increase of 13.6%.

In order to grasp the opportunities arising by the market recovery, the Group will continue to upgrade and transform its traditional department store business and strive to build an integrated online and offline retail business channel, improving the customers' shopping experience and capitalising on the new business norms to help drive the growth of its business.

For offline operations, the Group has actively researched the market trends and the customer needs by broadening the range of products and services at its stores. Also, as efforts to optimise and transform its stores, the Group has brought into customers diversified consumption scenarios and provided to customers with choices in one-stop shopping, dining, entertainment, leisure, early-childhood social activities and community services to meet their demand for diverse products and services. The new community retail shopping mall is part of the online ordering and pre-ordering functions, bringing a convenient and comfortable shopping experience to the target customers. The proven business approach has laid a solid foundation for the Group. In the future, the Group will start with the basics to improve the quality of the services. It will also continue to look for opportunities to work with different strategic partners for the purpose of creating synergies that can enhance our business performance.

CHAIRMAN'S STATEMENT

Furthermore, given the growing popularity of online sales and marketing and also driven by the pandemic, the Group will implement digital transformation. Apart from bolstering the online ordering and pre-ordering functions, the Group will optimise the home delivery services as well as explore other online platforms including opening official WeChat accounts and mobile shopping mini programs to promote activities and stimulate consumer enthusiasm. These moves are expected to attract more customers to visit the Group's physical stores, increase the customer patronage and enhance the shopping experience and continue to attract and retain new and old customers.

With COVID-19 and the global economy bringing uncertainties to the market, the Group may reduce the property projects as and when appropriate and focus on the continuous developments of the retail business.

Looking ahead, the Group will consolidate its resources, strengthen the internal management and also adopt prudent business strategies to mitigate the pressure from the slowdown of global economy. At the same time, the Group will continue to focus on the core business and to fully realise product diversification and digitisation of the services, thereby enhance the customers' shopping experiences. The Group will also pay additional attention to the development of and the opportunities in the market, new revenue streams and balanced growth to bring sustainable returns to shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The operating results of the Group for the six months ended 30 June 2021 are presented in three reportable operating segments, namely (a) department store business; (b) property business; and (c) others. The following discussions and analyses are based on the Group as a whole and the operating results of each business segment.

(a) The Group

Revenue of the Group amounted to RMB116.0 million for the six months ended 30 June 2021, representing a decrease of 63.6% as compared to RMB317.9 million for the same period in 2020. The amount of revenue contribution from the department store business for the six months ended 30 June 2021 amounted to RMB116.0 million, while no revenue was contributed from the property business during the same period. For the six months ended 30 June 2020, the revenue contribution from the department store business amounted to RMB135.3 million or 42.5% of the Group's total revenue in the same period, while the revenue contribution from the property business amounted to RMB182.6 million or 57.5% of the Group's total revenue in the same period.

Loss attributable to owners of the Company amounted to RMB215.7 million for the six months ended 30 June 2021, as compared to profit attributable to owners of the Company of RMB21.8 million for the six months ended 30 June 2020.

Analysis on the fluctuations in different segments of the Group is set forth in the following sub-sections.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Department store business segment

Set out below is the segmental information of the Group's department store business for the six months ended 30 June 2021:

	Six months ended 30 June (unaudited)	
	2021 RMB'000	2020 RMB'000
Revenue	115,951	135,317
Other operating revenue	17,402	20,102
Other gains – net	1,523	17,211
Fair value adjustment on investment properties	(70,906)	(66,488)
Purchase of and changes in inventory	(6,516)	(9,751)
Employee benefit expenses	(32,007)	(35,498)
Depreciation and amortisation expenses	(7,635)	(10,375)
Net impairment losses on financial and contract assets	(7,884)	–
Other operating expenses – net	(46,053)	(42,661)
Operating (loss)/profit	(36,125)	7,857
Finance income	5,128	6,182
Finance costs	(35,743)	(39,194)
Finance costs – net	(30,615)	(33,012)
Share of losses of an associate and a joint venture	–	(5)
Loss before income tax	(66,740)	(25,160)
Income tax expenses	(2,056)	(19,127)
Loss for the period	(68,796)	(44,287)

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Since July 2018, the Group's department stores have been upgraded the renovation works for most of the stores have been completed as at 30 June 2021. The Group's major revenue streams have been changed from direct sales and concessionaire sales commission to rental income. Revenue breakdown of the Group's department store business for the six months ended 30 June 2021 and 2020 were as follows:

	Six months ended 30 June		Percentage of department stores' revenue of the Group	
	2021 RMB'000	2020 RMB'000	2021 %	2020 %
Rental income	107,983	102,362	93.1	75.6
Direct sales	6,913	10,121	5.9	7.4
Commission from concessionaire sales	357	311	0.3	0.2
Income from reversal of long-aged unredeemed pre-paid cards and unredeemed awarded credits	698	22,523	0.7	16.8
Total	115,951	135,317	100.0	100.0

As a result of the change in the Group's business and the outbreak of COVID-19, although there were rent-free periods offered to tenants in the amount of RMB8.7 million, as well as early termination and/or breach of certain existing lease agreements, (i) the rental income increased by 5.4% to RMB108.0 million for the six months ended 30 June 2021 from RMB102.4 million for the same period in 2020; (ii) direct sales decreased by 31.7% to RMB6.9 million for the six months ended 30 June 2021 from RMB10.1 million for the same period in 2020; and (iii) commission from concessionaire sales was RMB0.4 million for the six months ended 30 June 2021, as compared to RMB0.3 million for the same period in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Income from reversal of long-aged unredeemed pre-paid cards and membership card reward points decreased to RMB0.7 million for the six months ended 30 June 2021 from RMB22.5 million for the same period in 2020, mainly due to an one-off income of RMB17.2 million recognized as a result of the reversal of long-aged unredeemed awarded credits in 2020.

Other operating revenue

Other operating revenue decreased by 13.5% to RMB17.4 million for the six months ended 30 June 2021 from RMB20.1 million for the same period in 2020.

Other gains – net

Other net gains amounted to RMB1.5 million for the six months ended 30 June 2021, as compared to other net gains of RMB17.2 million for the same period in 2020, primarily due to gain from rent concession and termination of lease of RMB18.0 million in the first half of 2020.

Fair value adjustment on investment properties

Fair value losses on investment properties was RMB70.9 million for the six months ended 30 June 2021, as compared to RMB66.5 million for the same period in 2020.

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB6.5 million for the six months ended 30 June 2021, representing a decrease of 33.7% as compared with RMB9.8 million for the same period in 2020, which is in line with the decrease in direct sales.

Employee benefit expenses

Employee benefit expenses decreased by 9.9% to RMB32.0 million for the six months ended 30 June 2021 from RMB35.5 million in the corresponding period of 2020, primarily due to the restructuring and streamline of labour force resulting from the structural change of the business.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 27.0% to RMB7.6 million for the six months ended 30 June 2021 from RMB10.4 million for the same period in 2020.

Other operating expenses – net

Other operating expenses increased by 7.9% to RMB46.1 million for the six months ended 30 June 2021 from RMB42.7 million for the same period in 2020, primarily due to increase in utilities expenses.

Operating loss

As a result of the reasons mentioned above, the department store business segment's operating loss amounted to RMB36.1 million for the six months ended 30 June 2021, as compared to operating profit of RMB7.9 million in the corresponding period of 2020.

Finance income

Finance income remained stable at RMB5.1 million for the six months ended 30 June 2021 as compared to RMB6.2 million for the same period in 2020.

Finance costs

Finance costs of RMB35.7 million was incurred for the six months ended 30 June 2021 as compared to RMB39.2 million for the same period in 2020.

Income tax expenses

Income tax expenses of RMB2.1 million for the six months ended 30 June 2021, from RMB19.1 million for the six months ended 30 June 2020.

Loss for the period

As a result of the aforementioned, loss attributable to the department store business segment amounted to RMB68.8 million for the six months ended 30 June 2021, as compared to the loss of RMB44.3 million for the same period in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

(c) Property business segment

Set out below is the segmental information of the Group's property business for the six months ended 30 June 2021:

	Six months ended 30 June (unaudited)	
	2021 RMB'000	2020 RMB'000
Revenue	–	182,577
Other losses – net	(115,993)	(22,617)
Employee benefit expenses	(11,729)	(35,089)
Other operating expenses – net	(31)	(196)
Operating (loss)/profit	(127,753)	124,675
Finance income	–	31
Finance costs	(2,630)	(2,864)
Finance costs – net	(2,630)	(2,833)
(Loss)/profit before income tax	(130,383)	121,842
Income tax expenses	–	(39,537)
(Loss)/profit for the period	(130,383)	82,305

Revenue

No revenue generated from the property business for the six months ended 30 June 2021 due to the termination of two property development consultancy agreements with effect from 30 December 2020.

Other losses – net

Other net losses amounted to RMB116.0 million and RMB22.6 million for the six months ended 30 June 2021 and 2020 respectively, mainly representing the fair value losses on listed equity securities at fair value through profit or loss in relation to 1,320,000,000 ordinary shares of TFG International Group Limited (stock code: 00542) held by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee benefit expenses

Employee benefit expenses decreased significantly by 66.7% to RMB11.7 million for the six months ended 30 June 2021 from RMB35.1 million in the same period of 2020, mainly due to the termination of two property development consultancy projects on 30 December 2020.

Finance costs – net

Finance costs represents interest on bank borrowing amounted to RMB2.6 million for the six months ended 30 June 2021 as compared to RMB2.9 million in the same period of 2020.

Income tax expenses

No income tax expenses incurred for the six months ended 30 June 2021 as compared to RMB39.6 million in the same period of 2020 for the Group's property business.

Loss for the period

As a result of the above, loss attributable to the property business segment amounted to RMB130.4 million for the six months ended 30 June 2021, as compared to profit of RMB82.3 million in the same period of 2020.

(d) Others segment

Others represents mainly directors emoluments, staff costs and operating expenses incurred for headquarter or administrative purposes which are not directly attributable to any of the two business segments. Such costs and expenses amounted to RMB16.6 million and RMB16.2 million for the six months ended 30 June 2021 and 2020 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

In view of the loss attributable to owners of the Company for the six months ended 30 June 2021, the Board of Directors of the Company does not recommend any interim dividend for the six months ended 30 June 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group's cash and cash equivalents and bank deposits amounted to RMB111.4 million, representing a decrease of 20.0% from RMB139.2 million as at 31 December 2020. The cash and cash equivalents and bank deposits, which were in RMB and Hong Kong dollars, were deposited with banks in Hong Kong and the PRC for interest income.

BORROWINGS

The Group has long-term and short-term borrowings of RMB301.5 million and RMB100.0 million respectively as at 30 June 2021 (31 December 2020: long-term borrowing of RMB293.2 million and short-term borrowing of RMB78.8 million), mainly representing the secured bank borrowing denominated in RMB secured by the charge of two PRC properties. The gearing ratio, which is calculated by the Group's total borrowings divided by its shareholders equity was 21.1% as at 30 June 2021 (31 December 2020: 17.5%).

NET CURRENT ASSETS AND NET ASSETS

The net current liabilities of the Group as at 30 June 2021 were RMB79.0 million (31 December 2020: net current assets of RMB9.8 million). The net assets of the Group as at 30 June 2021 was RMB1,902.9 million (31 December 2020: RMB2,118.8 million), representing a decrease of 10.2%.



MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The business operations of the Group is primarily in the PRC with most of its transactions settled in RMB. Certain of the Group's cash and bank balances are denominated in Hong Kong dollars and United States dollars. The Company pays dividends in Hong Kong dollars. These exposed the Group to foreign exchange risks arising from the movements in the exchange rate between Hong Kong dollars and RMB. For the six months ended 30 June 2021, the Group recorded a net foreign exchange loss of RMB0.8 million. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the total number of employees of the Group was 337. The Group's remuneration policy is determined with reference to market conditions and the performance, qualifications and experience of individual employees. The Company has also used the key performance indicators assessment system to assess the performance of employees and operational efficiency.

CONTINGENT LIABILITIES

Certain suppliers have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and trademark infringement claim. As at 30 June 2021, these legal proceedings were ongoing. The Group has made an accumulated provision of RMB6.3 million (31 December 2020: RMB6.3 million), which the Directors believe that it is adequate to cover the amounts, if any, payable in respect of these claims.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

There are no material acquisition and disposal of subsidiaries and associated companies during the period under review.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2021

		Unaudited Six months ended 30 June	
	Note	2021 RMB'000	2020 RMB'000
Revenue	6	115,951	317,894
Other operating revenue	7	17,402	20,102
Other losses – net	8	(117,232)	(5,406)
Fair value adjustment on investment properties	14	(70,906)	(66,488)
Purchase of and changes in inventories	9	(6,516)	(9,751)
Employee benefits expenses	9	(47,449)	(76,486)
Depreciation and amortisation expenses	9	(12,044)	(14,784)
Net Impairment losses on financial and contract assets	9	(7,884)	–
Other operating expenses – net	9	(51,657)	(48,131)
Operating (loss)/profit		(180,335)	116,950
Finance income	10	5,132	6,215
Finance costs	10	(38,480)	(42,714)
Finance costs – net	10	(33,348)	(36,499)
Share of losses of an associate and a joint venture		–	(5)
(Loss)/profit before income tax		(213,683)	80,446
Income tax expense	11	(2,056)	(58,664)
(Loss)/profit for the period		(215,739)	21,782
(Loss)/profit attributable to:			
Owners of the Company		(215,721)	21,785
Non-controlling interests		(18)	(3)
(Loss)/profit for the period		(215,739)	21,782
(Loss)/earning per share for the (loss)/profit attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic (loss)/earning per share	13(a)	(0.09)	0.01
– Diluted (loss)/earning per share	13(b)	(0.09)	0.01

The notes on pages 26 to 60 form an integral part of this interim condensed consolidated financial information.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
(Loss)/profit for the period	(215,739)	21,782
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	384	(1,278)
Other comprehensive income for the period	384	(1,278)
Total comprehensive (loss)/income for the period	(215,355)	20,504
Attributable to:		
Owners of the Company	(215,337)	20,507
Non-controlling interests	(18)	(3)
Total comprehensive (loss)/income for the period	(215,355)	20,504

The notes on pages 26 to 60 form an integral part of this interim condensed consolidated financial information.

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2021

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
ASSETS			
Non-current assets			
Investment properties	14	2,572,890	2,601,561
Property, plant and equipment	15	241,353	253,817
Intangible assets	16	6,217	8,204
Investment in an associate and a joint venture		–	739
Deferred income tax assets	17	22,544	19,664
Other receivables and prepayments	19	603,865	712,652
		3,446,869	3,596,637
Current assets			
Inventories		8,879	9,123
Financial assets at fair value through profit or loss	18	142,386	258,285
Trade receivables, other receivables and prepayments	19	322,533	245,287
Restricted bank deposits	20	33,232	32,409
Cash and cash equivalents	21	78,168	106,784
		585,198	651,888
Total assets		4,032,067	4,248,525
EQUITY			
Share capital	22	213,908	213,908
Share premium	22	750,992	751,091
Shares held for share award scheme	22	(214)	(214)
Other reserves		444,012	443,628
Retained profits		482,127	697,848
Equity attributable to the owners of the Company		1,890,825	2,106,261
Non-controlling interests		12,096	12,555
Total equity		1,902,921	2,118,816

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2021

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		975,166	1,011,098
Deferred income tax liabilities	17	214,953	210,017
Borrowings	26	274,853	266,550
		1,464,972	1,487,665
Current liabilities			
Lease liabilities		81,338	86,144
Trade and other payables	24	209,461	186,768
Contract liabilities	25	44,933	60,875
Borrowings	26	126,667	105,503
Income tax payable		201,775	202,754
		664,174	642,044
Total liabilities		2,129,146	2,129,709
Total equity and liabilities		4,032,067	4,248,525

The notes on pages 26 to 60 form an integral part of this interim condensed consolidated financial information.

YANG Ti Wei
Director

HAO Jian Min
Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Unaudited Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme		Other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
			RMB'000	RMB'000					
Balance at 1 January 2021	213,908	751,091	(214)	443,628	697,848	2,106,261	12,555	2,118,816	
Comprehensive income									
Loss for the period	-	-	-	-	(215,721)	(215,721)	(18)	(215,739)	
Other comprehensive income									
Currency translation differences	-	-	-	384	-	384	-	384	
Total comprehensive income	-	-	-	384	(215,721)	(215,337)	(18)	(215,355)	
Transactions with owners									
Transactions with non-controlling interests	-	(99)	-	-	-	(99)	(441)	(540)	
Total transactions with owners	-	(99)	-	-	-	(99)	(441)	(540)	
Balance as at 30 June 2021	213,908	750,992	(214)	444,012	482,127	1,890,825	12,096	1,902,921	
Balance at 1 January 2020	213,908	793,269	(1,171)	427,307	786,837	2,220,150	12,549	2,232,699	
Comprehensive income									
Profit for the period	-	-	-	-	21,785	21,785	(3)	21,782	
Other comprehensive income									
Currency translation differences	-	-	-	(1,278)	-	(1,278)	-	(1,278)	
Total comprehensive income	-	-	-	(1,278)	21,785	20,507	(3)	20,504	
Transactions with owners									
Deregistration of a subsidiary	-	-	-	25	-	25	-	25	
Employee share award schemes:									
- Value of employee services (Note 23)	-	-	-	24	-	24	-	24	
- Vesting of shares (Note 22)	-	(52)	957	(905)	-	-	-	-	
Dividend (Note 12)	-	(35,639)	-	-	-	(35,639)	-	(35,639)	
Appropriation to reserves	-	-	-	11,861	(11,861)	-	-	-	
Total transactions with owners	-	(35,691)	957	11,005	(11,861)	(35,590)	-	(35,590)	
Balance as at 30 June 2020	213,908	757,578	(214)	437,034	796,761	2,205,067	12,546	2,217,613	

The notes on pages 26 to 60 form an integral part of this interim condensed consolidated financial information.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	Unaudited Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Cash flows from operating activities			
Cash generated from operations		52,428	41,600
Income tax paid		(979)	(4,000)
Net cash generated from operating activities		51,449	37,600
Cash flows from investing activities			
Payments for purchases of property, plant and equipment and investment properties		(23,776)	(19,737)
Prepayment for acquisition of a company		(19,110)	(5,630)
Transactions with non-controlling interests		(540)	–
Proceeds from disposals of property, plant and equipment		68	27
Principal elements of finance lease payment received		7,261	5,407
Interest elements of finance lease payment received		4,857	5,627
Increase in restricted bank deposits	20	(823)	(432)
Interest received		496	805
Net cash used in investing activities		(31,567)	(13,933)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	Unaudited Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		117,636	177,629
Repayments of borrowings		(88,169)	(7,466)
Interest paid		(11,970)	(12,691)
Principal elements of lease payments as the lessee		(39,175)	(23,881)
Interest elements of lease payments as the lessee		(26,826)	(30,179)
Net cash (used in)/generated from financing activities		(48,504)	103,412
Net (decrease)/increase in cash and cash equivalents		(28,622)	127,079
Cash and cash equivalents at beginning of period		106,784	62,457
Effect of changes in foreign exchange rate		6	196
Cash and cash equivalents as at 30 June	21	78,168	189,732

The notes on pages 26 to 60 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

1. GENERAL INFORMATION

Shirble Department Store Holdings (China) Limited (the “**Company**”) was incorporated in the Cayman Islands on 5 November 2008 as an exempted company with limited liability under the Companies Law, (Cap. 22) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (together, the “**Group**”) are department store operations, property development and provision of property development consulting services in The People’s Republic of China (the “**PRC**”).

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The interim condensed consolidated financial information has been approved for issue by the Board of Directors on 26 August 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2021 (the “**interim period**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

Going concern

As at 30 June 2021, the Group’s current liabilities exceeded its current assets by RMB79.0 million. The total capital commitments of the Group amounted to RMB464.6 million, mainly relating to acquisition of land and a company (Note 27) which will be delivered in stages in the coming years.

The Directors have reviewed the Group’s cash flow forecasts, covering a period of not less than twelve months from 30 June 2021. The forecasts are prepared based on several assumptions including revenue and operating cost projections, leasing occupancy rate, disposal of asset, internal resources available, banking facilities that have been granted or will be granted, other available sources of financing, and the amount of capital commitments. On this basis, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations, including those capital commitments in the next twelve months from 30 June 2021. Accordingly, the Directors consider that the Group will be able to continue as a going concern and have prepared the interim condensed consolidated financial information on a going concern basis.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements, except for the adoption of amendments to IFRSs effective for the financial year beginning on 1 January 2021.

(a) New and amended standards adopted by the Group

	Effective for annual periods beginning on or after
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform – Phase 2 1 January 2021

Amendments to IFRSs effective for the financial year ending 31 December 2021 do not have a material impact on the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. ACCOUNTING POLICIES (CONTINUED)

(b) Impact of standards issued but not yet applied by the Group

The following new and amended standards that have been issued but not effective for the financial year beginning on 1 January 2021 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to IFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to IAS 37	Cost of fulfilling a contract	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual improvements project	Annual improvements 2018-2020 cycle	1 January 2022
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is yet to assess the impact of the above new standards and amendments to existing standards on the Group's interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020.

There have been no significant changes to risk management policies since year end.

4.2 Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, which is generated from the operating cash flows and financing cash flows.

The table below shows the Group's financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Liquidity risk (Continued)

As at 30 June 2021

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Borrowings (Note 26)	401,520	528,781	150,487	45,298	266,727	66,269
Lease liabilities	1,056,504	1,362,935	124,518	127,843	391,398	719,176
Other financial liabilities	130,462	130,462	130,462	-	-	-
	1,588,486	2,022,178	405,467	173,141	658,125	785,445

As at 31 December 2020

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Borrowings (Note 26)	372,053	512,254	124,495	44,740	271,774	71,244
Lease liabilities	1,097,243	1,392,926	125,027	124,219	376,561	767,119
Other financial liabilities	114,142	114,142	114,142	-	-	-
	1,583,438	2,019,322	363,664	168,959	648,335	838,363



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation

Fair value hierarchy

The table below analyses the Group's assets carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

Fair value hierarchy (Continued)

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 June 2021	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
FVPL				
Unlisted equity securities (Note 18)	-	-	3,994	3,994
Listed equity securities (Note 18)	138,392	-	-	138,392
Investment properties (Note 14)	-	-	2,572,890	2,572,890
	138,392	-	2,576,884	2,715,276

As at 31 December 2020	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
FVPL				
Unlisted equity securities	-	-	4,020	4,020
Listed equity securities	254,265	-	-	254,265
Investment properties	-	-	2,601,561	2,601,561
	254,265	-	2,605,581	2,859,846

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Bank deposits
- Cash and cash equivalents
- Trade and other payables
- Borrowings
- Lease liabilities

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

5. SEGMENT INFORMATION

The chief operating decision-makers are the Board that makes strategic decisions, who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

For management purposes, the Group is organised into business units based on their business operations and has three reportable operating segments as follows:

- Department store business – operation of department stores;
- Property business – property development business and provision of property development consulting services; and
- Others – unallocated items, comprising mainly head office overheads.

The Board assesses the performance of the operating segments based on a measure of net profit. No information regarding segment assets and segment liabilities is provided to the Board.

The Group's revenue and non-current assets are mainly attributable to the market in PRC. No geographical information is therefore presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

5. SEGMENT INFORMATION (CONTINUED)

The segment information is as follows:

	Six months ended 30 June 2021			
	Department store business RMB'000	Property business RMB'000	Others RMB'000	Group RMB'000
Revenue	115,951	-	-	115,951
Timing of revenue recognition				
At a point in time	7,968	-	-	7,968
Over time	107,983	-	-	107,983
Other operating revenue	17,402	-	-	17,402
Other gain/(losses) – net	1,523	(115,993)	(2,762)	(117,232)
Fair value adjustment on investment properties	(70,906)	-	-	(70,906)
Purchase of and changes in inventories	(6,516)	-	-	(6,516)
Employee benefit expenses	(32,007)	(11,729)	(3,713)	(47,449)
Depreciation and amortisation expenses	(7,635)	-	(4,409)	(12,044)
Net Impairment losses on financial and contract assets	(7,884)	-	-	(7,884)
Other operating expenses, net	(46,053)	(31)	(5,573)	(51,657)
Operating losses	(36,125)	(127,753)	(16,457)	(180,335)
Finance income	5,128	-	4	5,132
Finance costs	(35,743)	(2,630)	(107)	(38,480)
Finance costs – net	(30,615)	(2,630)	(103)	(33,348)
Losses before income tax	(66,740)	(130,383)	(16,560)	(213,683)
Income tax expenses	(2,056)	-	-	(2,056)
Losses for the period	(68,796)	(130,383)	(16,560)	(215,739)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

5. SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2020

	Department store business RMB'000	Property business RMB'000	Others RMB'000	Group RMB'000
Revenue	135,317	182,577	–	317,894
Timing of revenue recognition				
At a point in time	32,955	–	–	32,955
Over time	102,362	182,577	–	284,939
Other operating revenue	20,102	–	–	20,102
Other gain/(losses) – net	17,211	(22,617)	–	(5,406)
Fair value adjustment on investment properties	(66,488)	–	–	(66,488)
Purchase of and changes in inventories	(9,751)	–	–	(9,751)
Employee benefit expenses	(35,498)	(35,089)	(5,899)	(76,486)
Depreciation and amortisation expenses	(10,375)	–	(4,409)	(14,784)
Other operating expenses, net	(42,661)	(196)	(5,274)	(48,131)
Operating profit/(loss)	7,857	124,675	(15,582)	116,950
Finance income	6,182	31	2	6,215
Finance costs	(39,194)	(2,864)	(656)	(42,714)
Finance costs – net	(33,012)	(2,833)	(654)	(36,499)
Share of losses of an associate and a joint venture	(5)	–	–	(5)
Profit/(loss) before income tax	(25,160)	121,842	(16,236)	80,446
Income tax expenses	(19,127)	(39,537)	–	(58,664)
Profit/(loss) for the period	(44,287)	82,305	(16,236)	21,782

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

6. REVENUE

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Rental income	107,983	102,362
Direct sales	6,913	10,121
Commission from concessionaire sales	357	311
Income from reversal of long-aged unredeemed prepaid cards and unredeemed awarded credits (b)	698	22,523
Property development consulting service income (Note (a), 28(a)(ii))	–	182,577
	115,951	317,894

- (a) In April 2019, the Group entered into consultancy agreements (the “**Original Consultancy Agreements**”) with Shenzhen Shengrunfeng Investment & Development Co., Ltd (“**SRF**”) and Shenzhen Hexinglong Industrial Co., Ltd (“**HXL**”) to provide property development consulting services. SRF and HXL are ultimately controlled by the controlling shareholder of the Group. The consulting services included but not limited to project development and strategic advisory services for the establishment of a project team, as well as systematic analysis and consulting services for the full-cycle development, financial and capital management of two property projects in Shenzhen.

On 30 December 2020, the Group entered into two termination agreements (the “**Termination Agreements**”) with SRF and HXL for the purpose of terminating the property development consulting services effective from 30 December 2020 (the “**Termination Date**”). The service fees and the related expenses payable to the Group of RMB447.9 million for the period from 8 April 2019 up to 30 December 2020 will continue to be payable by SRF and HXL pursuant to the terms of the Termination Agreements. As of 30 June 2021, RMB35.9 million have been received from SRF and HXL, and the remaining RMB412.0 million was included in amounts due from related companies (Note 28(b)).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

6. REVENUE (CONTINUED)

Effective from the Termination Date, each of the Group, SRF and HXL will be released from their respective obligations under the Original Consultancy Agreements. The Group will not be required to provide consulting services to SRF and HXL, and SRF and HXL will be under no obligation to pay any additional service fee (other than the service fee accrued and payable before the Termination Date) to the Group after the Termination Date.

- (b) As at 30 June 2021, the Group reviewed the aging of the unredeemed prepaid cards and the unredeemed awarded credits and revised the balance aging over five years amounting to RMB698,000 (2020: RMB22,523,000).

7. OTHER OPERATING REVENUE

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Promotion, administration and management income	15,522	18,662
Credit card handling fees for concessionaire sales	970	603
Government grant	910	837
	17,402	20,102

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

8. OTHER LOSSES – NET

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Deposit forfeited for terminated of leasing agreement	2,193	–
Fair value change on financial assets at FVPL (Note 18)	(115,873)	(22,533)
Loss on disposal of property, plant and equipment	(2,715)	(507)
Gain from rent concession (a)	–	9,401
Gain from termination of lease (b)	–	8,638
Accrual of legal claims (Note 29)	–	(1,798)
Others	(837)	1,393
	(117,232)	(5,406)

- (a) Certain lessors agreed to offer rent concession to the Group, without changing the lease contracts, due to the outbreak of COVID-19. The Group recognised a gain of RMB9,401,000 of such rent concession for the period ended 30 June 2020 with a corresponding reduction in the lease liabilities.
- (b) For the period ended 30 June 2020, the Group has agreed with the lessor and the tenants of Hongling Store on early termination of the related lease contracts as a result of the closure of Hongling Store. A net gain of RMB8,638,000 was recognised resulting from the derecognition of related right-of-use assets and lease liabilities as the lessee as well as the derecognition of related finance lease receivables as the lessor.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

9. EXPENSES BY NATURE

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Employee benefits expenses	47,449	76,486
Utilities	28,566	26,084
Depreciation and amortisation expenses (Notes 15 and 16)	12,044	14,784
Net Impairment losses on financial and contract assets	7,884	–
Purchase of and changes in inventories	6,516	9,751
Other tax expense	4,509	4,121
Business travel expenses	3,874	4,030
Cleaning fee	1,973	1,799
Net Impairment loss on Investment in an associate	739	–
Fee received by auditor for other professional service	600	650
Other expenses	11,396	11,447
	125,550	149,152

10. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Finance income		
Interest income from finance leases	4,857	5,627
Interest income from bank deposits	275	588
	5,132	6,215
Finance costs		
Interest expenses on operating leases as the lessee	(26,826)	(30,179)
Interest expenses on bank loans	(11,654)	(12,535)
	(38,480)	(42,714)
Finance costs – net	(33,348)	(36,499)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

11. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Current income tax		
– PRC corporate income tax	–	45,054
Deferred income tax (Note 17)	2,056	13,610
	2,056	58,664

- (a) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (b) Hong Kong profits tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the period. Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.
- (c) The applicable income tax rate is 25% (2020: 25%) for the Group's subsidiaries generally. Certain of the Company's PRC subsidiaries are entitled to small and micro entity tax credit, which enjoys the 20% tax rate and a 50% deduction of taxable income.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

12. DIVIDENDS

Pursuant to the resolutions passed by the Board of Directors of the Company held on 20 August 2020, an interim dividend of HK\$0.0029 (equivalent to approximately RMB0.0026) per share, amounting to HK\$7,235,500 (equivalent to approximately RMB6,487,000) out of the share premium account for the six months ended 30 June 2020 was approved and paid by the Company.

In view of the loss attributable to owners of the Company for the year ended 31 December 2020 and for the six months ended 30 June 2021, the Board does not recommend any final dividend and interim dividend for the year ended 31 December 2020 and for the six months ended 30 June 2021.

13. (LOSS)/EARNING PER SHARE

(a) Basic

Basic (loss)/earning per share is calculated by dividing the (loss)/earning attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. The repurchases of the Company's own ordinary shares was reflected in the weighted average number of ordinary shares in issue from the date shares were repurchased.

	Six months ended 30 June	
	2021	2020
(Loss)/profit attributable to owners of the Company (in RMB thousands)	(215,721)	21,785
Weighted average number of ordinary shares in issue (thousands)	2,494,429	2,494,429
Basic (loss)/earning per share (RMB per share)	(0.09)	0.01

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

13. (LOSS)/EARNING PER SHARE (CONTINUED)

(b) Diluted

The awarded shares granted by the Company have potential dilutive effect on the (loss)/earning per share. Diluted (loss)/earning per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from awarded shares granted by the Company. No adjustment is made to earnings (numerator).

	Six months ended 30 June	
	2021	2020
(Loss)/earning (in RMB thousands)		
(Loss)/profit attributable to owners of the Company	(215,721)	21,785
Weighted average number of ordinary shares (thousands)		
Weighted average number of ordinary shares in issue	2,494,429	2,494,429
Adjustments for awarded shares	–	–
Weighted average number of ordinary shares for diluted (loss)/earning per share	2,494,429	2,494,429
Diluted (loss)/earning per share (RMB per share)	(0.09)	0.01

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

14. INVESTMENT PROPERTIES

	Land and buildings RMB'000	Right-of- use assets RMB'000	Total RMB'000
Six months ended 30 June 2021			
As at 1 January 2021	1,135,549	1,466,012	2,601,561
Capitalised subsequent expenditure	3,441	38,794	42,235
Net losses from fair value adjustment	–	(70,906)	(70,906)
As at 30 June 2021	1,138,990	1,433,900	2,572,890
Six months ended 30 June 2020			
As at 1 January 2020	1,135,250	1,571,100	2,706,350
Capitalised subsequent expenditure	29,468	9,115	38,583
Net losses from fair value adjustment	(19,018)	(47,470)	(66,488)
As at 30 June 2020	1,145,700	1,532,745	2,678,445

As at 30 June 2021, the Group had no unprovided contractual obligations for future repairs and maintenance (31 December 2020: Nil).

The fair value of the Group's investment properties falls under level 3 (Note 4.3) in the fair value hierarchy.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

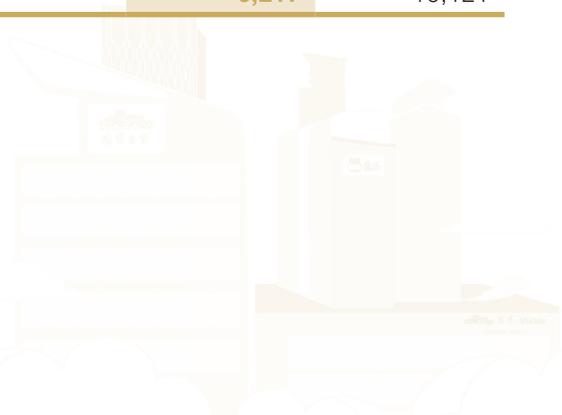
For the six months ended 30 June 2021

15. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment RMB'000	Right-of- use assets RMB'000	Total RMB'000
Six months ended 30 June 2021			
As at 1 January 2021	244,775	9,042	253,817
Additions	1,939	–	1,939
Disposals	(2,876)	(1,470)	(4,346)
Depreciation charge (Note 9)	(4,188)	(5,869)	(10,057)
As at 30 June 2021	239,650	1,703	241,353
Six months ended 30 June 2020			
As at 1 January 2020	251,655	51,731	303,386
Additions	2,651	–	2,651
Disposals	(534)	(28,740)	(29,274)
Depreciation charge (Note 9)	(4,602)	(8,080)	(12,682)
As at 30 June 2020	249,170	14,911	264,081

16. INTANGIBLE ASSETS

	As at 30 June	
	2021 RMB'000	2020 RMB'000
As at 1 January	8,204	12,223
Amortisation charge (Note 9)	(1,987)	(2,102)
As at 30 June	6,217	10,121



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

17. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The balances shown in the consolidated balance sheet are, after appropriate offsetting, as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Deferred income tax assets	22,544	19,664
Deferred income tax liabilities	(214,953)	(210,017)
Net deferred income tax liabilities	(192,409)	(190,353)

The movement on net deferred income tax account is as follows:

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
As at 1 January	(190,353)	(207,392)
Charged to profit or loss (Note 11)	(2,056)	(13,610)
As at 30 June	(192,409)	(221,002)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unlisted equity securities RMB'000	Listed equity securities RMB'000	Total RMB'000
Six months ended 30 June 2021			
As at 1 January 2021	4,020	254,265	258,285
Fair value change recognised in profit or loss (Note 8)	-	(115,873)	(115,873)
Currency translation difference	(26)	-	(26)
As at 30 June 2021	3,994	138,392	142,386
Six months ended 30 June 2020			
As at 1 January 2020	4,288	318,372	322,660
Fair value change recognised in profit or loss (Note 8)	84	(22,617)	(22,533)
As at 30 June 2020	4,372	295,755	300,127



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

19. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2021		
	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables (a)	2,937	–	2,937
Amounts due from related parties (Note 28(b))	94,236	317,746	411,982
Receivables from operating leases (b)	39,766	77,635	117,401
Receivables from finance leases	22,112	126,852	148,964
Interest receivables	74	–	74
Receivable from a trustee for the share purchase for the employees' share award scheme (c)	200	–	200
Lease deposits	7,935	16,601	24,536
Other receivables	35,085	–	35,085
	202,345	538,834	741,179
Less: provision for impairment loss allowance	(47,661)	–	(47,661)
Financial assets at amortised cost	154,684	538,834	693,518
Prepayments	167,849	65,031	232,880
Total trade and other receivables	322,533	603,865	926,398

	As at 31 December 2020		
	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables (a)	1,716	–	1,716
Amounts due from related parties (Note 28(b))	20,000	418,092	438,092
Receivables from operating leases (b)	53,526	57,315	110,841
Receivables from finance leases	20,994	134,655	155,649
Interest receivables	296	–	296
Receivable from a trustee for the share purchase for the employees' share award scheme (c)	53	–	53
Lease deposits	9,217	17,003	26,220
Other receivables	35,099	–	35,099
	140,901	627,065	767,966
Less: provision for impairment loss allowance	(39,777)	–	(39,777)
Financial assets at amortised cost	101,124	627,065	728,189
Prepayments	144,163	85,587	229,750
Total trade and other receivables	245,287	712,652	957,939

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

19. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade receivables

The trade receivables are receivables of sales from corporate customers.

The aging analysis of the trade receivables of the Group based on invoice date is as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
0 – 30 days	2,937	1,716

All trade receivables are denominated in RMB and their carrying amounts approximate their fair values as at 30 June 2021.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

19. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

- (b) Right-of-use assets for property leases which had been subleased out under operating leases were recognised as receivables from operating leases, including the accrual on rental income based on the straight-line method.

The aging analysis of receivables from operating leases of the Group based on invoice date were as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Current	75,564	66,164
0 – 30 days	5,058	4,637
31 – 90 days	7,056	8,083
91 – 365 days	20,359	26,394
More than 365 days	9,364	5,563
	117,401	110,841

- (c) This receivable represented the Group's cash paid to an independent trustee for the purchase of the award shares for the employees' share award scheme.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

20. RESTRICTED BANK DEPOSITS

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Bank deposits with initial terms of over three months (a)	20,495	20,132
Restricted cash (b)	12,737	12,277
	33,232	32,409

- (a) As the issuer of the prepaid cards, the Group should have restricted deposits proportionate to the prepaid cards issued in a certain bank, which is required by the PRC regulator. The balance of restricted deposits for prepaid cards was RMB20,495,000 as at 30 June 2021 (31 December 2020: RMB20,132,000).
- (b) Certain bank deposits were restricted to be used by the Group due to the legal cases as disclosed in note 29.

21. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Cash and cash equivalents	78,168	106,784



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

22. SHARE CAPITAL, SHARE PREMIUM AND SHARES HELD FOR SHARE AWARD SCHEME

	Number of ordinary shares (thousand)	Ordinary share capital RMB'000	Share premium RMB'000 (a)	Shares held for share award scheme RMB'000 (b)	Total RMB'000
As at 1 January 2021 and at 30 June 2021	2,495,000	213,908	751,091	(214)	964,785
As at 1 January 2020	2,495,000	213,908	793,269	(1,171)	1,006,006
Employee's share award scheme					
– shares vested from share award scheme and transferred to the grantees (Note 23)	–	–	(52)	957	905
Dividend (Note 12)	–	–	(35,639)	–	(35,639)
As at 30 June 2020	2,495,000	213,908	757,578	(214)	971,272

- (a) The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) Shares held for share award scheme represented the award shares purchased for purpose of the share award scheme adopted by the Company (Note 23).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

23. SHARE-BASED PAYMENTS

The Company adopted an employee's share award scheme ("**Share Award Scheme**") on 22 January 2014 ("**Adoption Date**") in order to recognise and reward the eligible employees for their contributions to the business and development of the Group. The maximum numbers of the award shares ("**Award Shares**") which may be granted under the Share Award Scheme and to any participant are 49,900,000 shares and 2,495,000 shares respectively. The participants of the Share Award Scheme will be granted an award in the form of Award Shares for nil consideration. Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The Share Award Scheme is managed by an independent trustee ("**Trustee**") appointed by the Group. The Trustee purchases the award shares under the direction of the Company for the purpose of the Share Award Scheme.

Movement of shares held for share award scheme for the six months ended 30 June 2021 are as follows:

	Number of Shares (thousand)	Amount RMB'000
As at 1 January 2021	389	266
Vesting of Award Shares	–	–
As at 30 June 2021	389	266

The Award Shares were divided into 3 tranches on an equal basis as at their grant date. The first tranche can be exercised upon one year from the grant date, and the remaining tranches will become exercisable in each subsequent year. The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date, which is to be expensed over the vesting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

23. SHARE-BASED PAYMENTS (CONTINUED)

The amounts of share-based compensation recognised as expenses with a corresponding credit to reserves of the Group during the period are as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Employees (excluding directors)	–	24
Directors	–	–
Total employees benefit expenses	–	24

24. TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
Lease deposits	88,954	84,076
Other tax payables	56,470	43,962
Accrued wages and salaries	10,060	15,453
Accrual for legal claims (Note 29)	6,311	6,311
Trade payables (a)	1,507	1,346
Amount due to a related party (Note 28(b)(ii))	231	221
Other payables and accruals	45,928	35,399
	209,461	186,768

All trade and other payables are denominated in RMB and their fair values approximate their carrying amounts as at the balance sheet date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

24. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) The aging analysis of the trade payables of the Group based on invoice date is as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
0 – 30 days	1,507	1,346

25. CONTRACT LIABILITIES

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Advances received from customers (a)	41,302	57,029
Deferred income (b)	3,631	3,846
	44,933	60,875

- (a) The amount mainly represented cash received for prepaid cards sold.
- (b) The amount mainly represented the carrying amount of unredeemed awarded credits.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

26. BORROWINGS

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Non-current		
Secured long-term bank borrowings (a)	274,853	266,550
Current		
Current portion of secured long-term bank borrowings (a)	26,667	26,667
Secured short-term borrowing (b)	100,000	–
Unsecured short-term borrowings (c)	–	78,836
	126,667	105,503
	401,520	372,053

- (a) The Group's long-term bank borrowings were denominated in RMB and secured by certain buildings at the fair value of RMB625,300,000. During the six months ended 30 June 2021, the weighted average effective interest rate was 6.51% (2020: 6.54%) per annum.
- (b) As at 30 June 2021, the secured short-term borrowing was denominated in RMB, secured by certain building at the fair value of RMB449,100,000 and was repayable within one year. During the six months ended 30 June 2021, the weighted average effective interest rate was 3.30% per annum.
- (c) As at 31 December 2020, the unsecured short-term borrowing was denominated in RMB, and was repayable within one year. During the year ended 31 December 2020, the weighted average effective interest rate was 6.50% per annum.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

27. CAPITAL COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not yet incurred is as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Purchases of property, plant and equipment	14,254	24,535
Acquisition of land	189,650	189,650
Acquisition of a company	260,710	279,820
	464,614	494,005

28. RELATED PARTY TRANSACTIONS

The Group is controlled by Shirble Department Store Limited (incorporated in the BVI), which owns 55.41% of the shares in the Company. The ultimate parent of the Group is Xiang Rong Investment Limited (incorporated in the BVI). The ultimate controlling party of the Group is Ms. Huang Xue Rong (as administrator of the estate of Mr. Yang Xiangbo).

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

Name	Relationship
Shenzhen Ruizhuo Investment Development Company Limited ("Ruizhuo Investment")	Owned in equal shares by Mr. Yang Ti Wei's cousins
Luhe County Shirble Inn ("Shirble Inn")	Controlled by Mr. Yang Ti Wei
Lufeng Haige Restaurant Co., Ltd ("Lufeng Haige")	Wholly-owned by Shirble Inn, which is in turn ultimately controlled by Mr. Yang Ti Wei
Shenzhen Shengrunfeng Investment & Development Co., Ltd ("SRF")	Ultimately controlled by Mr. Yang Ti Wei
Shenzhen Hexinglong Industrial Co., Ltd ("HXL")	Ultimately controlled by Mr. Yang Ti Wei

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

28. RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions were carried out with related parties:

(a) Transactions with related parties

(i) Rental expenses to related parties

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Ruizhuo Investment	10	10

The Group entered into lease agreements in respect of certain leasehold properties with related parties of the Group for their use as a retail shops, a training centre and employee dormitories.

(ii) Property development consulting services to related parties (Note 6(a))

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
SRF	–	153,913
HXL	–	28,664
	–	182,577

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

(i) Amounts due from related parties

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
SRF	411,982	421,228
HXL	–	16,864
	411,982	438,092

(ii) Amounts due to a related party

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Ruizhuo Investment	231	221

The outstanding balances with these related parties are unsecured, interest-free and repayable on demand.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties (Continued)

(iii) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Basic salaries and allowances	19,571	18,864
Half year-end bonuses	300	2,371
Contributions to the retirement scheme	23	32
	19,894	21,267

29. CONTINGENT LIABILITIES

Certain suppliers have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and trademark infringement claim. As at 30 June 2021, the legal proceedings were ongoing. The Group has made an accumulated provision of approximately RMB6,312,000 (31 December 2020: RMB6,312,000), which the directors believe is adequate to cover the amounts, if any, payable in respect of these claims.

OTHER INFORMATION

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2021, the Company has complied with the principles and the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) except for the following deviation from Code Provision A.2.1.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period, Mr. YANG Ti Wei took the roles of both Co-Chairman and Chief Executive officer. The Board believes that vesting the roles of both Co-Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient on overall strategic planning for the Group. In addition, Mr. HAO Jian Min, as the Co-Chairman of the Board, shares the role and responsibilities as chairman of the Board with Mr. YANG Ti Wei. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a sufficient number thereof being Independent Non-executive Directors.

The internal audit department has reported its findings and work plan to the Audit Committee twice a year, and the Board and the Audit Committee then reviewed and refined the Group’s material controls, including financial, operational and compliance controls and risk management functions.

The Board, together with the Audit Committee, have also assessed the adequacy of resources, qualifications and experience of the staff of the Company’s accounting and financial reporting and internal audit functions, and their training programs and budget.

The enhancement of the internal control measures will continue to be monitored by the internal audit department and the chief executive officer of the Group. The internal audit department will continue to conduct periodic review on the internal controls of the Group and report their findings to the Audit Committee and the Board.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors’ securities transactions. Having made specific enquiries of all the Directors, the Company confirmed that they have complied with the Model Code during the six months ended 30 June 2021.

AUDIT COMMITTEE

As of the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. TSANG Wah Kwong (Chairman), Mr. CHEN Fengliang and Mr. JIANG Hongkai. The Audit Committee has been established to review the financial reporting process and evaluate the effectiveness of internal control procedures (including financial, operational and compliance controls and risk management functions) of the Group.

During the six months ended 30 June 2021, the Audit Committee held one meeting with the management and the auditor of the Company on the auditing, internal controls and financial reporting matters of the Group, and reviewed the Group’s internal controls and the annual results for the year ended 31 December 2020.

REVIEW OF THE INTERIM RESULTS

The Group’s unaudited interim results for the six months ended 30 June 2021 have not been audited by the external auditor but have been reviewed by the Audit Committee.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2021, the interests and short positions of the Directors in the shares, the underlying shares or debentures of the Company or any of the associated corporations of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long positions in the shares of the Company

Name of directors	Nature of interests/capacity	Number of shares held	Percentage of the Company's issued share capital
Ms. HUANG Xue Rong	Beneficial owner	8,324,000	0.33%
	Interest in a controlled corporation (Note 1)	1,374,167,500	55.08%
Mr. HAO Jian Min	Beneficial owner	374,250,000	15.00%
Mr. YANG Ti Wei	Beneficial owner	2,490,000	0.09%

Note:

- (1) The 1,374,167,500 shares of the Company were held by Shirble Department Store Limited (“Shirble BVI”), which was wholly owned by Xiang Rong Investment Limited (“Xiang Rong Investment”), which was in turn wholly owned by Ms. HUANG Xue Rong, as administrator of the estate of Mr. YANG Xiangbo. According to the SFO, both of Ms. HUANG Xue Rong and Xiang Rong Investment were deemed to have interests in the 1,374,167,500 shares held by Shirble BVI.

OTHER INFORMATION

(b) Long positions in the shares of associated corporations

Name of director	Name of associated corporations	Nature of interests/capacity	Number of shares held	Percentage of the issued share capital of the associated corporation
Ms. HUANG Xue Rong (as administrator of the estate of Mr. YANG Xiangbo)	Shirble BVI	Interest in a controlled corporation	50,000	100%
	Xiang Rong Investment	Beneficial owner	100	100%

Save as disclosed above, as of 30 June 2021, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the shares, the underlying share and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2021, the following persons (other than a Director or chief executive of the Company), had interests or short positions in the shares or underlying shares of the Company, as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Long positions in the shares of the Company

Name of substantial shareholders	Nature of interests/capacity	Number of shares held	Percentage of the Company's issued share capital
Shirble BVI	Beneficial owner (Note 1)	1,374,167,500	55.08%
Xiang Rong Investment	Interest in a controlled corporation (Note 1)	1,374,167,500	55.08%
SU Chen	Interest of spouse (Note 2)	374,250,000	15.00%

Notes:

- (1) The 1,374,167,500 shares of the Company were held by Shirble BVI, which was wholly owned by Xiang Rong Investment, which was in turn wholly owned by Ms. HUANG Xue Rong, as administrator of the estate of Mr. YANG Xiangbo. According to the SFO, both of Ms. HUANG Xue Rong and Xiang Rong Investment were deemed to have interests in the 1,374,167,500 shares held by Shirble BVI.
- (2) The 374,250,000 shares of the Company were held by Mr. HAO Jian Min. Ms. SU Chen (being the spouse of Mr. HAO Jian Min) was deemed, under the SFO, to have an interest in shares which Mr. HAO Jian Min was interested in.

Save as disclosed above, as of 30 June 2021, the Directors were not aware of any other person (other than a Director or chief executive of the Company) or corporation who had any interests or short positions in the shares and the underlying shares of the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

OTHER INFORMATION

EMPLOYEES' SHARE AWARD SCHEME

The Company adopted an employees' share award scheme ("**Employees' Share Award Scheme**") on 22 January 2014 (the "**Adoption Date**"). The purpose of the Employees' Share Award Scheme is to recognise and reward eligible employees for their contributions to the business and development of the Group, provide incentives to eligible employees for their satisfactory performance, and align the interest of the eligible employees with the interest of the Group through the grant of the award. As approved by the Board under the Employees' Share Award Scheme, the grant shares and the related income will be vested to the relevant employees during a period of three years commencing from the first anniversary of the dates of grant in the percentages of 33.3%, 33.3% and 33.4%, respectively. Since the Adoption Date and up to 30 June 2021, an aggregate of 35,807,200 shares of the Company have been granted to 129 eligible employees and fully vested. During the six months ended 30 June 2021, no shares of the Company have been granted, vested or lapsed under the Employees' Share Award Scheme.

Save as disclosed above, no share option scheme had been adopted by the Company during the six months ended 30 June 2021.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the Rule 13.51B(1) of the Listing Rules, the changes in Directors' information are as follows:

- (1) Mr. TSANG Wah Kwong was appointed as an independent non-executive Director, the chairperson of the audit committee of the Company and a member of each of the nomination committee and remuneration committee of the Company with effect from 30 March 2021.
- (2) Mr. FOK Hei Yu was resigned to act as an independent non-executive Director, the chairperson of the audit committee of the Company and a member of each of the nomination committee and remuneration committee of the Company with effect from 30 March 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2021.

CORPORATE INFORMATION

DIRECTORS

Executive Directors:

YANG Ti Wei (*Co-Chairman and Chief Executive officer*)
HAO Jian Min (*Co-Chairman*)

Non-executive Director:

HUANG Xue Rong

Independent non-executive Directors:

CHEN Fengliang
JIANG Hongkai
TSANG Wah Kwong (*Appointed on 30 March 2021*)
FOK Hei Yu (*Resigned on 30 March 2021*)

AUDIT COMMITTEE OF THE BOARD

TSANG Wah Kwong (*Chairperson*)
(*Appointed on 30 March 2021*)
CHEN Fengliang
JIANG Hongkai
FOK Hei Yu (*Resigned on 30 March 2021*)

REMUNERATION COMMITTEE OF THE BOARD

CHEN Fengliang (*Chairperson*)
YANG Ti Wei
JIANG Hongkai
TSANG Wah Kwong (*Appointed on 30 March 2021*)
FOK Hei Yu (*Resigned on 30 March 2021*)

NOMINATION COMMITTEE OF THE BOARD

JIANG Hongkai (*Chairperson*)
YANG Ti Wei
TSANG Wah Kwong (*Appointed on 30 March 2021*)
FOK Hei Yu (*Resigned on 30 March 2021*)

COMPANY SECRETARY

HON Yin Wah, CPA
(Appointed on 1 July 2021)
CHAN Chore Man, Germaine, CPA
(Resigned on 30 June 2021)

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PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest
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Industrial and Commercial Bank of China
PingAn Bank
China Merchants Bank
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Hang Seng Bank Limited

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