Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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: 00312)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The following sets forth a summary of the unaudited condensed consolidated results of the Group for the 1H2026:

– Revenue amounted to RMB92.5 million, representing a slight decrease of 0.5%, as compared to RMB93.0 million for the 1H2025;

– Operating profit amounted to RMB17.4 million, representing a decrease of 41.6%, as compared to RMB29.8 million for the 1H2025;

– Loss attributable to owners of the Company amounted to RMB3.3 million, as compared to RMB3.0 million for the 1H2025;

– Basic loss per share amounted to RMB0.001 for both of 1H2026 and 1H2025; and

– Net asset value per share as of both 30 June 2026 and 31 December 2025 was RMB0.26.

The Board does not recommend any interim dividend for the 1H2026.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Shirble Department Store Holdings (China) Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") hereby announces the unaudited condensed consolidated results of the Company for the six months ended 30 June 2026 (the "**1H2026**"), together with the comparative figures for the six months ended 30 June 2025 (the "**1H2025**").

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
	Note	**2026** *RMB'000*	2025 *RMB'000*
		(unaudited)	(unaudited)
Revenue	*5*	**92,498**	93,021
Other operating revenue	*6*	**18,690**	15,576
Other gains – net	*7*	**3,027**	28,143
Fair value losses on investment properties	*13*	**(38,508)**	(41,485)
Purchase of and changes in inventories	*8*	**(4,820)**	(4,178)
Employee benefit expenses	*8*	**(15,586)**	(14,873)
Depreciation and amortisation expenses	*8*	**(477)**	(1,781)
Net reversal/(impairment loss) on financial assets	*8*	**3,939**	(3,198)
Other operating expenses – net	*8*	**(41,335)**	(41,409)
Operating profit		**17,428**	29,816
Finance income	*9*	**1,403**	3,213
Finance costs	*9*	**(19,566)**	(31,846)
Finance costs – net	*9*	**(18,163)**	(28,633)
(Loss)/profit before income tax		**(735)**	1,183
Income tax expenses	*10*	**(2,524)**	(4,194)
Loss for the period		**(3,259)**	(3,011)
Loss per share for the loss attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic and diluted	*11*	**(0.001)**	(0.001)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period	**(3,259)**	(3,011)
Other comprehensive income:		
Item that may be reclassified to profit or loss:		
Currency translation differences	**2,672**	1,081
Other comprehensive income for the period	**2,672**	1,081
Total comprehensive loss for the period	**(587)**	(1,930)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
ASSETS			
Non-current assets			
Investment properties	*13*	**1,391,502**	1,437,602
Property, plant and equipment	*14*	**14,868**	18,063
Intangible assets		**533**	124
Deferred income tax assets		**7,592**	5,629
Trade receivables, other receivables and prepayments	*15*	**58,486**	57,787
		1,472,981	1,519,205
Current assets			
Inventories		**2,462**	2,475
Trade receivables, other receivables and prepayments	*15*	**20,813**	16,243
Deferred income tax assets		**362**	863
Restricted bank deposits		**8,671**	17,583
Cash and cash equivalents		**33,601**	16,477
		65,909	53,641
Total assets		**1,538,890**	1,572,846
EQUITY			
Share capital		**213,908**	213,908
Share premium		**750,992**	750,992
Other reserves		**461,343**	458,671
Accumulated losses		**(770,723)**	(767,464)
Total equity		**655,520**	656,107

	Note	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**305,800**	338,803
Deferred income tax liabilities		**85,958**	81,976
Borrowings	*18*	**198,707**	212,000
		590,465	632,779
Current liabilities			
Lease liabilities		**64,694**	61,998
Trade and other payables	*16*	**99,591**	90,890
Contract liabilities	*17*	**8,346**	12,971
Borrowings	*18*	**81,627**	78,667
Income tax payable		**38,647**	39,434
		292,905	283,960
Total liabilities		**883,370**	916,739
Total equity and liabilities		**1,538,890**	1,572,846

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

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 Group are department store operations in The People's Republic of China (the "**PRC**").

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2026 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 2025, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Going concern basis

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB227.0 million. The Group had a total of RMB280.3 million in bank borrowings, of which RMB81.6 million was current.

The above indicated the existence of a material uncertainty which might cast a doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing in the assessment of whether the Group will have sufficient financial resources to fulfil its financial obligations for the next twelve months. The plans and measures that have been taken to mitigate the liquidity pressure and to improve its financial position include but not limited to those described below.

(i) The Group will continue to implement plans and measures to improve the operation performance of the department store business to generate operating cash inflow.

(ii) The Group will continue to secure new banking facilities to provide further funding for the Group's operation, as and when needed. The Directors believe that the Group will be able to obtain new banking facilities with the Group's assets to be pledged as security. The Group will also consider to further dispose of other assets to generate more cash inflows, as and when needed.

The Directors have reviewed the Group's cash flow projections, which cover not less than twelve months from 30 June 2026. In the opinion of the Directors, in light of the above plans and measures and the anticipated cash flows to be generated from the Group's operations, the Group will have sufficient financial resources to satisfy its future working capital requirements in the coming twelve months from 30 June 2026. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, such as:

(i) successful implementation of the plans and measures to improve the operation performance of the department store business to generate sufficient operating cash inflow; and

(ii) successful in obtaining new banking facilities and/or generating cash inflow from disposals of the Group's assets, as and when needed.

Should the Group be unable to achieve the above plans and measures such that it would not continue to be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to recognize further financial liabilities which might arise with higher interest rate, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. Such adjustments have not been reflected in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements, except for the adoption of amendments to IFRS Accounting Standard effective for the financial year beginning on 1 January 2026.

(a) Amended standards adopted by the Group

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – Dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

Amendments to IFRS Accounting standard effective for the financial year ending 31 December 2026 do not have a material impact on the Group.

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

The following new standards and amendments to existing standards that have been issued but not effective for the six months ended 30 June 2026 and have not been early adopted:

		Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19	Subsidiaries without public Accountability: Disclosure	1 January 2027

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.

4. SEGMENT INFORMATION

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

- Department store business – operation of department stores; and
- Others – property business and 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 from the market in PRC. No geographical information is therefore presented.

The segment information is as follows:

	Six months ended 30 June 2026		
	Department store business	**Others**	**Group**
	RMB'000	***RMB'000***	***RMB'000***
Revenue	**92,498**	**–**	**92,498**
Revenue from contracts with customers			
At a point in time	**5,194**	**–**	**5,194**
Revenue from other sources			
Rental income	**87,304**	**–**	**87,304**
Other operating revenue	**18,690**	**–**	**18,690**
Other gains – net	**1,994**	**1,033**	**3,027**
Fair value losses on investment properties	**(38,508)**	**–**	**(38,508)**
Purchase of and changes in inventories	**(4,820)**	**–**	**(4,820)**
Employee benefit expenses	**(13,499)**	**(2,087)**	**(15,586)**
Depreciation and amortisation expenses	**(477)**	**–**	**(477)**
Net reversal of impairment loss on financial assets	**3,939**	**–**	**3,939**
Other operating expenses, net	**(36,021)**	**(5,314)**	**(41,335)**
Operating profit/(loss)	**23,796**	**(6,368)**	**17,428**
Finance income	**1,339**	**64**	**1,403**
Finance costs	**(19,563)**	**(3)**	**(19,566)**
Finance costs – net	**(18,224)**	**61**	**(18,163)**
Profit/(loss) before income tax	**5,572**	**(6,307)**	**(735)**
Income tax expense	**(2,524)**	**–**	**(2,524)**
Profit/(loss) for the period	**3,048**	**(6,307)**	**(3,259)**

	Six months ended 30 June 2025		
	Department store business	Others	Group
	RMB'000	*RMB'000*	*RMB'000*
Revenue	93,021	–	93,021
Revenue from contracts with customers			
At a point in time	4,590	–	4,590
Revenue from other sources			
Rental income	88,431	–	88,431
Other operating revenue	15,486	90	15,576
Other gains – net	(6,727)	34,870	28,143
Fair value losses on investment properties	(41,485)	–	(41,485)
Purchase of and changes in inventories	(4,178)	–	(4,178)
Employee benefit expenses	(12,811)	(2,062)	(14,873)
Depreciation and amortisation expenses	(1,650)	(131)	(1,781)
Net impairment losses on financial assets	(3,198)	–	(3,198)
Other operating expenses, net	(39,734)	(1,675)	(41,409)
Operating profit/(loss)	(1,276)	31,092	29,816
Finance income	3,074	139	3,213
Finance costs	(25,061)	(6,785)	(31,846)
Finance costs – net	(21,987)	(6,646)	(28,633)
Profit/(loss) before income tax	(23,263)	24,446	1,183
Income tax expense	(4,194)	–	(4,194)
Loss for the period	(27,457)	24,446	(3,011)

5. REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Rental income	**87,304**	88,431
Direct sales	**5,080**	4,408
Commission from concessionaire sales	**114**	182
	92,498	93,021

6. OTHER OPERATING REVENUE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Promotion, administration and management income	**18,690**	15,478
Government grants and tax incentives	**–**	90
Credit card handling fees for concessionaire sales	**–**	8
	18,690	15,576

7. OTHER GAINS – NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Deposit forfeited for termination of lease agreements	**1,191**	613
Losses from disposal of property, plant and equipment	**–**	(41)
Gain on disposal of investment properties	**658**	–
Gain on disposal of a subsidiary	**–**	34,913
Loss on deregistration of subsidiaries	**–**	(43)
Losses from the reversal of long-aged unredeemed prepared cards	**–**	(2,155)
Provision for legal claims	**–**	(5,133)
Others	**1,178**	(11)
	3,027	28,143

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Purchase of and changes in inventories	**4,820**	4,178
Employee benefit expenses	**15,586**	14,873
Depreciation and amortisation expenses	**477**	1,781
Net (reversal)/impairment losses on financial assets	**(3,939)**	3,198
Utilities	**23,888**	24,970
Advertising costs	**105**	128
Business travel expenses	**134**	165
Cleaning fee	**1,209**	1,236
Other tax expenses	**4,352**	7,985
Fee paid to auditors for other professional service	**300**	300
Net foreign exchange losses	**4,750**	1,222
Bank charges	**31**	32
Office expenses	**58**	–
Other expenses	**6,508**	5,371
	58,279	65,439

9. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Finance income		
Interest income from finance leases	**1,131**	2,926
Interest income from bank deposits	**272**	287
	1,403	3,213
Finance costs		
Interest expenses on operating leases as the lessee	**(11,158)**	(15,523)
Interest expenses on bank loans	**(8,408)**	(16,323)
	(19,566)	(31,846)
Finance costs – net	**(18,163)**	(28,633)

10. INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**4**	106
Deferred income tax	**2,520**	4,088
Income tax expenses	**2,524**	4,194

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) 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.

(iii) The applicable income tax rate is 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.

11. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
Loss attributable to owners of the Company (in RMB thousands)	**(3,259)**	(3,011)
Weighted average number of ordinary shares in issue (thousands)	**2,495,000**	2,495,000
Basic loss per share (RMB per share)	**(0.001)**	(0.001)

(b) The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2026, so the diluted loss per share equals the basic loss per share.

12. DIVIDENDS

The Board does not recommend any interim dividend and final dividend for the six months ended 30 June 2026 and for the year ended 31 December 2025 respectively.

13. INVESTMENT PROPERTIES

	Note	**Land and buildings** *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Six months ended 30 June 2026				
As at 1 January 2026		**1,016,770**	**420,832**	**1,437,602**
Disposal		**(7,592)**	**–**	**(7,592)**
Net losses from fair value adjustment		**–**	**(38,508)**	**(38,508)**
As at 30 June 2026		**1,009,178**	**382,324**	**1,391,502**
Six months ended 30 June 2025				
As at 1 January 2025		1,105,720	554,690	1,660,410
Capitalised subsequent expenditure		94	169	263
Net losses from fair value adjustment		(94)	(41,391)	(41,485)
As at 30 June 2025		1,105,720	513,468	1,619,188

Notes:

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

(b) As at 30 June 2026, several buildings were secured against certain long-term bank borrowings (Note 18).

14. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
Six months ended 30 June 2026			
As at 1 January 2026	**17,597**	**466**	**18,063**
Additions	**448**	**–**	**448**
Disposals	**(3,166)**	**–**	**(3,166)**
Depreciation charge *(Note 8)*	**(88)**	**(389)**	**(477)**
As at 30 June 2026	**14,791**	**77**	**14,868**
Six months ended 30 June 2025			
As at 1 January 2025	19,302	1,411	20,713
Disposals	(41)	–	(41)
Depreciation charge *(Note 8)*	(1,329)	(404)	(1,733)
As at 30 June 2025	17,932	1,007	18,939

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

		As at 30 June 2026		
		Current	**Non-current**	**Total**
	Note	***RMB'000***	***RMB'000***	***RMB'000***
Trade receivables	*(a)*	**12**	**–**	**12**
Amount due from a related party		**336,164**	**–**	**336,164**
Receivables from operating leases	*(b)*	**6,035**	**18,509**	**24,544**
Receivables from finance leases		**9,108**	**19,610**	**28,718**
Interest receivables		**156**	**–**	**156**
Lease deposits		**–**	**20,367**	**20,367**
Other receivables		**6,624**	**–**	**6,624**
		358,099	**58,486**	**416,585**
Less: provision for impairment loss allowance		**(338,558)**	**–**	**(338,558)**
Financial assets at amortised cost		**19,541**	**58,486**	**78,027**
Prepayments		**1,272**	**–**	**1,272**
Total trade and other receivables		**20,813**	**58,486**	**79,299**

		As at 31 December 2025		
		Current	Non-current	Total
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*(a)*	15	–	15
Amount due from a related party		336,164	–	336,164
Receivables from operating leases	*(b)*	4,720	16,828	21,548
Receivables from finance leases		9,045	22,900	31,945
Interest receivables		96	–	96
Lease deposits		250	17,391	17,641
Other receivables		5,897	–	5,897
		356,187	57,119	413,306
Less: provision for impairment loss allowance		(340,622)	–	(340,622)
Financial assets at amortised cost		15,565	57,119	72,684
Prepayments		678	668	1,346
Total trade and other receivables		16,243	57,787	74,030

Notes:

(a) The trade receivables are receivables from sales to corporate customers.

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

	As at 31 December	
	2026	2025
	RMB'000	*RMB'000*
Over 360 days	**12**	15

The Group applies the IFRS Accounting Standards simplified approach to measure expected credit loss which was a lifetime expected loss allowance for all trade receivables. As at 30 June 2026, no impairment loss allowance was made based on the management's assessment (31 December 2025: nil).

All trade receivables are denominated in RMB and their fair values approximated their carrying amounts as at 30 June 2026 and 31 December 2025.

(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 is as follows:

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
Current	**20,891**	17,960
0 – 30 days	**954**	175
31 – 90 days	**1,010**	100
91 – 365 days	**318**	1,018
More than 365 days	**1,371**	2,295
	24,544	21,548

16. TRADE AND OTHER PAYABLES

		As at	
		30 June	31 December
		2026	2025
	Note	***RMB'000***	*RMB'000*
Lease deposits		**44,743**	33,311
Other tax payables		**3,884**	2,560
Accrued wages and salaries		**2,353**	2,497
Trade payables	*(a)*	**1,545**	1,590
Amount due to a related party		**–**	34
Accrued bank interest and penalties on borrowings	*(b)*	**467**	968
Provisions for losses on legal claims		**–**	1,023
Rent received from customers in advance		**16,684**	12,104
Other payables and accruals		**29,915**	36,803
		99,591	90,890

Notes:

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

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
0 – 30 days	**1,545**	1,590

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

17. CONTRACT LIABILITIES

		As at	
		30 June	31 December
		2026	2025
	Note	***RMB'000***	*RMB'000*
Advances received from customers	*(a)*	**8,346**	12,971

Note:

(a) The amount mainly represented the net amount of advance received from customers for prepaid cards sold minus the accumulated amount of the reversal of long-aged unredeemed prepaid cards.

18. BORROWINGS

		As at	
		30 June	31 December
		2026	2025
	Note	***RMB'000***	*RMB'000*
Non-current			
Secured long-term bank borrowings	*(a)*	**198,707**	212,000
Current			
Current portion of secured long-term bank borrowings	*(a)*	**22,627**	18,667
Secured short-term borrowing	*(b)*	**59,000**	60,000
		81,627	78,667
		280,334	290,667

Notes:

(a) The Group's long-term bank borrowings were denominated in RMB and secured by certain investment properties (Note 13). During the period ended 30 June 2026, the weighted average effective interest rate was 5.86% (31 December 2025: 6.23%) per annum.

(b) As at 30 June 2026 and 31 December 2025, the secured short-term borrowing was denominated in RMB, secured by certain investment properties (Note 13) and was repayable within one year. During the period ended 30 June 2026, the weighted average effective interest rate was 5.35% (31 December 2025: 6.35%) per annum.

19. CAPITAL COMMITMENTS

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

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
Purchases of property, plant and equipment	**1,655**	619

MANAGEMENT DISCUSSION AND ANALYSIS

During the 1H2026, the retail market in the People's Republic of China ("**PRC**") exhibited moderate growth, driven by the PRC government's strategic focus on stimulating domestic consumption to address both external and internal economic pressures. Profitability in the retail sector remained under strain due to persistent inflationary pressures, escalating operational costs, as well as the compounding effects of trade tensions. Additionally, evolving consumer preferences towards experiential and emotional value, service-oriented consumption, sustainability, and niche products have challenged traditional retail models, requiring adaptation to appeal to diverse demographic segments.

According to the National Bureau of Statistics of China, China's gross domestic product ("**GDP**") for the 1H2026 reached to RMB69.57 trillion, a year-on-year increase of 4.7% from the 1H2025. The national consumer price index ("**CPI**") rose 1.0% year-on-year in June 2026, as compared to 0.1% in June 2025. Total retail sales of consumer goods in June 2026 rose 1.0% year-on-year, versus a 0.2% decline in the same period of 2025, reflecting a gradual recovery in consumer sentiment.

During the 1H2026, the Group implemented cost-optimisation measures to manage rising operational expenses while enhancing in-store experiences and community-focused marketing. These efforts align with the evolving PRC retail landscape. The Group remains committed to delivering customer value, fostering community relationships, and proactively addressing market and operational challenges.

BUSINESS REVIEW

During the 1H2026, the Group recorded a revenue of RMB92.5 million (1H2025: RMB93.0 million). Loss attributable to owners of the Company for the 1H2026 amounted to RMB3.3 million (1H2025: RMB3.0 million). The cross-border retail and nighttime economy remain mainstream trends, with convenience stores, gyms, restaurants, and pharmacies to serve middle-class seeking convenience and quality. The Group extended operating hours to capture growing demand for food, merchandise, and services after dusk.

In response to growing digital retail, the Group enhanced online promotions and the loyalty programs to engage consumers, promote products, stimulate interest, and deliver quality goods and services, improving customer patronage and experience.

As of 30 June 2026, the Group operated or managed 12 department stores with a total gross floor area of 213,284.42 sq.m., of which 43.3% is located in self-owned properties.

Amid economic uncertainties, the Group has prudently exited all property investments and implemented proactive risk mitigation to strengthen resilience and ensuring sustainable operations.

BUSINESS OUTLOOK

Overall, the Group remains positive in its business prospects and is committed to improving its operations and services to meet customer needs by leveraging innovative strategies and optimising operational efficiency. Moving forward, the Group will focus on navigating the evolving retail landscape and enhancing customer engagement to sustain long-term stable growth and profitability.

FINANCIAL REVIEW

The operating results of the Group for the 1H2026 are presented in two reportable operating segments, namely (a) department store business and (b) others including property business and unallocated items, comprising mainly head office overheads. The following discussions and analyses are based on the Group as a whole and the operating results of each of the business segments.

(a) The Group

Revenue of the Group amounted to RMB92.5 million for the 1H2026, representing a slight decrease of 0.5%, as compared to RMB93.0 million for the 1H2025.

Loss attributable to owners of the Company amounted to RMB3.3 million for the 1H2026, as compared to RMB3.0 million for the 1H2025.

(b) Department store business segment

Set forth below is the segmental information of the Group's department store business for the 1H2026, together with the comparative figures for the 1H2025:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**92,498**	93,021
Other operating revenue	**18,690**	15,486
Other gains/(losses) – net	**1,994**	(6,727)
Fair value losses on investment properties	**(38,508)**	(41,485)
Purchase of and changes in inventories	**(4,820)**	(4,178)
Employee benefit expenses	**(13,499)**	(12,811)
Depreciation and amortisation expenses	**(477)**	(1,650)
Net reversal/(impairment loss) on financial assets	**3,939**	(3,198)
Other operating expenses – net	**(36,021)**	(39,734)
Operating profit/(loss)	**23,796**	(1,276)
Finance income	**1,339**	3,074
Finance costs	**(19,563)**	(25,061)
Finance costs – net	**(18,224)**	(21,987)
Profit/(loss) before income tax	**5,572**	(23,263)
Income tax expense	**(2,524)**	(4,194)
Profit/(loss) for the period	**3,048**	(27,457)

Revenue

Revenue breakdown of the Group's department store business was as follows:

	Six months ended 30 June		Percentage of department stores' revenue of the Group	
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	*%*	*%*
	(unaudited)	(unaudited)		
Rental income	**87,304**	88,431	**94.4**	95.1
Direct sales	**5,080**	4,408	**5.5**	4.7
Commission from concessionaire sales	**114**	182	**0.1**	0.2
Total	**92,498**	93,021	**100.0**	100.0

Rental income decreased slightly by 1.3% to RMB87.3 million for the 1H2026 from RMB88.4 million for the 1H2025; and direct sales increased by 15.9% to RMB5.1 million for the 1H2026 from RMB4.4 million for the 1H2025.

Other operating revenue

Other operating revenue increased by 20.6% to RMB18.7 million for the 1H2026 from RMB15.5 million for the 1H2025 mainly due to increase in promotion, administration and management income.

Other gains/(losses) – net

Other gains amounted to RMB2.0 million for the 1H2026, as compared to other losses of RMB6.7 million for the 1H2025, primarily due to the gains from deposit forfeited for termination of lease agreements of RMB1.0 million and gain on disposal of investment properties of RMB0.7 million, as compared to provision of legal claims of RMB5.1 million recognised in the 1H2025.

Fair value losses on investment properties

Fair value losses on investment properties amounted to RMB38.5 million for the 1H2026, as compared to RMB41.5 million for the 1H2025.

Purchase of and changes in inventories

Purchase of and changes in inventories increased to RMB4.8 million for the 1H2026 from RMB4.2 million for the 1H2025. The increase was in line with the increase in the direct sales as compared to that for the corresponding periods.

Employee benefit expenses

Employee benefit expenses increased by 5.5% to RMB13.5 million for the 1H2026 from RMB12.8 million for the 1H2025.

Depreciation and amortisation expenses

Depreciation and amortisation expenses amounted to RMB0.5 million and RMB1.7 million for the 1H2026 and the 1H2025, respectively.

Other operating expenses – net

Other operating expenses – net decreased by 9.3% to RMB36.0 million for the 1H2026 from RMB39.7 million for the 1H2025, mainly due to cost efficiency measures.

Operating profit/(loss)

As a result of the reasons mentioned above, the department store business segment's operating profit amounted to RMB23.8 million in the 1H2026, as compared to loss of RMB1.3 million in the 1H2025.

Finance income

Finance income amounted to RMB1.3 million for the 1H2026, as compared to RMB3.1 million for the 1H2025.

Finance costs

Finance costs decreased by 21.9% to RMB19.6 million for the 1H2026 from RMB25.1 million for the 1H2025, primarily due to lower interest expenses on the outstanding bank loans, which resulted from decreased interest rates and bank loan repayments of RMB10.3 million in 1H2026.

Income tax expense

Income tax expense of RMB2.5 million and RMB4.2 million for the 1H2026 and for the 1H2025, respectively.

Profit/(loss) for the period

As a result of the aforementioned, profit attributable to the department store business segment amounted to RMB3.0 million for the 1H2026, as compared to attributable loss of RMB27.5 million for the 1H2025.

(c) Others segment

Others segment represents mainly property business and unallocated items including directors emoluments, staff costs and operating expenses incurred for headquarter or administrative purposes which were not directly attributable to department store business segment. The loss of this segment amounted to RMB6.3 million for the 1H2026, as compared to the profit of RMB24.4 million for the 1H2025. The loss in 1H2026 was primarily due to ongoing headquarter expenses, and no finance cost incurred following the disposal of the Zhuhai property in the 1H2025. In contrast, the profit in the 1H2025 resulted from net gains of RMB 34.9 million recognized from this disposal, which was partially offset by RMB 6.8 million in finance costs incurred for the Zhuhai property.

UPDATE STATUS OF THE OVERDUE CONSULTANCY FEES OF THE CONNECTED TRANSACTION

The Directors refer to the announcement (the "**Announcement**") of the Company dated 16 June 2026 on the Consultancy Fees Payment Extension Agreement (as defined in the Announcement).

As of the date of this announcement, the principal amount of the Overdue Consultancy Fees (as defined in the Announcement) was RMB347.4 million, plus accrued interest. The Group confirmed that no settlement has been received from Shenzhen Shengrunfeng Investment & Development Co., Ltd. ("**SRF**") during the six months ended 30 June 2026. Consequently, the outstanding balance remains due and payable on demand.

The Group has implemented the ongoing monitoring measures previously disclosed. In accordance with these measures, SRF has provided its updated key financial data and confirmed that there was no anticipatory breach of financial covenant based on its financial performance as of 30 June 2026. As the Group had already made a full provision for impairment on the entire receivable balance and related interest in prior years, the lack of settlement during the period does not have any further adverse impact on the current business operations or financial performance of the Group.

The Directors (including the independent non-executive Directors) will continue to keep the shareholders of the Company informed of any material changes by disclosing updated information in subsequent interim and annual reports, and will continue to update shareholders at the annual general meetings until the Overdue Consultancy Fees (as defined in the Announcement) have been settled in full.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the 1H2026.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2026, the Group's cash and cash equivalents and bank deposits amounted to RMB42.3 million, representing an increase of 24.0% from RMB34.1 million as of 31 December 2025. The cash and cash equivalents and bank deposits, which were in RMB and Hong Kong dollars ("**HKD**"), were deposited with banks in Hong Kong and the PRC.

BORROWINGS

The total borrowings of the Group amounted to RMB280.3 million, comprising the long-term and short-term borrowings of RMB221.3 million and RMB59.0 million, respectively as of 30 June 2026 (31 December 2025: total borrowings of RMB290.7 million: long-term borrowing of RMB230.7 million and short-term borrowing of RMB60.0 million). The total borrowings decreased by RMB10.4 million, representing a decrease of 3.6%. The secured bank borrowings were denominated in RMB and secured by the charge of properties in the PRC. The gearing ratio, which is calculated by dividing the Group's total borrowings by its shareholders equity, was 42.8% as of 30 June 2026 (31 December 2025: 44.3%).

NET CURRENT LIABILITIES AND NET ASSETS

The net current liabilities of the Group as of 30 June 2026 were RMB227.0 million (31 December 2025: RMB230.3 million). The net assets of the Group as of 30 June 2026 were RMB655.5 million (31 December 2025: RMB656.1 million).

FOREIGN EXCHANGE EXPOSURE

The business operation 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 HKD. For the 1H2026, the Group recorded net foreign exchange losses of RMB4.8 million (1H2025: net foreign exchange losses of RMB1.2 million). The Group currently does not use any forward contracts, currency borrowings or other means to hedge its foreign currency exposure. However, it will continue to monitor the foreign exchange exposure and consider measures to mitigate significant exposure should the need arise.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the total number of employees of the Group was 159 (31 December 2025: 176). 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 third parties have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and compensation for damages. As of 30 June 2026, these legal proceedings were ongoing. The Group has assessed the legal risk exposure and decided that no provisions are required in respect of these claims as of 30 June 2026 (31 December 2025: RMB23,000). The Directors believe that these claims will not have a material adverse impact on the financial position of the Group.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

There were no material acquisition and disposal of subsidiaries and associated companies during the 1H2026.

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 (including sales of treasury shares) during the 1H2026.

CORPORATE GOVERNANCE

During the 1H2026, the Company has complied with the principles and the applicable code provisions as contained in the Corporate Governance Code as set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The internal audit department (the "**Internal Audit Department**") of the Group reports its findings and its work plan to the audit committee (the "**Audit Committee**") of the Board twice a year, and the Board and the Audit Committee then review and refine the Group's material controls, covering financial, operational and compliance controls and risk management functions. 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 Board, together with the Audit Committee, has 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.

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 forth in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' securities transactions. Having made specific enquiries of all the Directors, they have confirmed that they complied with the required standard of dealings as set forth in the Model Code during the 1H2026.

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL INFORMATION

The Directors acknowledge their responsibility for preparing the interim financial information of the Company. The Directors confirm that in preparing the unaudited condensed consolidated financial information, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors are not aware of any material or significant exposures exist, other than as reflected in this announcement. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

AUDIT COMMITTEE

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.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the 1H2026. The Group's unaudited condensed consolidated financial statements for the 1H2026 have not been reviewed by the external auditor.

PUBLICATION OF THE INTERIM REPORT

The interim report of the Company for the 1H2026 containing all the information required by Appendix D2 of the Listing Rules and other applicable laws and regulations will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By order of the Board
Shirble Department Store Holdings (China) Limited
YANG Ti Wei
Deputy Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 August 2026

As of the date of this announcement, the Board comprises five members included Ms. HUANG Xue Rong (Chairlady) and Mr. YANG Ti Wei (Deputy Chairman and Chief Executive Officer) as the executive Directors; and Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. TSANG Wah Kwong as the independent non-executive Directors.