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## IMPORTANT

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Shirble Department Store Holdings (China) Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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### **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)**

### **MAJOR TRANSACTION**

### **LEASE AGREEMENT FOR DEPARTMENT STORE IN NANSHAN DISTRICT, SHENZHEN, THE PRC**

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Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set forth on pages 3 to 8 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholder’s approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

Hong Kong, 27 March 2024

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## DEFINITIONS

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*Unless the context requires otherwise, the capitalised terms used in this circular shall have the following meanings:*

“associate”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“close associates”	has the meaning ascribed thereto under the Listing Rules;
“Company”	Shirble Department Store Holdings (China) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 312);
“Director(s)”	the director(s) of the Company;
“Existing Lease Agreement”	the existing lease agreement dated 8 September 2010 entered into between the Lessee, as the lessee and Shenzhen Housing and Construction Bureau*(深圳市住房和建設局), as the lessor in respect of the rental of the Leased Premises. The lessor of the Leased Premises has been changed to the Lessor pursuant to a tripartite agreement dated 6 February 2018;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board;
“Independent Third Party(ies)”	person(s) or company(ies) independent of and not connected (within the meaning of the Listing Rules) with the Company and its connected persons;
“Latest Practicable Date”	25 March 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Lease Agreement”	the lease agreement entered into between the Lessee and the Lessor on 29 December 2023 in relation to the lease renewal of the Leased Premises;

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## DEFINITIONS

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“Lease Period”	the duration of the lease under the Lease Agreement, during which the Leased Premises will be leased to the Lessee;
“Leased Premises”	the premises with a gross floor area of 17,843.87 sq.m. to be leased by the Lessee from the Lessor under the Lease Agreement and situated at Podium 101, Phase 3 Taoyuan Village, Nanshan District, Shenzhen, the PRC;
“Lessee”	Shenzhen Shirble Chain Store Limited Liability Company* (深圳歲寶連鎖商業發展有限公司), a wholly-owned subsidiary of the Company;
“Lessor”	Shenzhen Talents Housing Group Company Limited * (深圳市人才安居集團有限公司), a company established in the PRC which is ultimately wholly-owned by the Shenzhen Municipal People’s Government and under the administration of the Shenzhen State-owned Assets Supervision and Administration Commission (Shenzhen SASAC);
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holders of Share(s);
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

\* For identification purposes only.

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LETTER FROM THE BOARD

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**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)**

*Executive Director:*

Mr. YANG Ti Wei (Deputy Chairman  
and Chief Executive Officer)

*Non-executive Director:*

Ms. HUANG Xue Rong (Chairlady)

*Independent non-executive Directors:*

Mr. CHEN Fengliang  
Mr. JIANG Hongkai  
Mr. TSANG Wah Kwong

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office:*

33rd Floor, Building 1  
Shenzhen Development Center  
Renmin South Road  
Luohu District, Shenzhen  
PRC

*Principal place of business*

*in Hong Kong:*

Unit C2, 30th Floor, T G Place  
10 Shing Yip Street  
Kwun Tong  
Kowloon  
Hong Kong

27 March 2024

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## LETTER FROM THE BOARD

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*To Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION LEASE AGREEMENT FOR DEPARTMENT STORE IN NANSHAN DISTRICT, SHENZHEN, THE PRC

#### INTRODUCTION

Reference is made to the announcement of the Company dated 29 December 2023 in relation to, among other things, the Lease Agreement.

On 29 December 2023 (after trading hours), the Lease Agreement has been entered into for the Lease Period, pursuant to which the Group would continue to use the Leased Premises as its department store in Nanshan District, Shenzhen, the PRC. The Group has been leasing the Leased Premises to operate its department store since 2009 under the Existing Lease Agreement, which expired on 31 December 2023.

The purpose of this circular is to provide you with further details regarding, amongst other things, further information of the Lease Agreement and the transaction contemplated thereunder and other information as required under the Listing Rules.

#### THE LEASE AGREEMENT

The table below sets forth the principal terms of the Lease Agreement:

Date:	29 December 2023 (after trading hours)
Parties:	(a) the Lessee, a wholly-owned subsidiary of the Company and (b) the Lessor.
	To the best of knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.
Location:	Podium 101, Phase 3 Taoyuan Village, Nanshan District, Shenzhen, PRC* (深圳市南山區桃源村三期棟裙樓101房屋).
Gross floor area:	17,843.87 sq.m.

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## LETTER FROM THE BOARD

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Lease Period:	Five years commencing from 1 January 2024 and expiring on 31 December 2028 (both dates inclusive).
Proposed use of the Leased Premises:	As department store of the Group in Nanshan District, Shenzhen, the PRC.
Lease payments:	<p>The lease payments payable by the Lessee under the Lease Agreement is exclusive of service fee, value added tax and utility charges, which shall be borne by the Lessee. No rent-free period is granted under the Lease Agreement.</p> <p>The monthly lease payment for the first rental year is RMB55.0 per sq.m. Thereafter, an annual increment of 3.0% from the previous year will be added to the monthly lease payment for each subsequent rental year.</p> <p>The annual lease payments payable under the Lease Agreement for the five years ending 31 December 2028 are RMB 11.2 million, RMB 11.6 million, RMB11.9 million, RMB 12.3 million and RMB 12.6 million, respectively.</p>
Payment terms:	The monthly lease payment shall be paid by the Lessee by the 20th day of each calendar month. Any overdue lease payment will be subject to a daily penalty, the amount of which is equivalent to 0.5% of the overdue amount.
Deposit:	The deposit payable by the Lessee shall be RMB2,944,240.20, which is equivalent to three months' lease payment for the first rental year.
Termination:	Each party to the Lease Agreement may unilaterally terminate the Lease Agreement if (i) in the case of the Lessor, the Lessee has breached the terms and conditions of the Lease Agreement (including, but not limited to, failure to pay rent for two months, or failure to pay the management fee, utility charges or other related fees exceeding the equivalent of two months' lease payment), in which event the deposit paid shall be forfeited by the Lessor or (ii) in the case of the Lessee, the Lessor has breached the terms and conditions of the Lease Agreement which results in the Leased Premises not being suitable for leasing to the Lessee. In such event, the deposit paid by the Lessee and any pre-payment of lease payment, if any, shall be returned to the Lessee.

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## LETTER FROM THE BOARD

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### **HISTORICAL TRANSACTION AMOUNTS AND BASIS FOR DETERMINATION OF THE LEASE PAYMENTS PAYABLE UNDER THE LEASE AGREEMENT**

The total amount of lease payments payable under the Lease Agreement has been negotiated on an arm's length basis upon normal commercial terms between the Lessor and the Lessee with reference to the prevailing market price for comparable premises in the vicinity of the Leased Premises in Nanshan District, Shenzhen, the PRC, with an average monthly rental that ranges from approximately RMB260 to RMB270 per sq.m., the existing lease payments under the Existing Lease Agreement and the incremental value of the lease payments under the Lease Agreement during the Lease Period. The total amount of lease payments paid for the five years ended 31 December 2023 under the Existing Lease Agreement were RMB 47.5 million, whereas the total amount of lease payments payable for the five years ending 31 December 2028 will be RMB 59.5 million. In light of the above, the Board considers that the lease payments payable under the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT**

The Group has been leasing the Leased Premises to operate its department store since 2009 under the Existing Lease Agreement, which expired on 31 December 2023. The Directors consider that continuing leasing the Leased Premises will be in the interests of the Company and the Shareholders as a whole as it will preserve the store network, market shares and financial advantages of this department store, which altogether have significantly contributed to the Group's revenue and operating profit, as well as avoiding relocation and refurbishment costs which the Group would otherwise have to incur.

Having taken into account the above, the Directors, including the independent non-executive Directors, are of the view that the Lease Agreement has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms and conditions of the Lease Agreement, including the lease payments, of the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION OF THE PARTIES**

The Group is principally engaged in the operation of department stores in the PRC. The Lessee is a wholly-owned subsidiary of the Company and its principal business is the operation of department stores in the PRC.

The Lessor is a limited liability company established in the PRC and is principally engaged in public housing investment, construction and operation in the PRC. It is ultimately wholly-owned by the Shenzhen Municipal People's Government and under the administration of the Shenzhen State-owned Assets Supervision and Administration Commission (Shenzhen SASAC). To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.

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## LETTER FROM THE BOARD

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### **FINANCIAL EFFECT OF THE ACQUISITION OF A RIGHT-OF-USE ASSET**

Pursuant to IFRS 16 “Leases”, the Group will recognise a right-of-use asset in its financial statements when the Group enters into a lease transaction as the lessee and such transaction will be deemed to be an acquisition of a capital asset for the purpose of the Listing Rules. The value of the right-of-use asset to be recognised by the Group under the Lease Agreement is estimated to be RMB50.5 million, which is calculated in accordance with IFRS 16 “Leases” with reference to the present value of the aggregated lease payments to be made under the Lease Agreement.

It is expected that upon the completion of the transaction contemplated under the Lease Agreement, there will be an increase in total assets of approximately RMB50.5 million, comprising an increase in the right-of-use assets of approximately RMB50.5 million. There will be an increase in total liabilities of approximately RMB50.5 million, comprising an increase in lease liabilities of approximately RMB50.5 million. The Group expects that the transaction contemplated under the Lease Agreement will increase finance costs by approximately RMB3.1 million in the first year of the Lease Agreement.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated under the Lease Agreement is more than 25% but less than 100%, the transaction contemplated under the Lease Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

### **WRITTEN SHAREHOLDERS’ APPROVAL**

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholder has any material interest in the Lease Agreement and the transaction contemplated thereunder and therefore no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Lease Agreement. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written shareholders’ approval will be accepted in lieu of holding a general meeting for approving the Lease Agreement.

The Company has received a written approval from Shirble Department Store Limited, one of the controlling Shareholders, holding 1,374,167,500 Shares (representing approximately 55.08% of the total number of Shares in issue as of the date of the written Shareholder’s approval and the Latest Practicable Date, respectively) to approve the Lease Agreement. As such, the Company would not convene a general meeting for the purpose of seeking the approval of the Shareholders on the entering into of the Lease Agreement and the transaction contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Although no general meeting will be convened for approving the Lease Agreement and the transaction contemplated thereunder, the Directors (including the independent non-executive Directors) are of the view that the entering into of the Lease Agreement and the transaction contemplated thereunder is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, if the general meeting was convened, the Directors would have recommended the Shareholders to vote in favour of the entering into of the Lease Agreement and the transaction contemplated.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set forth in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Shirble Department Store Holdings (China) Limited**  
**YANG Ti Wei**  
*Deputy Chairman, Chief Executive Officer and  
Executive Director*

## 1. FINANCIAL STATEMENTS OF THE GROUP

Details of the financial information of the Group for the financial years ended 31 December 2020, 2021 and 2022 are disclosed in the Company's annual reports for the financial years ended 31 December 2020, 2021 and 2022 respectively. Details of the financial information of the Group for the six months ended 30 June 2023 has been disclosed in the Company's 2023 interim report.

All of these financial statements can be accessed on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at <http://www.shirble.net/>.

Quick links to these financial statements are set forth below:

Annual report of the Company for the year ended 31 December 2020:

Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0419/2021041900174.pdf>

Company's website:

[http://www.ishirble.com/upload/files/491/2021/0419/20210419113001\\_34344822\\_en.pdf](http://www.ishirble.com/upload/files/491/2021/0419/20210419113001_34344822_en.pdf)

Annual report of the Company for the year ended 31 December 2021:

Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700331.pdf>

Company's website:

[http://www.ishirble.com/upload/files/491/2022/0427/20220427143002\\_23542720\\_en.pdf](http://www.ishirble.com/upload/files/491/2022/0427/20220427143002_23542720_en.pdf)

Annual report of the Company for the year ended 31 December 2022:

Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800783.pdf>

Company's website:

[http://www.ishirble.com/upload/files/491/2023/0428/20230428133001\\_24051641\\_en.pdf](http://www.ishirble.com/upload/files/491/2023/0428/20230428133001_24051641_en.pdf)

Interim report of the Company for the six months ended 30 June 2023:

Stock Exchange's website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0926/2023092600197.pdf>

Company's website:

[http://www.ishirble.com/upload/fujian/20231102/20231102161812\\_49499.pdf](http://www.ishirble.com/upload/fujian/20231102/20231102161812_49499.pdf)

## 2. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

### 3. STATEMENT OF INDEBTEDNESS

#### *Borrowings*

As of the close of business on 31 January 2024, the Group had total bank borrowings secured by certain investment properties and properties held for sale of approximately RMB302 million and RMB254 million respectively. The total bank borrowings were guaranteed.

#### *Lease liabilities - unsecured and unguaranteed*

As of the close of business on 31 January 2024, the Group had total lease liabilities, primarily being the rental payable for the Group's office premises and leased properties of approximately RMB638 million.

#### *Contingent liabilities*

As of the close of business on 31 January 2024, the Group had contingent liabilities of approximately RMB2.8 million arising in the ordinary course of business, mainly in respect of disputes over contract terms and employment contract terms from certain tenants and ex-employees.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, term loans, other borrowings or indebtedness including bank overdrafts, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other contingent liabilities outstanding at the close of business on 31 January 2024.

### 4. WORKING CAPITAL

As of 31 January 2024, the Group had outstanding secured bank borrowings of approximately RMB254 million under its loan facility of RMB300 million (the “**Loan Facility**”) which had defaulted in payment in November 2023. The Loan Facility is secured by the Group's properties held for sale. As at the Latest Practicable Date, the Group is currently contemplating its plan on the sale of the properties held for sale and negotiating with the relevant bank for the extension of the Loan Facility. The directors are confident that the Group will be able to generate sufficient cash inflow from the sale of the properties held for sale to repay the borrowing under the Loan Facility or to extend the Loan Facility.

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the effect of entering into the Lease Agreement, the financial resources available to the Group, including the internally generated funds, and the existing available banking facilities and the successful sale of the properties held for sale to repay the borrowings under the Loan Facility or successful extension of the Loan Facility, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

However, if the Group fails to generate sufficient cashflow from the sale of the properties held for sale to repay the borrowings under the Loan Facility or to extend the Loan Facility, it will not have sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

## **5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**

The Group is principally engaged in the operations of department stores in the PRC.

Revenue of the Group were all contributed from the department store business for the six months ended 30 June 2023 and the same period in 2022. Revenue of the Group amounted to RMB91.9 million for the six months ended 30 June 2023, representing an increase of 2.0% as compared to RMB90.1 million for the same period in 2022. Loss attributable to owners of the Company amounted to RMB63.9 million for the six months ended 30 June 2023, as compared to loss of RMB129.4 million for the same period in 2022.

With the economic downward pressure on the real estate sector, the Group has reduced the property investments and has been evaluating the commercial merits of the existing property projects as well as actively exploring their disposal or other possible solutions to reduce the exposure of the Group. The Group will consolidate its resources, strengthen the management and adopt prudent business strategies to mitigate the pressure from the economic slowdown. The Group will continue to enhance the competitiveness of its core department store business, and continue to take proactive measures to strengthen the business resilience and enhance customer engagement on our retail business.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters not contained in this circular, the omission of which would make any statement herein or this circular misleading.

The issuance of this circular has been approved by the Directors.

## 2. DISCLOSURE OF INTERESTS

### **(I) Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations**

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required 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 which were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as adopted by the Company, were as follows:

**(a) Long positions in the Shares**

Name of Director	Number of Shares	Capacity	Approximate percentage of the Company's issued share capital
Ms. HUANG Xue Rong	1,374,167,500	Administrator (note)	55.08%
	8,324,000	Beneficial owner	0.33%
Mr. YANG Ti Wei	2,490,000	Beneficial owner	0.09%

*Note: Ms. HUANG Xue Rong has been appointed as the administrator of the estate of Mr. YANG Xiangbo, which include all the issued share capital of Xiang Rong Investment Limited ("Xiang Rong"). Xiang Rong owns the entire issued share capital of Shirble Department Store Limited ("Shirble BVI"). As such, Mr. HUANG Xue Rong is deemed to be interested in the 1,374,167,500 Shares held by Shirble BVI.*

**(b) Long positions in shares of associated corporations**

Name of Director	Name of associated corporations	Number of shares	Capacity	Approximate percentage of the issued share capital of the associated corporation
Ms. HUANG Xue Rong	Shirble BVI	50,000	Administrator (note)	100%
Ms. HUANG Xue Rong	Xiang Rong	100	Administrator (note)	100%

*Note: Ms. HUANG Xue Rong has been appointed as the administrator of the estate of Mr. YANG Xiangbo, which include all the issued share capital of Xiang Rong. Xiang Rong owns the entire issued share capital of Shirble BVI.*

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which was required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(c) Other Director's interest**

As of the Latest Practicable Date, except Ms. HUANG Xue Rong, being the sole director of Shirble BVI and Xiang Rong, none of the Directors was a director or employee of a company which had or was deemed to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(II) Substantial Shareholders who have an interest and/or short position which is disclosable under Divisions 2 and 3 of Part XV of the SFO**

So far as is known to the Directors and chief executive of the Company, as of the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

**(a) Long positions in the Shares**

Name	Number of Shares	Capacity	Approximate percentage of the Company's issued share capital
Shirble BVI	1,374,167,500	Beneficial owner <i>(note)</i>	55.08%
Xiang Rong	1,374,167,500	Interest in a controlled corporation <i>(note)</i>	55.08%
Mr. HAO Jian Min	374,250,000	Beneficial owner	15.00%

*Note: The 1,374,167,500 Shares were held by Shirble BVI, which was wholly owned by Xiang Rong. Ms. HUANG Xue Rong has been appointed as the administrator of the estate of Mr. YANG Xiangbo, which include all the issued share capital of Xiang Rong. According to the SFO, both of Ms. HUANG Xue Rong and Xiang Rong were deemed to have interests in the 1,374,167,500 Shares held by Shirble BVI.*

Save as disclosed above, as of the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares as notified to the Company pursuant to the provisions of 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.

**3. COMPETING BUSINESS**

As of the Latest Practicable Date, none of the Directors and his close associates had any interests which competes or was likely to compete, either directly or indirectly, with the Company's business as required to be disclosed pursuant to the Listing Rules.

**4. SERVICE CONTRACTS**

As of the Latest Practicable Date, no Director had a service contract with any member of the Group which is not determinable by such member of the Group within one year without payment of compensation other than statutory compensation.

**5. DIRECTORS' INTEREST IN ASSETS**

None of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**6. DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE**

There was no contract or arrangement of significance in relation to the Group's business in which a Director had a material interest, whether directly or indirectly, subsisting as of the date of this circular.

**7. LITIGATIONS**

As of the Latest Practicable Date, certain tenants and ex-employees have commenced legal proceedings in the PRC against Shenzhen Shirble Department Store Co., Limited and Shenzhen Shirble Chain Store Limited Liability Company, subsidiaries of the Company in respect of disputes over contract terms and employment contract terms. These legal proceedings are ongoing. The Group has made an accumulated provision of RMB2.8 million (31 December 2022: RMB0.63 million), which the Directors believe that it is adequate to cover the amounts, if any, payable in respect of these claims.

Save as disclosed above, the Directors were not aware of any other litigation or claims of material importance which were pending or threaten against any member of the Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) the sale and purchase agreement dated 29 August 2022 entered into between Baoke Trading (BVI) Company Limited, a wholly-owned subsidiary of the Company, as vendor and Bright Goal Investment Holding Limited (明高投資控股有限公司) as purchaser in respect of the disposal of the 1,320,000,000 share(s) of TFG International Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 542);
- (b) the early termination agreement dated 8 December 2022 entered into between Shenzhen Shirble Chain Store Limited Liability Company\* (深圳歲寶連鎖商業發展有限公司), a wholly-owned subsidiary of the Company, and Shenzhen Hongfa Real Estate Development Co., Ltd.\*(深圳市宏發房地產開發有限公司) in relation to the early termination of the lease agreement dated 30 June 2012;
- (c) the supplemental agreement dated 30 December 2022 to the termination agreement dated 30 December 2020 entered into between Shenzhen Shirble Management Co., Ltd. (“**Shirble Management Consultant**”) and Shenzhen Shengrunfeng Investment & Development Co., Ltd.\* (深圳市晟潤豐投資發展有限公司) (“**SRF**”) for the purpose of extending the repayment period in relation to the early termination of the integrated consulting service agreement dated 8 April 2019, pursuant to which Shirble Management Consultant has agreed to provide to SRF certain consulting services in respect of the property development project situated at the intersection between Shangbu Road and Nigang Road, the Futian District, Shenzhen, the PRC owned by SRF;
- (d) the lease agreement entered into between Shenzhen Shirble Department Store Company Limited\* (深圳歲寶百貨有限公司), a wholly-owned subsidiary of the Company and Shenzhen Ruizhuo Investment Company Limited\* (深圳市瑞卓投資發展有限公司) on 23 November 2023 in relation to the lease of the premises as the Group’s principal office in the PRC; and
- (e) the Lease Agreement.

**9. MISCELLANEOUS**

- (a) The Hong Kong branch share registrar and transfer office of the Company is Link Market Services (Hong Kong) Pty Limited at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong.
- (b) The secretary of the Company and the qualified accountant of the Company is Mr. CHOW Chun Pong, who is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants.
- (c) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is situated at Unit C2, 30th Floor, T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (d) Unless otherwise stated, all references to times and dates in this circular refer to Hong Kong times and dates.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**10. DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at <http://www.shirble.net/> from the date of this circular up to 14 days thereafter:

- (a) the Lease Agreement; and
- (b) the letter from the Board as set forth in this circular.