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**shishi**

**shi shi services limited**

**時時服務有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8181)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of the companies listed on GEM and the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This Announcement, for which the directors (the “Directors”) of Shi Shi Services Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM 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 Announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Announcement misleading.*

## HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2024 (the “Period”) was approximately HK\$285.2 million, representing a decrease of approximately 3.4% as compared to the corresponding period in 2023.
- Gross profit of the Group for the six months ended 30 September 2024 was approximately HK\$50.5 million, representing an increase of approximately 9.1% as compared to the corresponding period in 2023.
- The loss for the Period attributable to owners of the Company was approximately HK\$4.6 million, representing a decrease of approximately 44.8% as compared to the corresponding period in 2023. Decrease in loss for the Period attributable to owners of the Company mainly due to increase in gross profit of approximately HK\$4.2 million.
- The loss per share for the Period was HK Cents 0.40 (2023: HK Cents 0.73).
- The board (the “Board”) of Directors do not recommend the payment of any dividend for the Period (2023: Nil).

## UNAUDITED FINANCIAL RESULTS

The board of directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2024, together with the unaudited comparative figures for the corresponding period in 2023 are set out as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>	3	<b>285,171</b>	295,311
Cost of services		<u>(234,629)</u>	<u>(248,984)</u>
<b>Gross profit</b>		<b>50,542</b>	46,327
Interest revenue	4	<b>585</b>	876
Other income and expenses, net	5	<b>(257)</b>	279
Other gain and losses, net	6	<b>1,561</b>	–
Share of loss of associates		<b>(1,151)</b>	(1,042)
Administrative expenses		<b>(39,929)</b>	(39,513)
Other operating expenses		<b>(15,886)</b>	(14,538)
Finance costs	8	<u>(130)</u>	<u>(260)</u>
<b>Loss before tax</b>		<b>(4,665)</b>	(7,871)
Income tax credit/(expense)	10	<u>121</u>	<u>(417)</u>
<b>Loss for the period</b>	9	<b>(4,544)</b>	(8,288)
<b>Other comprehensive income/(expense), net of tax</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operation		<b>1,372</b>	(5,119)
Reclassification of foreign currency translation reserve to profit or loss upon disposal of a subsidiary		<u>(512)</u>	<u>–</u>
<b>Other comprehensive income/(expense) for the period</b>		<u>860</u>	<u>(5,119)</u>
<b>Total comprehensive expense for the period</b>		<u><b>(3,684)</b></u>	<u><b>(13,407)</b></u>

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(unaudited)
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(4,559)</b>	(8,263)
Non-controlling interests		<b>15</b>	(25)
		<u><b>(4,544)</b></u>	<u>(8,288)</u>
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Owners of the Company		<b>(3,699)</b>	(13,382)
Non-controlling interests		<b>15</b>	(25)
		<u><b>(3,684)</b></u>	<u>(13,407)</u>
<b>Loss per share</b>			
Basic ( <i>HK Cent</i> )	11	<u><b>(0.40)</b></u>	<u>(0.73)</u>
Diluted ( <i>HK Cent</i> )	11	<u><b>(0.40)</b></u>	<u>(0.73)</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment	13	70,489	62,257
Investment properties		23,100	32,300
Right-of-use assets		3,977	5,919
Goodwill		785	785
Deposits placed for life insurance policies		5,151	9,515
Deferred tax assets		2,519	2,520
Investments in associates		7,134	8,285
		<u>113,155</u>	<u>121,581</u>
<b>Current assets</b>			
Prepayments, trade and other receivables	14	156,242	137,794
Cash and cash equivalents		34,764	44,761
Current tax assets		924	925
		<u>191,930</u>	<u>183,480</u>
<b>Current liabilities</b>			
Trade and other payables	15	71,687	62,932
Contract liabilities		2,327	2,054
Bank and other loans		–	2,998
Lease liabilities		3,816	3,962
Current tax liabilities		1,334	1,413
		<u>79,164</u>	<u>73,359</u>
<b>Net current assets</b>		<u>112,766</u>	<u>110,121</u>
<b>Total assets less current liabilities</b>		<u>225,921</u>	<u>231,702</u>

		<b>As at 30 September 2024 HK\$'000 (unaudited)</b>	<b>As at 31 March 2024 HK\$'000 (audited)</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>310</b>	2,176
Deferred tax liabilities		<b>1,463</b>	1,694
		<u><b>1,773</b></u>	<u>3,870</u>
<b>NET ASSETS</b>		<u><b>224,148</b></u>	<u>227,832</u>
<b>Equity</b>			
Share capital	16	<b>11,290</b>	11,290
Reserves		<b>208,521</b>	212,220
		<u><b>219,811</b></u>	<u>223,510</u>
Non-controlling interests		<b>4,337</b>	4,322
		<u><b>224,148</b></u>	<u>227,832</u>
<b>TOTAL EQUITY</b>		<u><b>224,148</b></u>	<u>227,832</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Total equity HK\$'000
	Share capital HK\$'000	Share premium account* HK\$'000	Merger reserve* HK\$'000	Property revaluation reserve* HK\$'000	Foreign currency translation reserve* HK\$'000	Retained profits* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 April 2023 (audited)	11,290	190,444	4,750	2,426	(1,126)	66,033	273,817	4,489	278,306
Total comprehensive expense for the period (unaudited)	-	-	-	-	(5,119)	(8,263)	(13,382)	(25)	(13,407)
At 30 September 2023 (unaudited)	<u>11,290</u>	<u>190,444</u>	<u>4,750</u>	<u>2,426</u>	<u>(6,245)</u>	<u>57,770</u>	<u>260,435</u>	<u>4,464</u>	<u>264,899</u>
At 1 April 2024 (audited)	11,290	190,444	4,750	2,426	(4,996)	19,596	223,510	4,322	227,832
Total comprehensive income/ (expense) for the period (unaudited)	-	-	-	-	860	(4,559)	(3,699)	15	(3,684)
Transfer (unaudited) (Note)	-	-	-	(2,426)	-	2,426	-	-	-
At 30 September 2024 (unaudited)	<u>11,290</u>	<u>190,444</u>	<u>4,750</u>	<u>-</u>	<u>(4,136)</u>	<u>17,463</u>	<u>219,811</u>	<u>4,337</u>	<u>224,148</u>

\* These reserve accounts comprise the consolidated reserve in the unaudited condensed consolidated statement of financial position.

Note: The Group disposed of the property in April 2024. The revaluation surplus in relation to the property is transferred to retained profits at the time of disposal.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Net cash used in operating activities</b>	<b>(6,803)</b>	(12,503)
<b>Net cash generated from investing activities</b>	<b>296</b>	1,111
<b>Net cash used in financing activities</b>	<b>(5,010)</b>	(5,980)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,517)</b>	(17,372)
Effect of foreign exchange rate changes	<b>1,520</b>	(3,785)
Cash and cash equivalents at the beginning of period	<b>44,761</b>	79,139
<b>Cash and cash equivalents at the end of period</b>	<b>34,764</b>	57,982
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>34,764</b>	57,982

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Shi Shi Services Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. Its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. The address of its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit J, 6/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are the provision of property management and related services, and properties investment.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

## 2. BASIS OF PRESENTATION

These unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies adopted by the Group are consistent with the consolidated financial statements for the year ended 31 March 2024.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024, except for the adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA which are effective for accounting periods beginning on or after 1 April 2024.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”), and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and amounts reported for the current period and prior years.

The Group has not applied new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. REVENUE

The Group is principally engaged in the provision of property management and related services and properties investment during the six months ended 30 September 2024. An analysis of the Group's revenue recognised during the periods is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Provision of property management and related services	<u>284,369</u>	<u>294,420</u>
<b>Revenue from contracts with customers</b>	<b>284,369</b>	294,420
Rental income from investment properties	<u>802</u>	<u>891</u>
<b>Total revenue</b>	<b><u><u>285,171</u></u></b>	<b><u><u>295,311</u></u></b>

#### Disaggregation of revenue from contracts with customers:

##### *Provision of property management and related services*

	<b>Six months ended</b>	
	<b>30 September</b>	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Geographical markets</b>		
Hong Kong	275,361	279,610
The People's Republic of China (the "PRC")	<u>9,008</u>	<u>14,810</u>
	<b><u><u>284,369</u></u></b>	<b><u><u>294,420</u></u></b>
<b>Major services</b>		
Property management services	253,197	265,092
Stand-alone security services	<u>31,172</u>	<u>29,328</u>
	<b><u><u>284,369</u></u></b>	<b><u><u>294,420</u></u></b>

All revenue from provision of property management services and stand-alone security services are recognised over time.

**4. INTEREST REVENUE**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Bank interest income	204	490
Interest income from bond receivable	240	240
Interest income from deposits placed for life insurance policies	141	146
	<u>585</u>	<u>876</u>

**5. OTHER INCOME AND EXPENSES, NET**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss on disposal of property, plant and equipment	(287)	–
Others	30	279
	<u>(257)</u>	<u>279</u>

**6. OTHER GAIN AND LOSSES, NET**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Gain on disposal of a subsidiary	2,561	–
Fair value loss of investment properties	(1,000)	–
	<u>1,561</u>	<u>–</u>

## 7. SEGMENT INFORMATION

### (a) Reportable segments

The Group has two (2023: three) reportable segments. The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- (i) Provision of property management and related services; and
- (ii) Properties investment.

Given the insignificant revenue generated in money lending business of the Group during the previous years, and the expiration of the money lender license held by the Group with effect from 16 June 2024, the Group has ceased its money lending business. As a result, the Group's reportable segments have been changed from three segments to two segments.

Segment profits or losses do not include gains or losses from investments and corporate expenses. Segment assets do not include investments and corporate assets. Segment liabilities do not include corporate liabilities. Segment non-current assets do not include deferred tax assets and financial instruments.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

### (i) Business segments

	<b>Six months ended 30 September 2024</b>		
	<b>Provision of property management and related services HK\$'000 (unaudited)</b>	<b>Properties investment HK\$'000 (unaudited)</b>	<b>Total HK\$'000 (unaudited)</b>
Reportable segment revenue:			
Revenue from external customers	<u>284,369</u>	<u>802</u>	<u>285,171</u>
Reportable segment profit/(loss)	<u>729</u>	<u>(725)</u>	<u>4</u>
Depreciation of property, plant and equipment	5,848	47	5,895
Depreciation of right-of-use assets	1,942	–	1,942
Income tax credit/(expense)	197	(76)	121
Interest revenue	344	–	344
Interest expense	130	–	130
Additions to property, plant and equipment	<u>13,104</u>	<u>98</u>	<u>13,202</u>

	<b>At 30 September 2024</b>		
	<b>Provision of property management and related services <i>HK\$'000</i> (unaudited)</b>	<b>Properties investment <i>HK\$'000</i> (unaudited)</b>	<b>Total <i>HK\$'000</i> (unaudited)</b>
Reportable segment assets	268,378	23,948	292,326
Reportable segment liabilities	<u>79,050</u>	<u>360</u>	<u>79,410</u>

	Six months ended 30 September 2023			
	Provision of property management and related services <i>HK\$'000</i> (unaudited)	Properties investment <i>HK\$'000</i> (unaudited)	Money lending business <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Reportable segment revenue:				
Revenue from external customers	<u>294,420</u>	<u>891</u>	<u>–</u>	<u>295,311</u>
Reportable segment (loss)/profit	<u>(2,459)</u>	<u>690</u>	<u>(883)</u>	<u>(2,652)</u>
Depreciation of property, plant and equipment	4,467	52	–	4,519
Depreciation of right-of-use assets	2,025	–	91	2,116
Amortisation of intangible assets	16	–	–	16
Income tax expense	301	116	–	417
Interest revenue	636	–	240	876
Interest expense	258	–	2	260
Additions to property, plant and equipment	<u>625</u>	<u>–</u>	<u>–</u>	<u>625</u>

	At 31 March 2024			
	Provision of property management and related services <i>HK\$'000</i> (audited)	Properties investment <i>HK\$'000</i> (audited)	Money lending business <i>HK\$'000</i> (audited)	Total <i>HK\$'000</i> (audited)
Reportable segment assets	257,582	33,244	4,686	295,512
Reportable segment liabilities	<u>75,638</u>	<u>347</u>	<u>46</u>	<u>76,031</u>

(ii) *Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:*

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
<b>Revenue</b>		
Reportable segment revenue and consolidated revenue	<u>285,171</u>	<u>295,311</u>
<b>Profit or loss</b>		
Reportable segment profit/(loss)	4	(2,652)
Share of loss of associates	(1,151)	(1,042)
Unallocated corporate expenses	<u>(3,518)</u>	<u>(4,177)</u>
<b>Consolidated loss before tax</b>	<u><b>(4,665)</b></u>	<u><b>(7,871)</b></u>
	<b>At 30 September</b>	<b>At 31 March</b>
	<b>2024</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
<b>Assets</b>		
Reportable segment assets	292,326	295,512
Unallocated cash and cash equivalents	1,197	986
Other unallocated corporate assets	<u>11,562</u>	<u>8,563</u>
Consolidated total assets	<u><b>305,085</b></u>	<u><b>305,061</b></u>
<b>Liabilities</b>		
Reportable segment liabilities	79,410	76,031
Unallocated corporate liabilities	<u>1,527</u>	<u>1,198</u>
Consolidated total liabilities	<u><b>80,937</b></u>	<u><b>77,229</b></u>

(b) Geographical information

	Revenue		Non-current assets	
	Six months ended		At	
	30 September		30 September	31 March
	2024	2023	2024	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong	276,163	280,501	64,138	67,926
The PRC	9,008	14,810	41,347	41,620
	<u>285,171</u>	<u>295,311</u>	<u>105,485</u>	<u>109,546</u>

8. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expenses on bank borrowings	–	28
Interest on lease liabilities	130	232
	<u>130</u>	<u>260</u>

9. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Staff costs (including directors' remuneration):		
– Salaries, wages and allowances	244,722	248,458
– Retirement benefits scheme contributions	6,015	5,799
	<u>250,737</u>	<u>254,257</u>
Auditors' remuneration	375	479
Depreciation of property, plant and equipment	5,895	4,519
Depreciation of right-of-use assets	1,942	2,116
Amortisation of intangible assets	–	16
Expenses related to short-term lease	210	127
	<u>210</u>	<u>127</u>

## 10. INCOME TAX (CREDIT)/EXPENSE

For the six months ended 30 September 2024 and 2023, Hong Kong Profits Tax is calculated under the two-tiered profit tax rates regime. The first HK\$2 million of estimated assessable profits is taxed at 8.25% and the remaining estimated assessable profits is taxed at 16.5%. The Group should elect one of its Hong Kong entities to apply the two-tiered profit tax rates.

PRC corporate income tax is calculated at a rate of 25% (2023: 25%) unless otherwise specified, on the estimated assessable profits arising from the operation of the PRC subsidiaries.

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax – Provision for the period	<u>105</u>	<u>221</u>
Current tax – the PRC – Provision for the period	<u>4</u>	<u>211</u>
Deferred tax	<u>(230)</u>	<u>(15)</u>
	<u><u>(121)</u></u>	<u><u>417</u></u>

## 11. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the six months ended 30 September 2024 attributable to owners of the Company of approximately HK\$4.6 million (six months ended 30 September 2023: loss of HK\$8.3 million) and the weighted average number of ordinary shares of 1,128,986,665 (six months ended 30 September 2023: 1,128,986,665) in issue during the periods.

### Diluted loss per share

Diluted loss per share are same as basic loss per share as the Company did not have any dilutive potential ordinary share outstanding during the six months ended 30 September 2024 and 30 September 2023.

## 12. DIVIDEND

No dividend was paid or proposed for the six months ended 30 September 2024, nor has any dividend been proposed since the end of the reporting period and up to the date of this Announcement (six months ended 30 September 2023: Nil).

### 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment at a cash consideration of approximately HK\$13.2 million (six months ended 30 September 2023: HK\$0.6 million).

### 14. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Trade receivables ( <i>Note a</i> )	98,419	95,617
Less: Impairment on trade receivables	<u>(8,807)</u>	<u>(8,622)</u>
	89,612	86,995
Bond receivable ( <i>Note b</i> )	4,000	4,000
Prepayments, deposits and other receivables ( <i>Note c</i> )	<u>62,630</u>	<u>46,799</u>
	<u><b>156,242</b></u>	<u><b>137,794</b></u>

*Notes:*

- a. The Group does not grant credit terms to its customers (2023: Nil). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management and directors.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
1 to 30 days	45,743	40,676
31 to 60 days	23,309	29,805
61 to 90 days	9,678	5,508
Over 90 days	<u>10,882</u>	<u>11,006</u>
	<u><b>89,612</b></u>	<u><b>86,995</b></u>

- b. The bond represented a one-year 12% coupon bond. It is unsecured and is redeemable in February 2025.
- c. Other receivables mainly included amounts paid on behalf of incorporated owners of buildings for property management and government subsidies receivables.

## 15. TRADE AND OTHER PAYABLES

	As at 30 September 2024 <i>HK\$'000</i> (unaudited)	As at 31 March 2024 <i>HK\$'000</i> (audited)
Trade payables	2,496	2,420
Building management deposits received	7,647	8,110
Accruals and other payables	61,544	52,402
	<u>71,687</u>	<u>62,932</u>

The aging analysis of trade payables, based on the invoice date, is as follows:

	As at 30 September 2024 <i>HK\$'000</i> (unaudited)	As at 31 March 2024 <i>HK\$'000</i> (audited)
1 to 30 days	1,263	1,227
31 to 60 days	1,164	1,129
61 to 90 days	6	–
Over 90 days	63	64
	<u>2,496</u>	<u>2,420</u>

## 16. SHARE CAPITAL

### Ordinary shares of HK\$0.01 each

	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2023 (audited), 31 March 2024 (audited) and 30 September 2024 (unaudited)	5,000,000,000	50,000
	<u>5,000,000,000</u>	<u>50,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2023 (audited), 31 March 2024 (audited) and 30 September 2024 (unaudited)	1,128,986,665	11,290
	<u>1,128,986,665</u>	<u>11,290</u>

## 17. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed financial statements, the Group had the following material transactions with its related parties during the six months ended 30 September 2024 and 2023:

	<b>Six months ended 30 September</b>	
	<b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>2023</b> <i>HK\$'000</i> <b>(unaudited)</b>
(i) Compensation of key management personnel	<b>7,713</b>	6,350
(ii) Rental paid to a related company controlled by a director of the Company, Mr. Ho Ying Choi	<b>192</b>	–
	<b>At 30 September 2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>At 31 March 2024</b> <i>HK\$'000</i> <b>(audited)</b>
(iii) Other receivable-amount due from a director, Mr. Huang Liming*	<b>35</b>	35
(iv) Other payable-amount due to a director, Mr. Huang Liming*	<b>931</b>	911
(v) Due to a company controlled by Mr. Huang Liming*	<b>49</b>	48
(vi) Due to a related company controlled by the spouse of a director, Mr. Huang Liming*	<b>820</b>	–

\* Mr. Huang Liming has resigned as an executive director of the Company on 12 November 2024.

Mr. Ho Ying Choi, a director of the Company, had provided unlimited personal guarantees in favour of banking facilities granted to certain subsidiaries within the Group.

In April 2024, the Group has disposed of an indirect wholly-owned subsidiary, 時時健康管理(淄博)有限公司, to a related company controlled by the spouse of a director, Mr. Huang Liming, at a consideration of RMB10,000.

## 18. LEASE COMMITMENTS

### Commitments under operating leases

#### *As lessor*

The Group leases out certain of its investment property. At the end of the reporting period, the future minimum lease payments under non-cancellable leases are receivables as follows:

	<b>At 30 September 2024 HK\$'000 (unaudited)</b>	At 31 March 2024 HK\$'000 (audited)
Within one year	<b>1,099</b>	1,417
In the second to fifth years, inclusive	<b>495</b>	491
	<b><u>1,594</u></b>	<b><u>1,908</u></b>

Operating lease income represents rentals receivable by the Group for its investment property. Leases are negotiated for term of 2 years and rentals are fixed over the lease term and do not include contingent rentals.

## 19. CONTINGENT LIABILITIES

### (a) Performance bond and incorporated owners' fund

Performance bond has been issued by a bank and an insurance company as the Group maintains certain incorporated owners' funds in the form of client accounts which were held on trust for and on behalf of the incorporated owners. These client accounts are not recognised as assets and associated liabilities in the financial statements of the Group. At the end of the reporting period, the directors of the Company do not consider it probable that a claim on the performance bonds will be made against the Group.

As at 30 September 2024, the amount of outstanding performance bond was approximately HK\$23.4 million (31 March 2024: HK\$29.2 million).

As at 30 September 2024, the aggregate amount of the bank balances in the client accounts not dealt with in the condensed consolidated financial statements of the Group is approximately HK\$70.1 million (31 March 2024: HK\$64.4 million).

### (b) Legal cases

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group generally includes (i) claims for employees' compensation by the Group's employees; (ii) claims for personal injury caused by the negligence of the Group and owners' corporations of the properties by passersby, residents or other users of the respective properties; (iii) claims for property damage or economic loss caused by the negligence of the Group and owners' corporations of the properties by residents or other users of the respective properties; and (iv) claims for property damage caused by the negligence of individual flat owners by other residents or users of the respective properties. The Group maintains insurance cover and, in the opinion of the directors of the Company, based on current evidence, any such existing claims have no material financial impact to the Group as at 30 September 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

The Group is principally engaged in the provision of property management services primarily targeting residential properties and properties investment. The Group operates under the brand name of “Kong Shum” in Hong Kong and provides a range of management services in Hong Kong and the PRC, including security, repair and maintenance, cleaning, financial management, administrative and legal support. Under an established functional structure with various departments, the Group has dedicated teams to carry out the aforementioned management services. The Group also employs a team of security staff to provide security services as part of the services provided under property management contracts or under stand-alone security services contracts. For the six months ended 30 September 2024, the Group provided property security services for 14 properties under stand-alone security services contracts in Hong Kong. The operating arm of the Group’s security services is mainly Q & V Security Company Limited (“Q&V”). The Group hires its own security staff to provide property security services. The Group also employs registered technicians to provide basic repair and maintenance services to its customers if required. In relation to the cleaning services, the Group subcontracts substantially all of its cleaning services to third-party contractors.

For the properties investment business, the Group recorded rental income from investment properties of approximately HK\$0.8 million for the six months ended 30 September 2024 (2023: HK\$0.9 million).

### **REVENUE**

For the six months ended 30 September 2024, the Group’s revenue was derived from its operations in Hong Kong and the PRC of approximately HK\$276.2 million (2023: HK\$280.5 million) and HK\$9.0 million (2023: HK\$14.8 million), respectively.

The Group derived revenue of approximately HK\$31.2 million and HK\$29.3 million respectively from stand-alone security services contracts for the six months ended 30 September 2024 and 2023 respectively, representing approximately 10.9% and 9.9% of its total revenue.

The following table sets out the Group's revenue by contract type for the six months ended 30 September 2024 and 2023 respectively:

	<b>Six months ended 30 September</b>			
	<b>2024</b>		<b>2023</b>	
	<i>HK\$ million</i>	<i>Percentage</i>	<i>HK\$ million</i>	<i>Percentage</i>
Property management services contracts	<b>253.2</b>	<b>88.8%</b>	265.1	89.8%
Stand-alone security services contracts	<b>31.2</b>	<b>10.9%</b>	29.3	9.9%
Rental services contracts	<b>0.8</b>	<b>0.3%</b>	0.9	0.3%
	<b>285.2</b>	<b>100%</b>	295.3	100%

The Group's revenue decreased by approximately 3.4% from approximately HK\$295.3 million for the six months ended 30 September 2023 to approximately HK\$285.2 million for the six months ended 30 September 2024. During the Period, the number of Hong Kong property management service contracts obtained by the Group had been decreased by 25 from 440 for six months ended 30 September 2023 to 415 for the six months ended 30 September 2024. Revenue generated from property management services contracts in Hong Kong recorded a decrease of approximately 4.5% to approximately HK\$253.2 million for the six months ended 30 September 2024.

## **GROSS PROFIT**

The gross profit of the Group increased by approximately 9.1% from approximately HK\$46.3 million for the six months ended 30 September 2023 to approximately HK\$50.5 million for the six months ended 30 September 2024. The gross profit margin was approximately 17.7% and 15.7% for the six months ended 30 September 2024 and 2023 respectively.

## **LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The loss attributable to owners of the Company decreased by approximately 44.8% from a loss of approximately HK\$8.3 million for the six months ended 30 September 2023 to loss of approximately HK\$4.6 million for the six months ended 30 September 2024 mainly due to increase in gross profit of approximately HK\$4.2 million.

## OTHER OPERATING EXPENSES

The Group's other operating expenses for the six months ended 30 September 2024 were approximately HK\$15.9 million (2023: HK\$14.5 million), representing an increase of approximately 9.3% as compared to the corresponding period in 2023.

The following table sets out other operating expenses by nature for the periods indicated.

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Auditors' remuneration	375	479
Consultancy fee	86	100
Depreciation and amortisation	5,895	4,535
Exchange difference	(4)	114
Insurance fee	2,455	2,262
Legal and professional fee	2,416	1,798
Office expenses	1,288	1,348
Others	149	226
Registration, licence and subscription fee	107	86
Travelling and entertainment expenses	3,119	3,590
	<u>15,886</u>	<u>14,538</u>

## OPERATION REVIEW

### Outlook

The property market in Hong Kong is expanding. Public opinion voices concern over the housing stock production and the speeding up of the completion of construction of properties in the near future is expected to solve the heavy demand on housing. It is envisaged that the property management business will expand simultaneously. On the other hand, even though strong competition and soaring cost resulting from statutory minimum wage revision and inflation are unavoidable, the Directors are confident that the Group is now on an appropriate stage to increase its market share.

During the Period, the Group has recorded revenue of approximately HK\$284.4 million (2023: HK\$294.4 million) from its property management services in Hong Kong and the PRC. Going forward, the Group will continue to focus on property management and related services in Hong Kong and the PRC. Management will also explore additional investment opportunities to diversify the Group's income sources, which will benefit the Company and its shareholders as a whole.

### **Human Resources**

As at 30 September 2024, the Group had a total of 1,617 employees (31 March 2024: 1,680 employees). The Group's staff costs for the six months ended 30 September 2024 amounted to approximately HK\$250.7 million (2023: HK\$254.3 million). To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance.

### **Services Contracts**

Due to well-established team and project planning, during the six months ended 30 September 2024, 2 property management contracts were awarded to the Group in Hong Kong.

For the six months ended 30 September 2024, there were in total 415 service contracts (covering around 86,414 households) comprising 391 property management service contracts, 11 stand-alone security service contracts and 13 facility management service contracts in Hong Kong.

### **Contract Renewal Complying with Procedural Requirements**

A service contract which does not comply with the procedural requirements for contract renewal as stipulated in section 20A of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) may be cancelled by the owners' corporation. Included in 415 contracts in force as at 30 September 2024, 82 service contracts are not in strict compliance with the said contract renewal requirements, hence, termination notices were served on clients involving in these contracts. All of the remaining 333 valid contracts as at 30 September 2024 are in compliance with the said procedural requirements or not applicable under the Building Management Ordinance. Senior management adopts a tight control system to monitor the full compliance of the procedural requirements. All new contracts signed during the six months ending 30 September 2024 included a mandatory clause requiring clients to adhere to the said procedural requirements, where applicable.

## **Client Accounts**

As at 30 September 2024, the Group held 61 (31 March 2024: 63) client accounts amounting to approximately HK\$70.1 million (31 March 2024: HK\$64.4 million) on trust for and on behalf of customers. These client accounts are opened in the names of the Group and the relevant properties. The management fees received from the tenants or owners of the properties were deposited into these client accounts and the expenditure of these customers was paid from these client accounts.

## **Performance Bond**

As at 30 September 2024, a bank and an insurance company issued 14 (31 March 2024: 14) bond certificates amounting to approximately HK\$23.4 million (31 March 2024: HK\$29.2 million) on behalf of the Group to the clients as required in the service contracts.

## **Liquidity, Financial Resources and Capital Structure**

The Group maintained sufficient working capital as at 30 September 2024 with bank balances and cash of approximately HK\$34.8 million (31 March 2024: HK\$44.8 million).

As at 30 September 2024, the Group had bank and other loan and lease liabilities of approximately HK\$4.1 million (31 March 2024: HK\$9.1 million).

As at 30 September 2024, the Group's net current assets amounted to approximately HK\$112.8 million (31 March 2024: HK\$110.1 million). The Group's operations are financed principally by revenue generated from its business operations, available cash and bank balances.

## **Capital Expenditure**

The Group purchased property, plant and equipment mainly for leasehold improvements amounting to approximately HK\$13.2 million for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$0.6 million).

## **Capital Commitments**

The Group did not have any significant capital commitments as at 30 September 2024.

## **Contingent Liabilities**

Details of contingent liabilities of the Group are set out in note 19 to the unaudited condensed consolidated financial statements.

## **Foreign Currency Risk**

The Group has certain exposure to foreign currency risk as the Group's deposits placed for life insurance policies are denominated in United States dollar ("US\$").

The Group considers the risk exposure to foreign currency fluctuation is limited as long as the HK\$ remains pegged to the US\$.

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

## **Charges over Assets of the Group**

As at 30 September 2024, the Group did not have any charge over assets other than the motor vehicle acquired under finance lease. Carrying value of the motor vehicle amounted to approximately HK\$0.1 million and HK\$0.14 million were under lease liabilities as at 30 September 2024 and 31 March 2024 respectively.

## **Gearing Ratio**

The Group's gearing ratio, being as the total debt (i.e. bank and other loan and lease liabilities) divided by total equity, as at 30 September 2024, was approximately 1.8% (31 March 2024: 4.0%).

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed in this results announcement, there were no other significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2024.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this results announcement, the Group had no other future plans for material investments or capital assets as of 30 September 2024.

## OPERATION REVIEW

### Use of Proceeds From the Listing

The actual net proceeds from the issue of new shares of the Company under the Placing as set out in the Prospectus were approximately HK\$17.5 million, which was different from the estimated net proceeds of approximately HK\$24.4 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). For the period from 20 September 2013 to 30 September 2024, the Group has applied the net proceeds as follows:

	Net proceeds (HK\$ million)		
	Available	Utilised	Unutilised
Repayment of bank loans	7.5	7.5	–
Implementation of old district property management scheme	4.3	–	4.3
Expansion of the property management portfolio	5.7	5.7	–
	<u>17.5</u>	<u>13.2</u>	<u>4.3</u>

The unutilised balance of the net proceeds will be applied in the manner consistent with that mentioned in the Prospectus.

The Group expects the remaining proceeds of HK\$4.3 million will be fully utilised by the year ending 31 March 2026.

### Fund Raising Activity

The Company had no fund raising activities during the six months ended 30 September 2024.

## RISKS RELATING TO THE GROUP AND ITS BUSINESS

The Group faces intense competition which may adversely affect its market share and profitability. The property management industry in Hong Kong is competitive and the competition may exert some pressure on the service fees of property management companies. The Group may therefore be required to reduce its fees or maintain low service fees in view of the market pressure so as to retain customers or pursue new business opportunities. The Group's revenue stream and profitability may also be adversely affected if the customers terminate the service contracts with the Group, whether by serving written notice or for the reason of breach or material breach of the terms or conditions thereunder, prior to the expiry date.

## **CORPORATE GOVERNANCE PRACTICES**

The Board and the management of the Group are committed to upholding high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Company.

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules. The principles adopted by the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders of the Company.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the six months ended 30 September 2024, the Company has complied with all CG Code except for the following deviation:

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company did not officially have a chief executive officer since 8 September 2015. Daily operation and management of the Company is monitored by the executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who meet from time to time to discuss issues affecting the operations of the Company. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Company’s business operations. The Board will continue to review the effectiveness of the Company’s structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer, is necessary.

## **UPDATE ON DIRECTORS’ INFORMATION**

There was no change of the Directors’ information pursuant to Rule 17.50A(1) of the GEM Listing Rules since the disclosure made in the Company’s annual report 2023/24 or the announcement in relation to the appointment and/or resignation of the Directors.

## **CHANGE OF CONTROLLING SHAREHOLDER OF THE COMPANY**

On 30 September 2024, Mr. Ho Ying Choi (“Mr. Ho”), an executive Director, and Heng Sheng Capital Limited (“Heng Sheng”) entered into a sale and purchase agreement (the “Sale and Purchase Agreement”), pursuant to which Heng Sheng agreed to sell and Mr. Ho agreed to purchase a total of 626,071,950 shares of the Company (the “Sale Share(s)”), representing approximately 55.45% of total issued share capital of the Company, for a total consideration of HK\$36,938,245 (equivalent to HK\$0.059 per Sale Share). Upon completion of the Sale and Purchase Agreement on the same day, Mr. Ho became the controlling shareholder of the Company. Consequently, under the Code on Takeovers and Mergers, Mr. Ho was required to make a mandatory unconditional cash offer to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Mr. Ho and parties acting in concert with him) at HK\$0.059 per share (the “Offer”). The Offer closed on 11 November 2024. Having made all reasonable enquiries and to the best knowledge and belief of the Board, Mr. Ho held 745,119,950 shares of the Company after the close of the Offer. Further details of the change of controlling shareholder of the Company and the Offer were set out in the joint announcements dated 30 September 2024, 21 October 2024 and 11 November 2024 and the composite document dated 21 October 2024.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors’ securities transactions in securities of the Company. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the six months ended 30 September 2024.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 September 2024, the interests and short positions of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

### **Long Positions in the Ordinary Shares of HK\$0.01 each of the Company**

<b>Name of Shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage of interests in the issued share capital</b>
Ho Ying Choi ( <i>Note 1</i> )	Beneficial owner	626,071,950 (L) ( <i>Note 2</i> )	55.45%

*Notes:*

- (1) As at 30 September 2024, 626,071,950 shares are held by Mr. Ho Ying Choi, an executive Director and chairman of the Board.
- (2) The Letter "L" Denotes long position in the shares.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at date of this Announcement.

## ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2024 was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors and chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

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

As at 30 September 2024, the following persons/entities (other than a Director or chief executive of the Company) had or were deemed or taken to have interests and short positions in the Shares and underlying shares of the Company as recorded in the register of interests and short positions of substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company pursuant to section 336 of the SFO:

### Long Positions in the Ordinary Shares of HK\$0.01 each of the Company

Name of Shareholder	Capacity and nature of interest	Number of shares	Approximate percentage of interests in the issued share capital
Chan Yuk Fan ( <i>Note 1</i> )	Interest of spouse	626,071,950 (L) ( <i>Note 2</i> )	55.45%

*Notes:*

- (1) Ms. Chan Yuk Fan is the spouse of Mr. Ho Ying Choi and, accordingly, under the SFO (Chapter 571 of the Laws of Hong Kong), she is deemed to be interested in the same number of shares in which Mr. Ho Ying Choi is interested.
- (2) The letter "L" denotes long position in the Shares.

Save as disclosed above, as at date of this Announcement, the Directors were not aware of any persons/entities (other than a Director or chief executive of the Company) who/which had or were deemed or taken to have any other interests or short positions in Shares or underlying shares of the Company as recorded in the Register of Substantial Shareholders required to be kept by the Company pursuant to under section 336 of the SFO.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. The Company was not aware of any noncompliance with the required standard of dealings and its code of conduct regarding securities transaction by Directors for the six months ended 30 September 2024.

## **SHARE AWARD PLAN**

On 6 August 2021, the Directors approved the adoption of a share award plan (the “Share Award Plan”).

### **Purposes of the Share Award Plan**

The purpose of the Share Award Plan are to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

### **Administration**

The Share Award Plan shall be subject to the administration of the Board and the trustee in accordance with the terms of the Share Award Plan.

### **Eligibility**

Under the rules constituting the Share Award Plan, the following classes of participants (excluding the excluded participants) (the “Eligible Participants”) are eligible for participation in the Share Award Plan:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director, and including any person who has entered into an employment contract with the Group, provided that the commencement date of his tenure under the employment contract shall fall on a date before the Vesting Date and such employment contract shall remain valid and subsisting up to and including the vesting date, and provided that such person shall not be regarded as Eligible Employee if he dies before the commencement date of this tenure under the employment contract) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest (“Invested Entity”);
- (b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;
- (c) any supplier or vendors of goods or services to any member of the Group or any Invested Entity;

- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Plan, the Award may be made to any company wholly-owned by one or more of the above participants.

### **Term**

Subject to early termination by the Board, the Share Award Plan shall be valid and effective for a term of ten (10) years commencing from the adoption date. The total maximum number of Shares which may be awarded under the Plan must not in aggregate exceed 10% of the shares in issue as at the adoption date or the date of approval of any refreshed limit, if any.

### **Lapse of Awards and Returned Shares**

In the event that any Selected Participant who is an eligible employee ceases to be an eligible employee, the Award shall automatically lapse forthwith and all the Awarded Shares and other distributions attributable thereto shall not vest on the relevant vesting date but shall become returned shares for the purposes of the plan.

### **Maximum Number of Awarded Shares Awarded under the Share Award Plan and The Maximum Entitlement of Each Participant under the Share Award Plan**

The total maximum number of Shares which may be awarded under the Share Award Plan must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (i.e., 102,635,151 Shares on the basis of 1,026,351,515 Shares in issue as at the Adoption Date) or the date of approval of any refreshed limit, if any (including those Shares awarded by way of direct allotment).

According to the Share Award Plan, the total number of Awarded Shares granted to each Selected Participant in any 12-month period must not exceed 1% of the relevant class of securities of the Company (or its Subsidiaries) in issue (i.e., 10,263,515 Shares on the basis of 1,026,351,515 Shares in issue as at the Adoption Date). In addition, subject to the applicable requirements of Chapter 23 of the GEM Listing Rules, each Awarded Share granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must not result in the Awarded Shares already granted and to be granted to such Selected Participant in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million.

#### **Amount Payable by the Grantee(s) on Acceptance of the Grant of Awarded Shares**

According to the Share Award Plan, the grant of the Awarded Shares shall be deemed to be irrevocably accepted by a Participant unless the Participant shall within five (5) business days after receipt of such notice from the Board notify the Company in writing that he would decline to accept such Award, without any amount payable to the Company on acceptance of the grant of Awarded Shares.

#### **Vesting Period and Determination of the Purchase Price**

According to the Plan, the Board has absolute discretion in deciding the vesting period of the grant of Awarded Shares.

At the beginning of each financial year of the Group, the Board shall (after having regard to all relevant circumstances and affairs of the Group) determine the maximum amount of the contribution of the Group (the “Group Contribution Annual Threshold”) to be allocated during such financial year for the trustee appointed by the Company pursuant to the trust deed (the “Trustee”) or via a special purpose vehicle to be established by the Trustee for the purpose of the Plan (the “SPV”) subscribing or purchasing Shares for the purpose of implementation of the Plan.

The Group Contribution Annual Threshold shall (and is intended to) be applied to cover (i) the subscription or purchase prices for the Shares to be subscribed or purchased for implementation of the Plan (as the case may be), and (ii) all related expenses (including, but not limited to the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy and such other necessary expenses) required for the completion of the subscription or purchase of all the Awarded Shares (as the case may be). The purchase price of the grant of the Award under the Plan was the closing price of the Shares on the Stock Exchange.

At any time during any particular financial year, the Board, after having regard to all relevant circumstances and affairs of the Group, may from time to time cause to be paid from the Company's resources such amount of moneys which may be utilised by the Trustee or, as authorised by the Trustee, via SPV (as the case may be) to subscribe for or purchase Shares which will constitute the Shares pool, provided that the amount of moneys so paid together with any moneys paid for that financial year shall not in any event exceed the Group Contribution Annual Threshold.

### **Remaining life of the Plan**

Subject to early termination by the Board, the Plan shall be valid and effective for a term of ten (10) years commencing from the Adoption Date (i.e. 6 August 2031), and after the expiry of such period no further Awards may be made but these rules of the Plan shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto.

### **Movement Under the Share Award Plan**

For the six months ended 30 September 2024, there were no Award granted under the Plan (including the grant of Award to any Director, the five highest individuals during the period in aggregate). For the six months ended 30 September 2024, no Award was vested, cancelled and lapsed in accordance with the terms of the Plan.

At 1 April 2024, 30 September 2024 and the date of this Announcement, there was one Awarded Share (representing approximately 0.0000001% of the issued share capital of the Company) available for grant under the Share Award Plan. The Board would "refresh" the scheme limit, when necessary, in accordance with the requirements under the GEM Listing Rules.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part the business of the Company were entered into or existed during the Period.

### **COMPETING BUSINESS**

None of the controlling Shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “Audit Committee”) with written terms of reference, available on the Company’s website, in compliance with the GEM Listing Rules. The Audit Committee is currently composed of all the independent non-executive Directors, namely, Mr. Lam Kai Yeung (chairman), Mr. Lam Pun Yuen, Frank, Mr. Chan Fei Fei and Mr. Lo Chi Ho, Richard.

The Audit Committee has reviewed and approved the Company’s unaudited interim results for the six months ended 30 September 2024 and recommended approval to the Board.

## **BOARD COMPOSITION AND DIVERSITY POLICY**

The Company has adopted the board diversity policy since 11 October 2013. The policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business and compliance with policies. The composition and diversity policies of the Board are reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interference. The Board members should possess appropriate professionalism, experience and trustworthiness in performing duties and functions. The Board would diversify its members according to the Company’s situations and needs. While participating in nomination and recommendation of director candidates during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company’s various business development and management. The Board is to review the policy concerning diversity of Board members, and to disclose the policy or a summary of the policy in the corporate governance report, including any quantitative targets and standards and its progress with policy implementation.

## **PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR**

Any Shareholder who wishes to propose a person other than a retiring director of the Company or the Shareholder himself/herself for election as Director in general meeting of the Company should follow the procedures available on the Company’s website.

## **PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES**

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 September 2024.

## **CONTRACT OF SIGNIFICANCE**

Save for the respective director service contract with each Director, and save as disclosed under the paragraph headed “Connected Transactions” on p.60 of the annual report of the Company for the year ended 31 March 2024, no Director had a material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Period under review.

## **SHAREHOLDERS’ RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING**

Pursuant to Article 58 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting (“EGM”). EGM shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

## **PROCEDURES FOR DIRECTING SHAREHOLDERS’ ENQUIRIES TO THE BOARD**

Shareholders and other stakeholders can make any enquiry in respect of the Company in writing to our head office at Unit J, 6/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong.

## **PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS**

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of requisition convene an EGM following the procedures set out above.

## **EVENTS AFTER THE REPORTING PERIOD**

Saved as disclosed in the section headed “Change of Controlling Shareholder of the Company”, there are no significant events of the Group after the reporting period and up to the date of this announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company’s issued shares as at the latest practicable date prior to the issue of this Announcement.

On behalf of the board  
**Shi Shi Services Limited**  
**Ho Ying Choi**  
*Chairman and executive Director*

Hong Kong, 29 November, 2024

*As at the date of this announcement, the executive Directors are Mr. Ho Ying Choi (Chairman), Mr. Lee Chin Ching, Cyrix and Ms. Ho Siu Chun and the independent non-executive Directors are Mr. Lam Kai Yeung, Mr. Lo Chi Ho, Richard, Mr. Lam Frank Pun Yuen and Mr. Chan Fei Fei.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the HKEX website at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and the Company’s website at [www.shishiservices.com.hk](http://www.shishiservices.com.hk).*