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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)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023**

### **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.*

The board of directors (the “Board”) of the Company is pleased to present the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2023, together with the audited comparative figures for the corresponding year in 2022 are set out as follows:

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

*For the year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>Revenue</b>	3	<b>547,375</b>	524,951
Cost of services		<u>(452,864)</u>	<u>(424,665)</u>
<b>Gross profit</b>		<b>94,511</b>	100,286
Interest revenue	4	<b>1,429</b>	458
Other income and expenses, net	5	<b>10,858</b>	3,280
Share of loss of associates	12	<b>(5,094)</b>	(8,133)
Administrative expenses		<b>(79,243)</b>	(70,377)
Other operating expenses		<b>(41,201)</b>	(32,437)
Impairment of investments in associates	12	<b>(1,721)</b>	(4,428)
Impairment of property, plant and equipment		<b>(814)</b>	(7,049)
Impairment of goodwill		–	(2,132)
Impairment of trade receivables		<b>(4,747)</b>	(2,197)
Listing expenses		–	(941)
Finance costs	7	<u>(595)</u>	<u>(664)</u>
<b>Loss before tax</b>		<b>(26,617)</b>	(24,334)
Income tax expense	9	<u>(2,147)</u>	<u>(1,615)</u>
<b>Loss for the year</b>	8	<b>(28,764)</b>	(25,949)
<b>Other comprehensive (expense)/income, net of tax</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Gain on property revaluation		<b>2,426</b>	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operation		<u>(5,379)</u>	<u>2,848</u>
<b>Other comprehensive (expense)/income for the year</b>		<u>(2,953)</u>	<u>2,848</u>
<b>Total comprehensive expense for the year</b>		<u><b>(31,717)</b></u>	<u>(23,101)</u>

		<b>2023</b>	2022
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(28,802)</b>	(25,949)
Non-controlling interests		<b>38</b>	–
		<u><b>(28,764)</b></u>	<u>(25,949)</u>
<b>Total comprehensive expense/(income) for the year attributable to:</b>			
Owners of the Company		<b>(31,755)</b>	(23,101)
Non-controlling interests		<b>38</b>	–
		<u><b>(31,717)</b></u>	<u>(23,101)</u>
<b>Loss per share</b>			
Basic ( <i>HK\$</i> )	10	<u><b>(0.026)</b></u>	<u>(0.025)</u>
Diluted ( <i>HK\$</i> )	10	<u><b>(0.026)</b></u>	<u>(0.025)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>92,945</b>	97,510
Investment properties		<b>40,400</b>	30,300
Intangible assets	11	<b>162</b>	215
Right-of-use assets		<b>9,907</b>	9,915
Goodwill		<b>1,100</b>	1,100
Deposits placed for life insurance policies		<b>9,340</b>	9,155
Deferred tax assets		<b>2,379</b>	2,744
Investments in associates	12	<b>8,708</b>	6,237
Prepayments, trade and other receivables	13	<b>–</b>	4,500
		<b>164,941</b>	161,676
<b>Current assets</b>			
Prepayments, trade and other receivables	13	<b>120,300</b>	165,002
Pledged bank deposits		<b>–</b>	574
Cash and cash equivalents		<b>79,139</b>	67,696
Current tax assets		<b>1,614</b>	2,837
		<b>201,053</b>	236,109
<b>Current liabilities</b>			
Trade and other payables	14	<b>63,974</b>	71,127
Contract liabilities		<b>2,418</b>	6,227
Bank and other loans		<b>5,925</b>	9,000
Lease liabilities		<b>4,084</b>	3,094
Current tax liabilities		<b>1,684</b>	2,360
		<b>78,085</b>	91,808
<b>Net current assets</b>		<b>122,968</b>	144,301
<b>Total assets less current liabilities</b>		<b>287,909</b>	305,977

	<i>Note</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>6,010</b>	7,017
Bank and other loans		<b>2,137</b>	–
Deferred tax liabilities		<b>1,456</b>	571
		<u><b>9,603</b></u>	<u>7,588</u>
<b>NET ASSETS</b>		<u><b>278,306</b></u>	<u>298,389</u>
<b>Equity</b>			
Share capital	15	<b>11,290</b>	11,290
Reserves		<b>262,527</b>	287,099
		<u><b>273,817</b></u>	<u>298,389</u>
<b>Equity attributable to owners of the Company</b>		<b>273,817</b>	298,389
Non-controlling interests		<b>4,489</b>	–
		<u><b>278,306</b></u>	<u>298,389</u>
<b>TOTAL EQUITY</b>		<u><b>278,306</b></u>	<u>298,389</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Attributable to owners of the Company										
	Share capital	Share premium account	Merger reserve	Share-based payment reserve	Other reserve	Property revaluation reserve	Foreign currency translation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021	10,264	179,975	4,750	-	-	-	1,405	122,577	318,971	-	318,971
Award shares granted under share award plan	-	-	-	2,519	-	-	-	-	2,519	-	2,519
Issuance of award shares	1,026	-	-	-	(1,026)	-	-	-	-	-	-
Total comprehensive (expense)/income for the year	-	-	-	-	-	-	2,848	(25,949)	(23,101)	-	(23,101)
At 31 March 2022	<u>11,290</u>	<u>179,975</u>	<u>4,750</u>	<u>2,519</u>	<u>(1,026)</u>	<u>-</u>	<u>4,253</u>	<u>96,628</u>	<u>298,389</u>	<u>-</u>	<u>298,389</u>
At 1 April 2022	11,290	179,975	4,750	2,519	(1,026)	-	4,253	96,628	298,389	-	298,389
Award shares granted under share award plan	-	-	-	8,976	-	-	-	-	8,976	-	8,976
Award shares vested	-	10,469	-	(11,495)	1,026	-	-	-	-	-	-
Change in ownership interests in subsidiaries without change of control	-	-	-	-	-	-	-	(1,793)	(1,793)	4,451	2,658
Total comprehensive (expense)/income for the year	-	-	-	-	-	2,426	(5,379)	(28,802)	(31,755)	38	(31,717)
At 31 March 2023	<u>11,290</u>	<u>190,444</u>	<u>4,750</u>	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>(1,126)</u>	<u>66,033</u>	<u>273,817</u>	<u>4,489</u>	<u>278,306</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 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 903, 9 Floor, Haleson Building, 1 Jubilee Street, Central, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are provision of property management and related services, properties investment and money lending business.

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

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. 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 year 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, properties investment and money lending business during the year. An analysis of the Group’s revenue recognised during the year is as follows:

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Provision of property management and related services	<u>545,857</u>	<u>519,778</u>
Revenue from contracts with customers	545,857	519,778
Rental income from investment properties	1,380	1,377
Loan interest income from money lending	<u>138</u>	<u>3,796</u>
Total revenue	<u><u>547,375</u></u>	<u><u>524,951</u></u>

Disaggregation of revenue from contracts with customers:

**Provision of property management and related services**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Geographical markets</b>		
Hong Kong	<b>513,143</b>	482,448
People Republic of China (the "PRC")	<b>32,714</b>	37,330
	<b>545,857</b>	519,778
<b>Major services</b>		
Property management services	<b>508,263</b>	488,801
Stand-alone security services	<b>37,594</b>	30,977
	<b>545,857</b>	519,778

For the years ended 31 March 2023 and 2022, all revenue from provision of property management services, stand-alone security services and property management consultancy services are recognised over time.

Property management services fees, stand-alone security services and property management consultancy services fees are recognized on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The property management services fees and property management consultancy services fees are due on the end of each month.

There was no performance obligations that are unsatisfied pursuant to HKFRS 15.120 during the years ended 31 March 2023 and 2022.

**4. INTEREST REVENUE**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	<b>609</b>	134
Interest income from bond receivable	<b>520</b>	26
Interest income from deposits placed for life insurance policies	<b>300</b>	298
	<b>1,429</b>	458



## 5. OTHER INCOME AND EXPENSES, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Gain on bargain purchase of an associate	4,786	–
Fair value loss of investment properties	(100)	–
Commission income	–	30
Others ( <i>note 1</i> )	6,172	3,250
	<u>10,858</u>	<u>3,280</u>

*Note:*

- (1) The Group recognised government subsidies of approximately HK\$5.6 million for the year ended 31 March 2023 from the Employment Support Scheme launched by the HKSAR Government.

## 6. SEGMENT INFORMATION

### (a) Reportable segments

The Group has three (2022: 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;
- (ii) Properties investment; and
- (iii) Money lending business.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include dividend income and gains or losses from investments. Segment assets do not include investments. 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>For the year ended 31 March 2023</b>			
	<b>Provision of property management and related services <i>HK\$'000</i></b>	<b>Properties investment <i>HK\$'000</i></b>	<b>Money lending business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Reportable segment revenue:				
Revenue from external customers	<u>545,857</u>	<u>1,380</u>	<u>138</u>	<u>547,375</u>
Reportable segment (loss)/profit	<u>(3,118)</u>	<u>1,002</u>	<u>(228)</u>	<u>(2,344)</u>
Depreciation of property, plant and equipment	6,993	240	–	7,233
Depreciation of right-of-use assets	3,606	–	182	3,788
Amortisation of intangible assets	36	–	–	36
Fair value loss on investment properties	–	100	–	100
Income tax expense	1,958	189	–	2,147
Interest revenue	909	–	520	1,429
Interest expense	584	–	8	592
Additions to property, plant and equipment	<u>16,287</u>	<u>420</u>	<u>–</u>	<u>16,707</u>
	<b>At 31 March 2023</b>			
	<b>Provision of property management and related services <i>HK\$'000</i></b>	<b>Properties investment <i>HK\$'000</i></b>	<b>Money lending business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Reportable segment assets	295,329	41,503	5,921	342,753
Reportable segment liabilities	<u>83,202</u>	<u>360</u>	<u>159</u>	<u>83,721</u>

	For the year ended 31 March 2022			
	Provision of property management and related services <i>HK\$'000</i>	Properties investment <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue:				
Revenue from external customers	<u>519,778</u>	<u>1,377</u>	<u>3,796</u>	<u>524,951</u>
Reportable segment (loss)/profit	<u>(6,876)</u>	<u>1,201</u>	<u>3,412</u>	<u>(2,263)</u>
Depreciation of property, plant and equipment	10,044	4	–	10,048
Depreciation of right-of-use assets	4,476	–	172	4,648
Amortisation of intangible assets	145	–	–	145
Income tax expense	854	178	583	1,615
Interest revenue	432	–	26	458
Interest expense	656	–	8	664
Additions to property, plant and equipment	<u>65,458</u>	<u>–</u>	<u>–</u>	<u>65,458</u>
	At 31 March 2022			
	Provision of property management and related services <i>HK\$'000</i>	Properties investment <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	306,567	31,075	43,010	380,652
Reportable segment liabilities	<u>96,274</u>	<u>388</u>	<u>1,071</u>	<u>97,733</u>

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

	2023	2022
Year ended 31 March	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>		
Reportable segment revenue and consolidated revenue	<u>547,375</u>	<u>524,951</u>
<b>Profit or loss</b>		
Reportable segment loss	(2,344)	(2,263)
Unallocated other income	72	30
Gain on bargain purchase of an associate	4,786	–
Share of loss of associates	(5,094)	(8,133)
Impairment of investments in associates	(1,721)	(4,428)
Unallocated corporate expenses	<u>(22,316)</u>	<u>(9,540)</u>
<b>Consolidated loss before tax</b>	<u>(26,617)</u>	<u>(24,334)</u>
	2023	2022
At 31 March	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Assets</b>		
Reportable segment assets	342,753	380,652
Unallocated cash and cash equivalents	4,792	7,238
Other unallocated corporate assets	<u>18,449</u>	<u>9,895</u>
<b>Consolidated total assets</b>	<u>365,994</u>	<u>397,785</u>
<b>Liabilities</b>		
Reportable segment liabilities	83,721	97,733
Unallocated corporate liabilities	<u>3,967</u>	<u>1,663</u>
<b>Consolidated total liabilities</b>	<u>87,688</u>	<u>99,396</u>

(b) **Geographical information**

	Revenue		Non-current assets	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	514,661	487,621	101,141	78,811
The PRC	<u>32,714</u>	<u>37,330</u>	<u>63,800</u>	<u>82,865</u>
	<u>547,375</u>	<u>524,951</u>	<u>164,941</u>	<u>161,676</u>

(c) **Information about major customers**

An analysis of the Group's revenue from major services is set out in note 3 above. No customer accounted for 10 percent or more of the total revenue for the years ended 31 March 2023 and 2022.

## 7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on bank borrowings	60	74
Interest on lease liabilities	535	590
	<u>595</u>	<u>664</u>

## 8. LOSS FOR THE YEAR

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
– Salaries, wages and allowances	454,483	417,847
– Employee share-based compensation benefits of Share Award Scheme	8,976	2,519
– Retirement benefits scheme contributions	12,092	12,068
	<u>475,551</u>	<u>432,434</u>
Auditors' remuneration	1,300	750
Depreciation of property, plant and equipment	7,235	10,600
Depreciation of right-of-use assets	3,788	4,648
Fair value loss on investment properties	100	–
Amortisation of intangible assets	36	157
Expenses related to short-term lease	103	46

## 9. INCOME TAX EXPENSE

For the years ended 31 March 2023 and 2022, Hong Kong Profit Tax is calculated under two-tier profit tax system under first HK\$2 millions of estimated assessable profits is taxed at a rate of 8.25% and remaining estimated assessable profits is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profit tax rate.

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

	2023 HK\$'000	2022 HK\$'000
Current tax – Hong Kong Profits Tax		
– Provision for the year	731	1,681
– One-off deduction	(30)	(70)
	<u>701</u>	<u>1,611</u>
Current tax – the PRC		
– Provision for the year	196	243
Deferred tax	1,250	(239)
	<u>2,147</u>	<u>1,615</u>

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2023 HK\$'000	2022 HK\$'000
Loss before tax	<u>(26,617)</u>	<u>(24,334)</u>
Tax calculated at Hong Kong Profits tax rate of 8.25% (2022: 8.25%)	–	165
Tax calculated at Hong Kong Profits tax rate of 16.5% (2022: 16.5%)	(4,392)	(4,345)
Effect of different tax calculation basis for the PRC	(1,349)	(350)
Tax effect of income that is not taxable ( <i>Note a</i> )	(2,879)	(3,952)
Tax effect of expenses that are not deductible ( <i>Note b</i> )	8,252	10,167
Tax effect of tax losses not recognised	2,545	–
One-off deduction	(30)	(70)
Income tax expense	<u>2,147</u>	<u>1,615</u>

### Notes:

- (a) Income that is non-taxable mainly include non-taxable government subsidies (net of other expenses paid to incorporate owners), interest income and gain on bargain purchases.
- (b) Expenses that are not tax deductible mainly include directors' salaries, rent, share of loss of associates, legal and profession fees and other expenses for the Company and subsidiaries which no assessable income was generated during the year.

## 10. 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 year attributable to owners of the Company of approximately HK\$28,802,000 (2022: loss of approximately HK\$25,949,000) and the weighted average number of ordinary shares of 1,128,986,665 (2022: 1,048,846,890) in issue during the year.

### Diluted earnings per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary share outstanding during the year ended 31 March 2023.

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 March 2022.

## 11. INTANGIBLE ASSETS

	Customer contracts <i>HK\$'000</i>	Computer softwares <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>COST</b>			
At 1 April 2021	2,164	6,857	9,021
Exchange realignment	–	13	13
At 31 March 2022 and 1 April 2022	<b>2,164</b>	<b>6,870</b>	<b>9,034</b>
Exchange realignment	–	(25)	(25)
At 31 March 2023	<b>2,164</b>	<b>6,845</b>	<b>9,009</b>
<b>ACCUMULATED AMORTISATION</b>			
At 1 April 2021	2,045	6,614	8,659
Amortisation for the year	117	40	157
Exchange realignment	2	1	3
At 31 March 2022 and 1 April 2022	<b>2,164</b>	<b>6,655</b>	<b>8,819</b>
Amortisation for the year	–	36	36
Exchange realignment	–	(8)	(8)
At 31 March 2023	<b>2,164</b>	<b>6,683</b>	<b>8,847</b>
<b>CARRYING AMOUNT:</b>			
At 31 March 2023	<b>–</b>	<b>162</b>	<b>162</b>
At 31 March 2022	<b>–</b>	<b>215</b>	<b>215</b>

## 12. INVESTMENTS IN ASSOCIATES

	2023 HK\$'000	2022 HK\$'000
Unlisted investment in Hong Kong		
Share of net assets	8,708	4,516
Goodwill	22,649	22,649
	<u>31,357</u>	<u>27,165</u>
Less: impairment loss	(22,649)	(20,928)
	<u>8,708</u>	<u>6,237</u>

Below is the information of the associate. The associates are accounted for in the consolidated financial statements using the equity method.

Name	Principal place of business/country of incorporation		Principal activities		% of ownership interests/ voting rights held by the Company	
	2023	2022	2023	2022	2023	2022
Dakin Holding Inc.	Hong Kong/BVI	Hong Kong/BVI	Provision of financial services in Hong Kong	Provision of financial services in Hong Kong	30%/30%	30%/30%
Sky Asia Construction Engineering Limited	Hong Kong/Hong Kong	N/A	Vessel operation	N/A	33%/33%	N/A

Name	Dakin Holding Inc.		Sky Asia Construction Engineering Limited		Total	
	30%/30%		33%/33%			
% of ownership interests/voting rights held by the Group	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>At 31 March:</b>						
Non-current assets	19,092	22,333	25,419	N/A	44,511	22,333
Current assets	10,916	24,851	27,105	N/A	38,021	24,851
Non-current liabilities	(8,575)	(8,575)	(2,527)	N/A	(11,102)	(8,575)
Current liabilities	(23,418)	(23,556)	(23,608)	N/A	(47,026)	(23,556)
Net (liabilities)/assets	<u>(1,985)</u>	<u>15,053</u>	<u>26,389</u>	<u>N/A</u>	<u>24,404</u>	<u>15,053</u>
Group's share of net assets	–	4,516	8,708	N/A	8,708	4,516
Goodwill	22,649	22,649	–	N/A	22,649	22,649
Less: impairment	(22,649)	(20,928)	–	N/A	(22,649)	(20,928)
Group's share of carrying amount of interests	<u>–</u>	<u>6,237</u>	<u>8,708</u>	<u>N/A</u>	<u>8,708</u>	<u>6,237</u>
Year ended 31 March:						
Revenue	<u>6,148</u>	<u>10,420</u>	<u>4,033</u>	<u>N/A</u>	<u>10,181</u>	<u>10,420</u>
Loss for the year	<u>(17,037)</u>	<u>(27,110)</u>	<u>(1,751)</u>	<u>N/A</u>	<u>(18,788)</u>	<u>(27,110)</u>
Total comprehensive loss	<u>(17,037)</u>	<u>(27,110)</u>	<u>(1,751)</u>	<u>N/A</u>	<u>(18,788)</u>	<u>(27,110)</u>
Dividend received from associate	<u>–</u>	<u>–</u>	<u>–</u>	<u>N/A</u>	<u>–</u>	<u>–</u>



### Impairment review on investment in an associate

The Directors of the Company has performed impairment review on the investment in Dakin Holdings Inc. Based on performance of Dakin Holdings Inc., impairment of approximately HK\$1,721,000 was recorded for the year ended 31 March 2023 (for the year ended 31 March 2022: impairment of approximately HK\$4,428,000 on the Group's investment in an associate has been recognized).

### 13. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables ( <i>Note a</i> )	94,637	104,996
Less: Impairment on trade receivables	<u>(6,824)</u>	<u>(2,230)</u>
	87,813	102,766
Loan receivables ( <i>Note b</i> )	–	24,000
Bond receivable ( <i>Note c</i> )	4,000	4,000
Prepayments, deposits and other receivables ( <i>Note d</i> )	<u>28,487</u>	<u>38,736</u>
	120,300	169,502
Less: Prepayments-non-current ( <i>Note d</i> )	<u>–</u>	<u>(4,500)</u>
Amounts shown as current assets	<u><u>120,300</u></u>	<u><u>165,002</u></u>

*Note a:* The Group does not grant credit terms to its customers (2022: 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
1 to 30 days	38,460	39,913
31 to 60 days	23,763	33,886
61 to 90 days	8,689	9,432
Over 90 days	<u>16,901</u>	<u>19,535</u>
	<u><u>87,813</u></u>	<u><u>102,766</u></u>

Reconciliation of loss allowance for trade receivables:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At beginning of the reporting period	2,230	–
Allowance for the year	4,747	2,197
Exchange difference	<u>(153)</u>	<u>33</u>
	<u><u>6,824</u></u>	<u><u>2,230</u></u>

As at 31 March 2023, trade receivables of approximately HK\$87,813,000 (2022: HK\$102,766,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have good settlement records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Pass due within 30 days	Over 30 days past due	Over 60 days past due	Over 90 days past due	Total
<b>At 31 March 2023</b>					
Expected loss rate	0%	0%	0%	29%	
Receivables amount (HK\$'000)	38,460	23,763	8,689	23,725	94,637
Loss allowance (HK\$'000)	–	–	–	6,824	6,824
<b>At 31 March 2022</b>					
Expected loss rate	0%	0%	0%	10%	
Receivables amount (HK\$'000)	39,913	33,886	9,432	21,765	104,996
Loss allowance (HK\$'000)	–	–	–	2,230	2,230

Included in trade receivables were amounts of approximately HK\$1,993,000 and HK\$1,947,000 due from related parties as at 31 March 2023 and 31 March 2022 respectively.

*Note b:* The money lenders license was granted on 15 June 2017 and renewed annually. The Group's latest money lenders license is valid until 16 June 2023. The Group is in the process of renewing the money lender license. As at 31 March 2023, the Group has no loan receivable (2022: Loans of HK\$24,000,000 were granted to a director).

The loan receivable of HK\$24 million as at 31 March 2022 was granted to Mr. Ho Ying Choi ("Mr. Ho"), an executive director of the Company, for a period of one year commencing from the date of drawdown on 21 April 2021. The loan was secured by two residential units and a private car parking space in Hong Kong and interest bearing at 10% per annum. Mr. Ho has settled HK\$3 million in April 2022.

On 3 May 2022, the Group has conditionally agreed to provide a loan (the "Loan") in the principal amount of not more than HK\$21 million to Mr. Ho for a period of one year commencing from the drawdown date of the Loan at the interest rate of 10% per annum.

The Loan was approved at the extraordinary general meeting (the "EGM") of the Company held on 9 June 2022 and the HK\$21 million loan has been drawn by Mr. Ho.

Mr. Ho has settled the principal and accrued interest of approximately HK\$21 million on 13 June 2022. Details of this transaction are disclosed in the Company's announcements dated 3 May 2022, 23 May 2022 and 9 June 2022.

For loan receivables, management has taken into accounts the credit assessment on the borrowers and the pledged properties and considered the expected credit loss rate is nil.

*Note c:* The bond represented a one-year 12% coupon bond. It is unsecured and is redeemable in February 2024.

*Note d:* Details of the prepayments, deposits and other receivables are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Prepayments	2,792	10,682
Deposits	9,346	8,688
Other receivables ( <i>note i</i> )	<u>16,349</u>	<u>19,366</u>
	28,487	38,736
Less: Prepayments-non-current ( <i>note ii</i> )	<u>–</u>	<u>(4,500)</u>
Amounts shown as current assets	<u><u>28,487</u></u>	<u><u>34,236</u></u>

*Notes:*

- (i) Other receivables mainly included amounts paid on behalf of incorporated owners of buildings for property management and government subsidies receivables.
- (ii) Prepayments of approximately HK\$4,500,000 as at 31 March 2022 classified as non-current assets represented consideration prepaid for acquisition of 33% equity interests in an associate. The acquisition was completed on 28 April 2022.

#### 14. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	2,396	2,521
Building management deposits received	4,594	6,192
Accruals and other payables	<u>56,984</u>	<u>62,414</u>
	<u><u>63,974</u></u>	<u><u>71,127</u></u>

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
1 to 30 days	1,219	1,298
31 to 60 days	1,113	1,223
61 to 90 days	–	–
Over 90 days	<u>64</u>	<u>–</u>
	<u><u>2,396</u></u>	<u><u>2,521</u></u>

Details of the accruals and other payables are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accrued staff cost and staff benefits	29,694	32,562
Accrued expenses	6,184	4,379
Other payables ( <i>note</i> )	21,106	25,473
	<u>56,984</u>	<u>62,414</u>

*Note:* Included in other payable were amount of approximately HK\$50,000 and approximately HK\$54,000 and due to related parties as at 31 March 2023 and 31 March 2022 respectively.

## 15. SHARE CAPITAL

<b>Ordinary shares of HK\$0.01 each</b>	<b>Number of shares</b>	<b><i>HK\$'000</i></b>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2021, 31 March 2022 and 31 March 2023	5,000,000,000	50,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2021	1,026,351,515	10,264
Issuance of award shares ( <i>Note</i> )	102,635,150	1,026
At 31 March 2022 and 31 March 2023	<u>1,128,986,665</u>	<u>11,290</u>

*Note:*

On 11 January 2022, the board approved the grant of award of a total of 102,635,150 awarded shares under the Share Award Plan. Details of such are set out in the Company's announcements on 6 August 2021 and 11 January 2022.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, retained profits and other reserves).

## 16. DIVIDEND

No dividend was paid or proposed for the year ended 31 March 2023, nor has any dividend been proposed since the end of the reporting period and up to the date of this announcement (2022: Nil).

## 17. RELATED PARTY TRANSACTIONS

### (a) Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(i) Interest income from loan to a director, Mr. Ho Ying Choi	138	2,262
(ii) Other receivable-amount due from a director, Mr. Huang Liming	32	–
(iii) Other payable-amount due to a director, Mr. Huang Liming	961	–
(iv) Emoluments paid to directors	<u>7,094</u>	<u>5,816</u>

At 31 March 2023 and 2022, Mr. Ho Ying Choi, a director of the Company and Mr. Ho Ying Cheung, a director of KSU, had provided joint and several unlimited personal guarantees in favour of banking facilities granted to certain subsidiaries within the Group.

### (b) Key management personnel remuneration

Members of key management personnel during the year comprised only of the directors of the company whose remuneration is as follow.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Fees, salaries, allowances and other benefits	7,046	5,768
Retirement benefit scheme and contributions	<u>48</u>	<u>48</u>
	<u>7,094</u>	<u>5,816</u>

## 18. 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 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 31 March 2023, the amount of outstanding performance bond was approximately HK\$27.4 million (2022: HK\$16.4 million).

As at 31 March 2023, the aggregate amount of the bank balances in the client accounts not dealt with in the consolidated financial statements of the Group is approximately HK\$59.1 million (2022: HK\$50.8 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 include (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 31 March 2023.

## 19. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Property, plant and equipment		
– Contracted but not provided for	–	5,438

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is principally engaged in the provision of property management services primarily targeting residential properties, properties investment and money lending business. 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 year ended 31 March 2023, the Group provided property security services for 13 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.

In relation to the provision of money lending business, the Group recorded loan interest income of approximately HK\$0.1 million for the year ended 31 March 2023 (2022: HK\$3.8 million).

The maturity date of the loan receivable of approximately HK\$24 million was 20 April 2022, and was subsequently renewed to approximately HK\$21 million on 3 May 2022 at an interest rate of 10% per annum. The renewed loan will be matured on 20 April 2023.

The borrower has settled the principal and accrued interest of approximately HK\$21 million on 13 June 2022. The Group has no loan receivable as at 31 March 2023 (31 March 2022: HK\$24.0 million). Principal terms of the loan receivable are as follows:

<b>Borrower</b>	<b>Drawdown date</b>	<b>Principal amount</b>	<b>Interest rate</b>	<b>Terms</b>	<b>Notes</b>
A	21 April 2021	HK\$24 million	10% per annum	1 year	(i)

*Note:*

- (i) Details of the above are set out in the Company’s announcements dated 25 February 2021, 12 March 2021, 26 March 2021, 16 April 2021, 3 May 2022, 23 May 2022 and 9 June 2022.

For the properties investment business, the Group recorded rental income from an investment property of approximately HK\$1.4 million for the year ended 31 March 2023 (2022: HK\$1.4 million).

## FINANCIAL REVIEW

### Summary Financial Performance

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	Change
<b>Revenue</b>	<b>547,375</b>	524,951	4.3%
Cost of services	<b>(452,864)</b>	(424,665)	6.6%
Gross profit	<b>94,511</b>	100,286	-5.8%
<b>Gross profit margin</b>	<b>17.3%</b>	19.1%	n/a
Interest revenue	<b>1,429</b>	458	212.0%
Other income and expenses, net	<b>10,858</b>	3,280	231.0%
Share of loss of associates	<b>(5,094)</b>	(8,133)	-37.4%
Administrative expenses	<b>(79,243)</b>	(70,377)	12.6%
Other operating expenses	<b>(41,201)</b>	(32,437)	27.0%
Impairment of investment in associates	<b>(1,721)</b>	(4,428)	-61.1%
Impairment of property, plant and equipment	<b>(814)</b>	(7,049)	-88.5%
Impairment of goodwill	–	(2,132)	n/a
Impairment of trade receivables	<b>(4,747)</b>	(2,197)	116.1%
Listing expenses	–	(941)	n/a
Finance costs	<b>(595)</b>	(664)	-10.4%
Loss before tax	<b>(26,617)</b>	(24,334)	9.4%
Income tax expense	<b>(2,147)</b>	(1,615)	32.9%
<b>Loss attributable to owners of the Company</b>	<b>(28,764)</b>	(25,949)	10.8%
<b>Net loss margin</b>	<b>-5.3%</b>	-4.9%	n/a



## REVENUE

For the year ended 31 March 2023, the Group's revenue was derived from its operations in Hong Kong and the PRC of approximately HK\$514.7 million (2022: HK\$487.6 million) and HK\$32.7 million (2022: HK\$37.4 million), respectively.

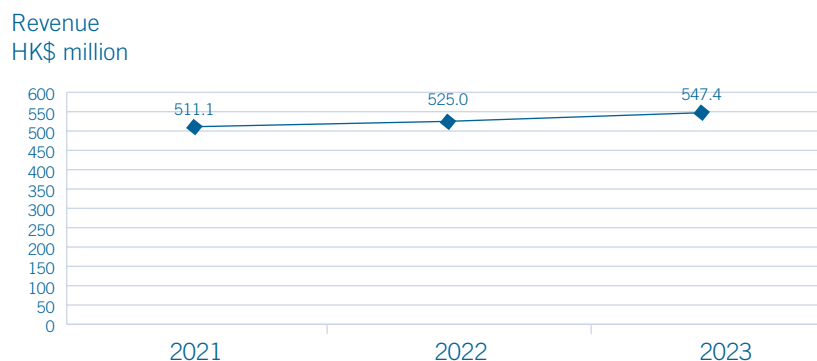
The Group derived revenue of approximately HK\$31.0 million and HK\$37.6 million respectively from stand-alone security services contracts for the year ended 31 March 2022 and 2023 respectively, representing approximately 5.9% and 6.9% of its total revenue.

The following table sets out the Group's revenue by contract type for the years ended 31 March 2023 and 2022 respectively:

	2023		2022	
	<i>HK\$ million</i>	<i>Percentage</i>	<i>HK\$ million</i>	<i>Percentage</i>
Property management services contracts	<b>508.3</b>	<b>92.7%</b>	488.8	93.1%
Stand-alone security services contracts	<b>37.6</b>	<b>6.9%</b>	31.0	5.9%
Rental services contracts	<b>1.4</b>	<b>0.3%</b>	1.4	0.3%
Money lending services	<b>0.1</b>	<b>0.1%</b>	3.8	0.7%
	<b>547.4</b>	<b>100.0%</b>	<b>525.0</b>	<b>100.0%</b>

The Group's revenue improved by approximately 4.3% from approximately HK\$525.0 million for the year ended 31 March 2022 to approximately HK\$547.4 million for the year ended 31 March 2023. The increase was primarily attributable to the growth of its property management service in Hong Kong for the year ended 31 March 2023. During the year, the number of management service contracts obtained by Hong Kong decreased by 3 from 448 during the year ended 31 March 2022 to 445 for the year ended 31 March 2023. Revenue generated from property management services contracts recorded an increase of approximately 4.0% to approximately HK\$508.3 million for the year ended 31 March 2023.

The following graph sets out the revenue for the years ended 31 March 2021, 2022 and 2023.



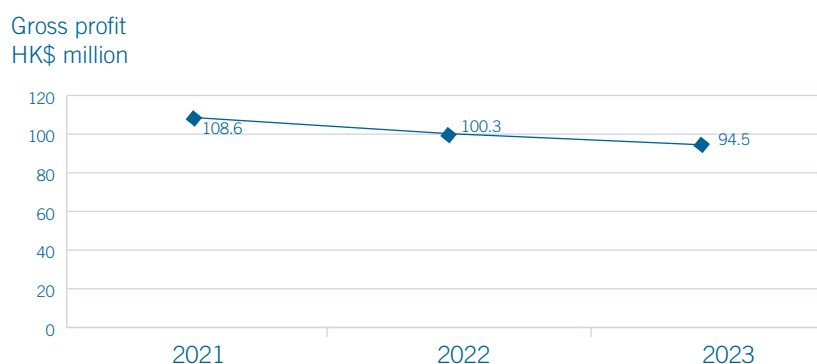
## **COST OF SERVICES**

The total cost of services amounted to approximately HK\$424.7 million and HK\$452.9 million for the years ended 31 March 2022 and 2023 respectively, representing approximately 80.9% and 82.7% respectively of the Group's revenue. Increase in cost of services during the year of approximately 6.6% was mainly due to the increase in the wages of the front line staff of the Group.

## **GROSS PROFIT**

The gross profit of the Group slightly decreased by approximately 5.8% from approximately HK\$108.6 million for the year ended 31 March 2022 to approximately HK\$94.5 million for the year ended 31 March 2023. The gross profit margin was approximately 19.1% and 17.3% for the year ended 31 March 2022 and 2023 respectively.

The following graph sets out the gross profit for the years ended 31 March 2021, 2022 and 2023.



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

The loss attributable to owners of the Company was increased by approximately 10.8% from loss of approximately HK\$25.9 million for the year ended 31 March 2022 to loss of approximately HK\$28.8 million for the year ended 31 March 2023. The net loss margin are approximately -4.9% and -5.3% for the years ended 31 March 2022 and 2023 respectively.

The Group recorded net loss during the year ended 31 March 2023 mainly due to:

- (i) Increase in administrative expenses of approximately HK\$8.9 million as a result of increase in staff cost and premises expenses; and
- (ii) Increase in other operating expenses of approximately HK\$8.8 million due to increase in (a) share-based payment expenses; and (b) travelling and entertainment expenses; and partly offset by
- (iii) Increase in the other income arising from the net government subsidies of approximately HK\$5.6 million regarding the Employment Support Scheme under the Government's Anti-epidemic Fund (2022: Nil); and
- (iv) Increase in other income arising from gain on bargain purchase of approximately HK\$4.8 million (2022: Nil); and
- (v) Decrease in impairment loss of approximately HK\$8.5 million.

## **ADMINISTRATIVE EXPENSES**

The Group's administrative expenses for the year ended 31 March 2023 were approximately HK\$79.2 million (2022: HK\$70.4 million), representing an increase of approximately 12.5% as compared to the corresponding year in 2022 as a result of increase in staff salaries and bonus incurred for the year ended 31 March 2023.

## OTHER OPERATING EXPENSES

The Group's other operating expenses for the year ended 31 March 2023 were approximately HK\$41.2 million (2022: HK\$32.4 million), representing an increase of approximately 27.2% as compared to the corresponding year in 2022 as a result of increase in travelling and entertainment expenses and share-based payment expenses during the year.

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

	For the years ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration	1,300	750
Consultancy fee	813	886
Depreciation and amortisation	7,221	10,675
Exchange difference	169	(89)
Insurance fee	4,462	4,994
Legal and professional fee	4,097	2,945
Office expenses	3,704	3,642
Share based payment expenses	8,976	2,519
Registration, licence and subscription fee	186	170
Travelling and entertainment expenses	10,273	5,945
	<u>41,201</u>	<u>32,437</u>

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	<b>For the year ended/ as at 31 March</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Financial position</b>		
Current assets	<b>201,053</b>	236,109
Current liabilities	<b>78,085</b>	91,808
Net current assets	<b>122,968</b>	144,301
Total assets	<b>365,994</b>	397,785
Bank and other loan and lease liabilities	<b>18,156</b>	19,111
Bank balances and cash	<b>79,139</b>	67,696
Total equity	<b>278,306</b>	298,389
<b>Key ratios</b>		
Return on equity (1)	<b>-10.0%</b>	-8.4%
Return on assets (2)	<b>-8.0%</b>	-6.3%
Current ratio (3)	<b>2.57 times</b>	2.57 times
Gearing ratio (4)	<b>6.5%</b>	6.4%
Net Debt to equity ratio (5)	<b>0%</b>	0%
Debtors turnover day (6)	<b>63.5 days</b>	65.5 days
Creditors turnover day (7)	<b>33.2 days</b>	34.8 days

### Notes:

- Return on equity is calculated as the loss for the year divided by average total equity.
- Return on assets is calculated as the loss for the year divided by average total assets.
- Current ratio is calculated as the current assets divided by current liabilities.
- Gearing ratio is calculated as the total debt divided by total equity. For the avoidance of doubt, total debt represents bank borrowings, and lease liabilities.
- Net debt to equity ratio is calculated as the total debt net of cash and bank balances and divided by total equity. For the avoidance of doubt, total debt represents bank and other loan, and lease liabilities.
- Debtors' turnover day is calculated as average trade receivables divided by revenue times number of days in the period.
- Creditors' turnover day is calculated as average trade payables divided by cost of services times number of days in the period.

The Group maintained sufficient working capital as at 31 March 2023 with bank balances and cash of approximately HK\$79.1 million (2022: HK\$67.7 million).

As at 31 March 2023, the Group had bank and other loan, obligations under finance lease and lease liabilities of approximately HK\$18.2 million (2022: HK\$19.1 million).

As at 31 March 2023, the Group's net current assets amounted to approximately HK\$123.0 million (2022: HK\$144.3 million). The Group's operations are financed principally by revenue generated from its business operations, available cash and bank balances.

### **RETURN ON EQUITY**

The return on equity decreased from approximately -8.4% for the year ended 31 March 2022 to approximately -10.0% for the year ended 31 March 2023, mainly due to the increase in expenses for the year.

### **RETURN ON ASSETS**

The return on assets decreased from approximately -6.3% for the year ended 31 March 2022 to approximately -8.0% for the year ended 31 March 2023, mainly due to the increase in expenses for the year.

### **CURRENT RATIO**

The Group's current ratio is approximately 2.57 times as at 31 March 2022 and 2023.

### **GEARING RATIO**

The Group's gearing ratio, defined as the total debt (i.e. bank and other loan and lease liabilities) divided by total equity, as at 31 March 2023 is approximately 6.5% (2022: 6.4%).

### **DEBTORS' TURNOVER DAY**

The debtors' turnover day decreased from approximately 65.5 days for the year ended 31 March 2022 to approximately 63.5 days for the year ended 31 March 2023 due to decreased collecting time on trade debtors.

## **CREDITORS' TURNOVER DAY**

The creditors' turnover day decreased by 1.6 days from approximately 34.8 days for the year ended 31 March 2022 to approximately 33.2 days for the year ended 31 March 2023. The decrease was due to the early settlement of some creditors.

## **DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

## **DIVIDEND POLICY**

Under the Dividend Policy, the declaration and payment of dividends shall be determined by the Board and subject to all the applicable requirements under, including but not limited to, the Companies Law of the Cayman Islands and the articles of association of the Company.

The Company do not have any pre-determined dividend payout ratio. In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, results of operations, financial condition, the payment by the Group's subsidiaries of cash dividends to the Company, future prospects, legal and tax considerations and other factors the Board deems appropriate. Our Directors will consider that if there is material adverse impact on our Group's financial and liquidity position arising out of the dividend payments. Dividends may be paid out by way of cash or by other means that our Group considers appropriate.

The Company will continually review the Dividend Policy from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

## **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 year, the Group has recorded revenue of approximately HK\$547.4 million (2022: HK\$525.0 million) from its property management services in Hong Kong and the PRC. Looking forward, the provision of property management services in Hong Kong and the PRC will continue to be the core business of the Group while the management will continue to explore other investment opportunities in order to increase the Group's income source and will therefore be in the interest of the Company and the shareholders of the Company as a whole.

## **Human Resources**

As at 31 March 2023, the Group had a total of 1,692 employees (2022: 1,801 employees). The Group's staff costs for the year ended 31 March 2023 amounted to approximately HK\$475.6 million (2022: HK\$432.4 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, 13 property management contracts were awarded to the Group in Hong Kong during the year ended 31 March 2023.

For the year ended 31 March 2023, there were in total 445 service contracts (covering around 84,370 households) comprising 419 property management service contracts, 13 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 445 contracts in force as at 31 March 2023, 196 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 249 valid contracts as at 31 March 2023 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 newly signed contracts during the year ended 31 March 2023 included the mandatory term requiring the client to follow the said procedural requirements, if applicable.



## **Client Accounts**

As at 31 March 2023, the Group held 68 (31 March 2022: 63) client accounts amounting to approximately HK\$59.1 million (31 March 2022: HK\$50.8 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 31 March 2023, a bank and an insurance company issued 13 (31 March 2022: 11) bond certificates amounting to approximately HK\$27.4 million (31 March 2022: HK\$16.4 million) on behalf of the Group to the clients as required in the service contracts.

## **Capital Expenditure**

The Group purchased property, plant and equipment amounting to approximately HK\$16.71 million (approximately HK\$10.87 million for direct additions and approximately HK\$5.84 million for construction in progress) for the year ended 31 March 2023 (2022: HK\$65.5 million).

## **Capital Commitments**

Details of capital commitments of the Group are set out in note 19 to the consolidated financial statements.

## **Contingent Liabilities**

Details of contingent liabilities of the Group are set out in note 18 to the 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 arise.

## **Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates, Joint Ventures and Future Plans for Material Investments or Capital Asset**

### ***Acquisition of an associate***

On 15 March 2022, Lucky Stone Investments Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “Agreement”) with an independent third party for acquisition of 33% issued share capital of Sky Asia Construction Engineering Limited (“Sky Asia”) at a total consideration of HK\$4.5 million, payable by cash (the “Acquisition”).

The conditions precedent set out in the Agreement have been fulfilled and completion (“Completion”) took place on 28 April 2022 in accordance with the terms and conditions of the Agreement.

Upon Completion, the Company holds 33% issued share capital of Sky Asia and it has become an associate of the Company and classified as investment in an associate.

### ***Disclosable and Connected Transaction in relation to the provision of the loan***

On 25 February 2021 and 12 March 2021, Lucky Stone Finance Limited (“Lucky Stone”), a wholly-owned subsidiary of the Company, entered into the loan agreement and the supplemental agreement, respectively with Mr. Ho Ying Choi (“Mr. Ho”), pursuant to which Lucky Stone has conditionally agreed to provide the loan in the principal amount of not more than HK\$24 million to Mr. Ho, as borrower, for a period of one year commencing from the date of drawdown of the loan at an interest rate of 10% per annum.

Lucky Stone is principally engaged in money lending business as licensed under the MLO. Therefore, the provision of the Loan is part of the ordinary and usual course of business of the Group.

As at 12 March 2021, Mr. Ho is an executive Director and therefore is a connected person of the Company as defined under the Chapter 20 of the GEM Listing Rules. As such, the entering into of the loan agreement constitutes a connected transaction of the Company.

The Loan was approved at the extraordinary general meeting of the Company held on 16 April 2021 and the HK\$24 million loan has been drawn by Mr. Ho on 21 April 2021.

Details of this transaction are disclosed in the Company’s announcements dated 25 February 2021, 12 March 2021, 26 March 2021 and 16 April 2021.

On 3 May 2022, Lucky Stone has conditionally agreed to provide the loan in the principal amount of not more than HK\$21 million to Mr. Ho for a period of one year commencing from the drawdown date of the loan at the interest rate of 10% per annum.

The loan was approved at the extraordinary general meeting of the Company held on 9 June 2022 and the HK\$21 million loan has been drawn by Mr. Ho.

Mr. Ho has settled the principal and accrued interest of approximately HK\$21 million on 13 June 2022.

Details of this transaction are disclosed in the Company's announcements dated 3 May 2022, 23 May 2022 and 9 June 2022.

### **Impact of coronavirus disease 2019 (COVID-19)**

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the world. It has brought about additional uncertainties in the Group's operating environment and may impact the Group's operations and financial position. The Group has been closely monitoring the impact from COVID-19 on the Group's businesses and has commenced to put in place various measures. Based on the information currently available, the directors confirm that there has been no material adverse change in the financial and operating position of the Group up to the date of this announcement.

The Group will pay close attention to the development of the COVID-19 outbreak and perform further assessment of its impact and take relevant measures.

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

As at 31 March 2023, the deposits placed for life insurance policies of approximately HK\$9.3 million (2022: deposits placed for life insurance policies of HK\$9.2 million and certain bank deposits of approximately HK\$0.6 million) were pledged to a bank to secure banking facilities granted to the Group. In addition, the Group's investment properties with carrying value of approximately HK\$40,400,000 were pledged to secured bank facilities granted to the Group. Besides, the Group had certain motor vehicles acquired under lease. Carrying values of the right-of-use assets (motor vehicles) amounted to approximately HK\$1.0 million and HK\$1.0 million were under lease liabilities as at 31 March 2023 and 31 March 2022 respectively.

The deposits placed for life insurance policies are denominated in United States dollars, a currency other than the functional currency of the Group.

## 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 until 31 March 2023, 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 expect the remaining proceed of HK\$4.3 million will be fully utilised by the year ending 31 March 2026.

## Fund raising activity

The company has no fund raising activities during the year ended 31 March 2023 and fund raising activities in the prior years were fully utilised of intended, as detailed below:

Date of initial announcement	Fund raising activities	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
31 October 2018 (completed on 20 November 2018)	Placing of 171,000,000 new ordinary shares of HK\$0.01 each under general mandate at the placing price of HK\$0.24 per Share to not less than six places who are independent professional, institutional or other investors (closing price of the Share as quoted on the Stock Exchange on the date of the placing agreement is HK\$0.28)	Approximately HK\$40.4 million (net proceeds raised per Share was approximately HK\$0.236 per Share)	Intended to be used (i) approximately HK\$32.3 million for expansion of the Group's property management business in the PRC and provision of living value-added services in community; and (ii) approximately HK\$8.1 million for the general working capital of the Group	Approximately HK\$40.4 million has been utilised as intended of which approximately HK\$32.3 million was utilised for expansion of the Group's property management business in the PRC and provision of living value-added services in community; and approximately HK\$8.1 million was utilised for working capital of the Group.

## 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 15 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. The Company engaged a third-party professional firm to conduct an internal control review for the year ended 31 March 2023.

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

During the year ended 31 March 2023, 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.

Code provision C.2.7 of the CG Code requires that the chairman of the Board shall at least annually hold meetings with non-executive Directors (including independent non-executive Directors) without the executive Directors present.

As Mr. Huang Liming serves as the Chairman and executive Director concurrently, the code provision does not apply and the Company deviates from such code provision. In addition, the Chairman of the Board is of the view that, the independent non-executive Directors can express their opinions to all executive Directors more directly and effectively at the Board meetings, hence the Board is of the view that the deviation from the code provision does not have material impact on the operation of the Board.

## 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 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 Directors during the year ended 31 March 2023.

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

As at date of this announcement, 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

Name of Shareholder	Capacity and nature of interest	Number of shares	Approximate percentage of interests in the issued share capital
Huang Liming ( <i>note 1</i> )	Founder and one of the beneficiaries of a discretionary trust	626,071,950(L) ( <i>note 2</i> )	55.45%

*Notes:*

- (1) Mr. Huang Liming is interested in the said shares through his wholly owned company, Heng Sheng Capital Limited, which is the beneficial owner of 626,071,950 shares of the Company.
- (2) The Letter "L" Denotes long position in the shares

Mr. Huang Liming is the founder and one of the beneficiaries of H Trust, a discretionary trust of the entire issued share capital of H Family Company Limited. Heng Sheng Capital Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is owned by H Family Company Limited, a company incorporated in the British Virgin Islands. Accordingly, Mr. Huang Liming is deemed to be interested in the Shares owned by Heng Sheng Capital Limited by virtue of the SFO.

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 year ended 31 March 2023 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 date of this announcement, 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**

<b>Name of Shareholders</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage of interests in the issued share capital</b>
HSBC International Trustee Limited ( <i>note 1</i> )	Trustee	626,071,950(L) ( <i>note 2</i> )	55.45%
H Family Company Limited ( <i>note 1</i> )	Interest in a controlled corporation	626,071,950(L) ( <i>note 2</i> )	55.45%
Heng Sheng Capital Limited ( <i>note 1</i> )	Beneficial owner	626,071,950(L) ( <i>note 2</i> )	55.45%
Li Mengya ( <i>note 1</i> )	Interest of spouse	626,071,950(L) ( <i>note 2</i> )	55.45%



*Notes:*

1. Heng Sheng Capital Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is owned by H Family Company Limited, a company incorporated in the British Virgin Islands. HSBC International Trustee is the trustee of H Trust, a discretionary trust of the entire issued share capital of H Family Company Limited, of which Mr. Huang Liming is the founder and one of the beneficiaries. Ms. Li Mengya is the spouse of Mr. Huang Liming and, accordingly under the SFO, she is deemed to be interested in the same number of Shares in which Mr. Huang Liming 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.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2023.

## **SHARE OPTION SCHEME**

On 19 September 2013, the Company has adopted a share option scheme (the “Share Option Scheme”) under which the Board is authorised to grant share options to any employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in fulltime or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board, has contributed or may contribute to the Group as incentive or reward for their contribution to the Group.

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme (i.e. 19 September 2013) until the termination date as provided therein which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme (i.e. 18 September 2023). The principal terms of the Share Option Scheme are summarised in the section headed “Share Option Scheme” in Appendix IV to the Prospectus of the Company dated 30 September 2013.

For the year ended 31 March 2023, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

## SHARE AWARD PLAN

On 6 August 2021, the Company has adopted the share aware plan (the “Plan”) to recognise and reward the contribution of selected participant (the “Selected Participant(s)”) to the growth and development of the Group and to give incentives thereto in order to motivate them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Plan is a discretionary share plan of the Company and does not constitute a share option scheme within the meaning of Chapter 23 of the GEM Listing Rules. Movements in the number of awarded shares during the year ended 31 March 2023 are set out below:

<b>Grantee</b>	<b>Number of awarded shares at 1 April 2022</b>	<b>Date of Vesting</b>	<b>Granted during the Year</b>	<b>Vested during the Year</b>	<b>Number of awarded shares at 31 March 2023</b>
The Selected Participants	102,635,150 (Note i)	11 January 2023	–	102,035,150	102,635,150

*Note:*

- (i) 10,263,515 awarded shares were granted to each of ten Selected Participant under the Plan on 11 January 2022.

Details of the Plan are set out in the Company’s announcements dated 6 August 2021 and 11 January 2022.

## CONNECTED TRANSACTION

So far as the Directors and chief executive are aware, no non-exempt connected transactions or continuing connected transactions were entered into by the Group during the year ended 31 March 2023.

A summary of the related party transactions entered into by the Group during the year ended 31 March 2022 and 31 March 2023 respectively is contained in note 17 to this announcement. The related party transactions disclosed in note 17 to this announcement are connected transactions or continuing connected transactions that were fully exempt from reporting, announcement, independent shareholders’ approval and/or annual review pursuant to the GEM Listing Rules. The Company has complied with the applicable disclosure requirements under Chapter 20 of the GEM Listing Rules in respect of such connected transactions.

## MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's revenue and purchases attributable to the major customers and suppliers respectively during the year are as follows:

	<b>Revenue</b> <i>HK\$</i>	<b>Purchases and cleaning subcontracting</b> <i>HK\$</i>
The largest customer	16,659,937	N/A
Five largest customers in aggregate	69,913,579	N/A
The largest supplier	N/A	10,022,452
Five largest suppliers in aggregate	N/A	21,761,684

For the year ended 31 March 2023, the aggregate percentage of purchase attributable to the Group's five largest suppliers is approximately 47.9% of the total purchases of the Group and the largest supplier included therein amounted to approximately 22.1%.

For the year ended 31 March 2023, the aggregate percentage of sales attributable to the Group's five largest customers is approximately 12.8% of the total sales of the Group and the largest customer included therein amounted to approximately 3.0%.

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued shares) had any interest in the Group's five largest customers or suppliers.

## 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 year ended 31 March 2023.

## 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. Lin Dongming and Mr. Lo Chi Ho, Richard.

The Audit Committee held four meetings during the year ended 31 March 2023 and reviewed the Company’s audited annual results for the year ended 31 March 2023 and the unaudited quarterly and interim results during the year ended 31 March 2023.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors for the year ended 31 March 2023. The Audit Committee has reviewed the audited financial statements of the Group for the year and recommended approval to the Board.

## **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 903, 9th Floor, Haleson Building, 1 Jubilee Street, Central, Hong Kong.

## **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 share as at the latest practicable date prior to the issue of this announcement.

## SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

On behalf of the board  
**Shi Shi Services Limited**  
**Huang Liming**  
*Chairman and non-executive Director*

Hong Kong, 28 June 2023

*As at the date of this announcement, the executive Directors are Mr. Huang Liming (Chairman), Mr. Lee Chin Ching, Cyrix and Mr. Ho Ying Choi, and the independent non-executive Directors are Mr. Lin Dongming, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard.*

*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 "Latest Listed Company Information" page on the website of the Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of 7 days from the date of its publication and on the Company's website at <http://www.shishiservices.com.hk>. In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*