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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 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.*

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 2024, together with the audited comparative figures for the corresponding year in 2023 are set out as follows:

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

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>588,740</b>	547,375
Cost of services		<u>(485,048)</u>	<u>(452,864)</u>
<b>Gross profit</b>		<b>103,692</b>	94,511
Interest revenue	4	<b>1,480</b>	1,429
Other income and expenses, net	5	<b>1,017</b>	10,958
Other losses, net	6	<b>(39,042)</b>	(7,382)
Share of loss of associates		<b>(423)</b>	(5,094)
Administrative expenses		<b>(84,599)</b>	(79,243)
Other operating expenses		<b>(27,752)</b>	(41,201)
Finance costs	8	<u>(447)</u>	<u>(595)</u>
<b>Loss before tax</b>		<b>(46,074)</b>	(26,617)
Income tax expense	10	<u>(530)</u>	<u>(2,147)</u>
<b>Loss for the year</b>	9	<b>(46,604)</b>	(28,764)
<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		–	2,426
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operation		<u>(3,870)</u>	<u>(5,379)</u>
<b>Other comprehensive expense for the year</b>		<u>(3,870)</u>	<u>(2,953)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(50,474)</b></u>	<u>(31,717)</u>

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(46,437)</b>	(28,802)
Non-controlling interests		<b>(167)</b>	38
		<u><b>(46,604)</b></u>	<u>(28,764)</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>			
Owners of the Company		<b>(50,307)</b>	(31,755)
Non-controlling interests		<b>(167)</b>	38
		<u><b>(50,474)</b></u>	<u>(31,717)</u>
<b>Loss per share</b>			
Basic ( <i>HK\$</i> )	11	<u><b>(0.041)</b></u>	<u>(0.026)</u>
Diluted ( <i>HK\$</i> )	11	<u><b>(0.041)</b></u>	<u>(0.026)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>62,257</b>	92,945
Investment properties		<b>32,300</b>	40,400
Intangible assets	12	–	162
Right-of-use assets		<b>5,919</b>	9,907
Goodwill		<b>785</b>	1,100
Deposits placed for life insurance policies		<b>9,515</b>	9,340
Deferred tax assets		<b>2,520</b>	2,379
Investments in associates	13	<b>8,285</b>	8,708
		<u><b>121,581</b></u>	<u>164,941</u>
<b>Current assets</b>			
Prepayments, trade and other receivables	14	<b>137,794</b>	120,300
Cash and cash equivalents		<b>44,761</b>	79,139
Current tax assets		<b>925</b>	1,614
		<u><b>183,480</b></u>	<u>201,053</u>
<b>Current liabilities</b>			
Trade and other payables	15	<b>62,932</b>	63,974
Contract liabilities		<b>2,054</b>	2,418
Bank and other loans		<b>2,998</b>	5,925
Lease liabilities		<b>3,962</b>	4,084
Current tax liabilities		<b>1,413</b>	1,684
		<u><b>73,359</b></u>	<u>78,085</u>
<b>Net current assets</b>		<u><b>110,121</b></u>	<u>122,968</u>
<b>Total assets less current liabilities</b>		<u><b>231,702</b></u>	<u>287,909</u>

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Bank and other loans		–	2,137
Lease liabilities		<b>2,176</b>	6,010
Deferred tax liabilities		<b>1,694</b>	1,456
		<u><b>3,870</b></u>	<u>9,603</u>
<b>NET ASSETS</b>		<u><b>227,832</b></u>	<u>278,306</u>
<b>Equity</b>			
Share capital	16	<b>11,290</b>	11,290
Reserves		<b>212,220</b>	262,527
		<u><b>223,510</b></u>	<u>273,817</u>
<b>Equity attributable to owners of the Company</b>		<b>223,510</b>	273,817
Non-controlling interests		<b>4,322</b>	4,489
		<u><b>227,832</b></u>	<u>278,306</u>
<b>TOTAL EQUITY</b>		<u><b>227,832</b></u>	<u>278,306</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	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 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 and 1 April 2023	11,290	190,444	4,750	-	-	2,426	(1,126)	66,033	273,817	4,489	278,306
Total comprehensive expense for the year	-	-	-	-	-	-	(3,870)	(46,437)	(50,307)	(167)	(50,474)
At 31 March 2024	<u>11,290</u>	<u>190,444</u>	<u>4,750</u>	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>(4,996)</u>	<u>19,596</u>	<u>223,510</u>	<u>4,322</u>	<u>227,832</u>

Note:

\* These reserve accounts comprise the consolidated reserve of approximately HK\$212,220,000 (2023: approximately HK\$262,527,000) in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 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 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 2023. 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:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Provision of property management and related services	<u>586,947</u>	<u>545,857</u>
Revenue from contracts with customers	586,947	545,857
Rental income from investment properties	1,793	1,380
Loan interest income from money lending	<u>–</u>	<u>138</u>
Total revenue	<u><u>588,740</u></u>	<u><u>547,375</u></u>

Disaggregation of revenue from contracts with customers:

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>For the year ended 31 March</b>		
<b>Geographical markets</b>		
Hong Kong	561,243	513,143
The People's Republic of China (the "PRC")	25,704	32,714
	<u>586,947</u>	<u>545,857</u>
<b>Major services</b>		
Property management services	526,221	508,263
Stand-alone security services	60,726	37,594
	<u>586,947</u>	<u>545,857</u>

For the years ended 31 March 2024 and 2023, all revenue from provision of property management services and stand-alone security services are recognised over time.

Property management services fees and stand-alone security services fees are recognised 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 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 2024 and 31 March 2023.

**4. INTEREST REVENUE**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	676	609
Interest income from bond receivable	480	520
Interest income from deposits placed for life insurance policies	324	300
	<u>1,480</u>	<u>1,429</u>



## 5. OTHER INCOME AND EXPENSES, NET

		2024	2023
	Notes	HK\$'000	HK\$'000
Gain on disposal of property, plant and equipment		125	–
Gain on bargain purchase of an associate		–	4,786
Others	(i)	892	6,172
		<u>1,017</u>	<u>10,958</u>

Note:

- (i) During the year, the Group recognised government subsidies of approximately HK\$10,000 (2023: HK\$5,600,000) from the Employment Support Scheme launched by the Hong Kong Government.

## 6. OTHER LOSSES, NET

		2024	2023
	Notes	HK\$'000	HK\$'000
Fair value loss of investment properties		(8,328)	(100)
Impairment of investments in associates		–	(1,721)
Impairment of property, plant and equipment	(i)	(25,927)	(814)
Impairment of intangible assets	(i)	(122)	–
Impairment of fair value through profit or loss		(2,184)	–
Impairment of goodwill	(i)	(315)	–
Impairment of trade receivables		(2,166)	(4,747)
		<u>(39,042)</u>	<u>(7,382)</u>

Note:

- (i) These amounts are mainly attributed to revisions in the business plan for the development of provision of property management and related services business in the PRC performing less favorably than expected.

## 7. SEGMENT INFORMATION

### (a) Reportable segments

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

Segment profits or losses do not include 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 2024</b>			
	<b>Provision of property management and related services HK\$'000</b>	<b>Properties investment HK\$'000</b>	<b>Money lending business HK\$'000</b>	<b>Total HK\$'000</b>
Reportable segment revenue:				
Revenue from external customers	<u>586,947</u>	<u>1,793</u>	<u>–</u>	<u>588,740</u>
Reportable segment (loss)/profit	<u>(31,517)</u>	<u>(6,941)</u>	<u>325</u>	<u>(38,133)</u>
Depreciation of property, plant and equipment	8,920	131	–	9,051
Depreciation of right-of-use assets	4,009	–	122	4,131
Amortisation of intangible assets	33	–	–	33
Fair value loss on investment properties	–	8,328	–	8,328
Income tax expense	313	205	12	530
Interest revenue	1,000	–	480	1,480
Interest expense	445	–	2	447
Additions to property, plant and equipment	7,853	7	–	7,860
Additions to investment properties	<u>–</u>	<u>228</u>	<u>–</u>	<u>228</u>
	<b>At 31 March 2024</b>			
	<b>Provision of property management and related services HK\$'000</b>	<b>Properties investment HK\$'000</b>	<b>Money lending business HK\$'000</b>	<b>Total HK\$'000</b>
Reportable segment assets	<u>257,582</u>	<u>33,244</u>	<u>4,686</u>	<u>295,512</u>
Reportable segment liabilities	<u>75,638</u>	<u>347</u>	<u>46</u>	<u>76,031</u>

For the year ended 31 March 2023

	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>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>

At 31 March 2023

	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	<u>295,329</u>	<u>41,503</u>	<u>5,921</u>	<u>342,753</u>
Reportable segment liabilities	<u>83,202</u>	<u>360</u>	<u>159</u>	<u>83,721</u>

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

	2024 HK\$'000	2023 HK\$'000
<b>Year ended 31 March</b>		
<b>Revenue</b>		
Reportable segment revenue and consolidated revenue	<u>588,740</u>	<u>547,375</u>
<b>Profit or loss</b>		
Reportable segment loss	(38,133)	(2,344)
Unallocated other income	–	72
Gain on bargain purchase of an associate	–	4,786
Share of loss of associates	(423)	(5,094)
Impairment of investments in associates	–	(1,721)
Unallocated corporate expenses	<u>(7,518)</u>	<u>(22,316)</u>
<b>Consolidated loss before tax</b>	<b><u>(46,074)</u></b>	<b><u>(26,617)</u></b>
	2024 HK\$'000	2023 HK\$'000
<b>At 31 March</b>		
<b>Assets</b>		
Reportable segment assets	295,512	342,753
Unallocated cash and cash equivalents	986	4,792
Other unallocated corporate assets	<u>8,563</u>	<u>18,449</u>
<b>Consolidated total assets</b>	<b><u>305,061</u></b>	<b><u>365,994</u></b>
<b>Liabilities</b>		
Reportable segment liabilities	76,031	83,721
Unallocated corporate liabilities	<u>1,198</u>	<u>3,967</u>
<b>Consolidated total liabilities</b>	<b><u>77,229</u></b>	<b><u>87,688</u></b>

(b) **Geographical information**

The Group is domiciled in the People's Republic of China (the "PRC"). The following tables provide an analysis of the Group's revenue from external customers and non-current assets excluding deferred tax assets and deposits placed for life insurance policies.

	2024 HK\$'000	Revenue 2023 HK\$'000	Non-current assets 2024 HK\$'000	2023 HK\$'000
Hong Kong	563,036	514,661	67,926	89,422
The PRC	<u>25,704</u>	<u>32,714</u>	<u>41,620</u>	<u>63,800</u>
	<b><u>588,740</u></b>	<b><u>547,375</u></b>	<b><u>109,546</u></b>	<b><u>153,222</u></b>

(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 2024 and 2023.

## 8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on bank borrowings	36	60
Interest on lease liabilities	411	535
	<u>447</u>	<u>595</u>

## 9. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
– Salaries, wages and allowances	502,910	454,483
– Retirement benefits scheme contributions	11,737	12,092
– Employee share-based compensation benefits of share award scheme	–	8,976
	<u>514,647</u>	<u>475,551</u>
Auditors' remuneration	730	1,300
Depreciation of property, plant and equipment	9,051	7,235
Depreciation of right-of-use assets	4,131	3,788
Gain on disposal of property, plant and equipment	(125)	–
Written off of other receivable	127	–
Amortisation of intangible assets	33	36
Expenses related to short-term lease	420	103

## 10. INCOME TAX EXPENSE

For the years ended 31 March 2024 and 2023, 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– Provision for the year	337	731
– One-off deduction	<u>(15)</u>	<u>(30)</u>
	<u>322</u>	<u>701</u>
Current tax – the PRC		
– Provision for the year	<u>111</u>	<u>196</u>
Deferred tax	<u>97</u>	<u>1,250</u>
	<u><b>530</b></u>	<u><b>2,147</b></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:

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax		<b>(46,074)</b>	(26,617)
Tax calculated at Hong Kong Profit tax rate of 16.5% (2023: 16.5%)		<b>(7,602)</b>	(4,392)
Effect of different tax calculation basis for the PRC		<b>(2,935)</b>	(1,349)
Tax effect of income that is not taxable	<i>(i)</i>	<b>(347)</b>	(2,879)
Tax effect of expenses that are not deductible	<i>(ii)</i>	<b>2,698</b>	8,252
Utilisation of prior year tax losses		<b>(220)</b>	–
Tax effect of tax losses not recognised		<b>8</b>	2,545
Tax effect of temporary differences not recognised.		<b>8,943</b>	–
One-off deduction		<u><b>(15)</b></u>	<u>(30)</u>
Income tax expense		<u><b>530</b></u>	<u><b>2,147</b></u>

*Notes:*

- (i) 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.
- (ii) Expenses that are not tax deductible mainly include directors' salaries, rent, goodwill, 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.

## 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 year attributable to owners of the Company of approximately HK\$46,437,000 (2023: loss of approximately HK\$28,802,000) and the weighted average number of ordinary shares of 1,128,986,665 (2023: 1,128,986,665) in issue during the year.

### 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 years ended 31 March 2024 and 31 March 2023.

## 12. INTANGIBLE ASSETS

	<b>Customer contracts</b> <i>HK\$'000</i>	<b>Computer softwares</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>COST</b>			
At 1 April 2022	2,164	6,870	9,034
Exchange realignment	–	(25)	(25)
At 31 March 2023 and 1 April 2023	<b>2,164</b>	<b>6,845</b>	<b>9,009</b>
Exchange realignment	–	(16)	(16)
At 31 March 2024	<b>2,164</b>	<b>6,829</b>	<b>8,993</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
At 1 April 2022	2,164	6,655	8,819
Amortisation for the year	–	36	36
Exchange realignment	–	(8)	(8)
At 31 March 2023 and 1 April 2023	<b>2,164</b>	<b>6,683</b>	<b>8,847</b>
Amortisation for the year	–	33	33
Impairment loss recognised in profit or loss	–	122	122
Exchange realignment	–	(9)	(9)
At 31 March 2024	<b>2,164</b>	<b>6,829</b>	<b>8,993</b>
<b>CARRYING AMOUNTS:</b>			
At 31 March 2024	–	–	–
At 31 March 2023	–	162	162

During the year ended 31 March 2024, the Group recognised an impairment loss of approximately HK\$122,000 for intangible assets, which was included in the “Other losses, net” line item. This was attributed to property management and related services business in PRC performing less favorably than expected.

### 13. INVESTMENTS IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Unlisted investment in Hong Kong		
Share of net assets	8,285	8,708
Goodwill	22,649	22,649
	<u>30,934</u>	<u>31,357</u>
Less: impairment loss	(22,649)	(22,649)
	<u>8,285</u>	<u>8,708</u>

Below is the information of the associates. 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	
	2024	2023	2024	2023	2024	2023
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	Hong Kong/ Hong Kong	Vessel operation	Vessel operation	33%/33%	33%/33%
			Dakin Holding Inc.	Sky Asia Construction Engineering Limited		
% of ownership interests/voting rights held by the Group			30%/30%	33%/33%	Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 31 March:</b>						
Non-current assets	19,092	19,092	20,556	25,419	39,648	44,511
Current assets	6,097	10,916	27,365	27,105	33,462	38,021
Non-current liabilities	(8,649)	(8,575)	(1,727)	(2,527)	(10,376)	(11,102)
Current liabilities	(27,024)	(23,418)	(21,086)	(23,608)	(48,110)	(47,026)
Net (liabilities)/assets	<u>(10,484)</u>	<u>(1,985)</u>	<u>25,108</u>	<u>26,389</u>	<u>14,624</u>	<u>24,404</u>
Group's share of net assets	-	-	8,285	8,708	8,285	8,708
Goodwill	22,649	22,649	-	-	22,649	22,649
Less: impairment	(22,649)	(22,649)	-	-	(22,649)	(22,649)
Group's share of carrying amount of interests	<u>-</u>	<u>-</u>	<u>8,285</u>	<u>8,708</u>	<u>8,285</u>	<u>8,708</u>
Year ended 31 March:						
Revenue	<u>4,493</u>	<u>6,148</u>	<u>4,753</u>	<u>4,033</u>	<u>9,246</u>	<u>10,181</u>
Loss for the year	<u>(8,499)</u>	<u>(17,037)</u>	<u>(1,281)</u>	<u>(1,751)</u>	<u>(9,780)</u>	<u>(18,788)</u>
Total comprehensive loss	<u>(8,499)</u>	<u>(17,037)</u>	<u>(1,281)</u>	<u>(1,751)</u>	<u>(9,780)</u>	<u>(18,788)</u>
Dividend received from associate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



## Impairment review on investments in associates

The Directors of the Company have performed impairment review on the investment in Dakin Holdings Inc. (“Dakin”) and Sky Asia Construction Engineering Limited (“Sky Asia”). Based on performance of Dakin and Sky Asia, impairment of nil and nil was recorded for the year ended 31 March 2024, respectively (for the year ended 31 March 2023: impairment of approximately HK\$1,721,000 and nil on the Group’s investments in associates have been recognised respectively).

The Group has not recognised loss for the year amounting to HK\$2,550,000 (2023: HK\$590,000) for Dakin Holding Inc.. The accumulated losses not recognised were HK\$3,140,000 (2023: HK\$ 590,000).

## 14. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Trade receivables	<i>(a)</i>	95,617	94,637
Less: Impairment on trade receivables		<u>(8,622)</u>	<u>(6,824)</u>
		86,995	87,813
Bond receivable	<i>(b)</i>	4,000	4,000
Prepayments, deposits and other receivables	<i>(c)</i>	<u>46,799</u>	<u>28,487</u>
		<u><b>137,794</b></u>	<u><b>120,300</b></u>

*Note 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:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
1 to 30 days	40,676	38,460
31 to 60 days	29,805	23,763
61 to 90 days	5,508	8,689
Over 90 days	<u>11,006</u>	<u>16,901</u>
	<u><b>86,995</b></u>	<u><b>87,813</b></u>

Reconciliation of loss allowance for trade receivables:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
At the beginning of the reporting period	6,824	2,230
Allowance for the year	2,166	4,747
Exchange difference	<u>(368)</u>	<u>(153)</u>
At the end of the reporting period	<u><b>8,622</b></u>	<u><b>6,824</b></u>

As of 31 March 2024, trade receivables of approximately HK\$86,995,000 (2023: approximately HK\$87,813,000) 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 2024</b>					
Expected loss rate	0%	0%	0%	44%	
Receivables amount (HK\$'000)	40,676	29,805	5,508	19,628	95,617
Loss allowance (HK\$'000)	–	–	–	8,622	8,622
<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

Included in trade receivables were amounts of nil (2023: approximately HK\$1,993,000) due from related parties as at 31 March 2024.

*Note b:* As at 31 March 2024, bond receivable of HK\$4,000,000 represents a one-year 12% coupon bond, unsecured and redeemable in February 2025. As at 31 March 2023, bond receivable of HK\$4,000,000 represents a one-year 12% coupon bond, unsecured and redeemable in February 2024.

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

	Notes	2024 HK\$'000	2023 HK\$'000
Prepayments		2,278	2,792
Deposits		10,432	9,346
Other receivables	(i) & (ii)	34,089	16,349
		<u>46,799</u>	<u>28,487</u>

*Notes:*

- (i) Other receivables mainly included amounts paid on behalf of incorporated owners of buildings for property management and government subsidies receivables.
- (ii) As at 31 March 2024, other receivables of approximately HK\$35,000 (2023: approximately HK\$33,000) were due from a director. The advances were unsecured, interest-free and repayable on demand.

## 15. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	2,420	2,396
Building management deposits received	8,110	4,594
Accruals and other payables	<u>52,402</u>	<u>56,984</u>
	<u><b>62,932</b></u>	<u><b>63,974</b></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 to 30 days	1,227	1,219
31 to 60 days	1,129	1,113
Over 90 days	<u>64</u>	<u>64</u>
	<u><b>2,420</b></u>	<u><b>2,396</b></u>

Details of the accruals and other payables are as follows:

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accrued staff cost and staff benefits		32,960	29,694
Accrued expenses		3,826	6,184
Other payables	<i>(i) &amp; (ii)</i>	<u>15,616</u>	<u>21,106</u>
		<u><b>52,402</b></u>	<u><b>56,984</b></u>

*Notes:*

- (i) As at 31 March 2024, other payables of approximately HK\$48,000 (2023: approximately HK\$50,000) were due to a related party. The amounts were unsecured, interest-free and repayable on demand.
- (ii) As at 31 March 2024, other payables of approximately HK\$911,000 (2023: approximately HK\$961,000) were due to a director. The amounts were unsecured, interest-free and repayable on demand.

## 16. SHARE CAPITAL

Ordinary shares of HK\$0.01 each	Number of shares	HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2022, 31 March 2023 and 31 March 2024	5,000,000,000	50,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2022, 31 March 2023 and 31 March 2024	1,128,986,665	11,290

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).

## 17. DIVIDEND

No dividend was paid or proposed for the years ended 31 March 2024 and 2023, nor has any dividend been proposed since the end of the reporting period and up to the date of this announcement.

## 18. 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:

	2024 HK\$'000	2023 HK\$'000
(i) Interest income from loan to a director, Mr. Ho Ying Choi	–	138
(ii) Gain on disposal of property, plant and equipment to a related company controlled by the spouse of a director, Mr. Huang Liming	133	–
(iii) Emoluments paid to directors	6,357	7,094

At 31 March 2024 and 2023, 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fees, salaries, allowances and other benefits	6,309	7,046
Retirement benefit scheme and contributions	48	48
	<u>6,357</u>	<u>7,094</u>

**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 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 2024, the amount of outstanding performance bond was approximately HK\$29.2 million (2023: approximately HK\$27.4 million).

As at 31 March 2024, 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\$64.4 million (2023: approximately HK\$59.1 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 2024.

## 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 2024, the Group provided property security services for 11 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 for the year ended 31 March 2024 (2023: HK\$0.1 million). Given the insignificant revenue generated in the money lending business of the Group during the years ended 31 March 2023 and 2024, 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. The Board considers that the cessation of money lending business is in the interests of the Company and its shareholders as a whole.

For the properties investment business, the Group recorded rental income from an investment property of approximately HK\$1.8 million for the year ended 31 March 2024 (2023: HK\$1.4 million).

## FINANCIAL REVIEW

### Summary Financial Performance

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	Change
<b>Revenue</b>	<b>588,740</b>	547,375	7.6%
Cost of services	(485,048)	(452,864)	7.1%
Gross profit	<b>103,692</b>	94,511	9.7%
<b>Gross profit margin</b>	<b>17.6%</b>	17.3%	n/a
Interest revenue	<b>1,480</b>	1,429	3.6%
Other income and expenses, net	<b>1,017</b>	10,958	-90.7%
Other losses, net	(39,042)	(7,382)	428.9%
Share of loss of associates	(423)	(5,094)	-91.7%
Administrative expenses	(84,599)	(79,243)	6.8%
Other operating expenses	(27,752)	(41,201)	-32.6%
Finance costs	(447)	(595)	-24.9%
Loss before tax	(46,074)	(26,617)	73.1%
Income tax expense	(530)	(2,147)	-75.3%
<b>Loss for the year</b>	<b>(46,604)</b>	(28,764)	62%
<b>Net loss margin</b>	<b>-7.9%</b>	-5.3%	n/a

## REVENUE

For the year ended 31 March 2024, the Group's revenue was derived from its operations in Hong Kong and the PRC of approximately HK\$561.2 million (2023: HK\$513.1 million) and HK\$25.7 million (2023: HK\$32.7 million), respectively. The Group derived revenue of approximately HK\$37.6 million and HK\$60.7 million respectively from stand-alone security services contracts for the years ended 31 March 2023 and 2024 respectively, representing approximately 6.9% and 10.3% of its total revenue.

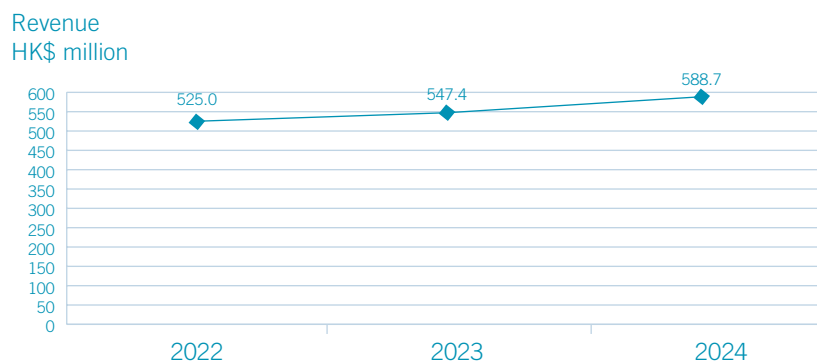
The following table sets out the Group's revenue by contract type for the years ended 31 March 2024 and 2023 respectively:

	2024		2023	
	<i>HK\$ million</i>	Percentage	<i>HK\$ million</i>	Percentage
Property management services contracts	<b>526.2</b>	<b>89.4%</b>	508.3	92.7%
Stand-alone security services contracts	<b>60.7</b>	<b>10.3%</b>	37.6	6.9%
Rental services	<b>1.8</b>	<b>0.3%</b>	1.4	0.3%
Money lending services	–	–	0.1	0.1%
	<b><u>588.7</u></b>	<b><u>100.0%</u></b>	<b><u>547.4</u></b>	<b><u>100.0%</u></b>

The Group's revenue improved by approximately 7.6% from approximately HK\$547.4 million for the year ended 31 March 2023 to approximately HK\$588.7 million for the year ended 31 March 2024. The increase was primarily attributable to the growth of its property management service and stand-alone security services contract in Hong Kong for the year ended 31 March 2024. Notwithstanding, the number of property management service contracts obtained by Hong Kong decreased by 24 from 445 during the year ended 31 March 2023 to 421 for the year ended 31 March 2024, Revenue generated from property management services contracts recorded an increase of approximately 3.5% to approximately HK\$526.2 million as a result of increase in income from each individual contracts. The stand-alone security services contracts recorded an increase of approximately 61.4% to approximately HK\$60.7 million for the year ended 31 March 2024.



The following graph sets out the revenue for the years ended 31 March 2022, 2023 and 2024.



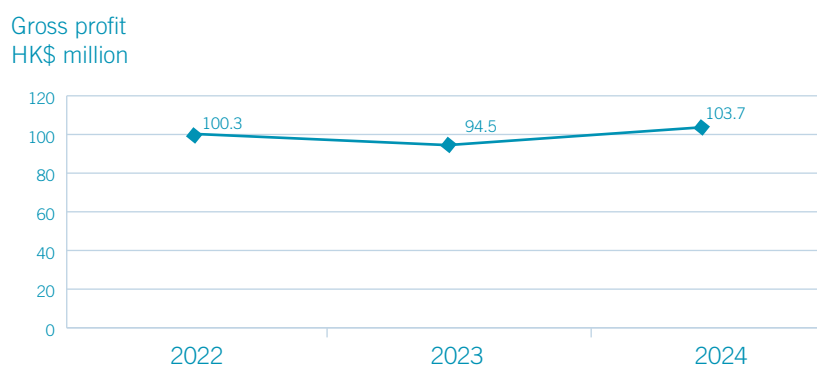
## **COST OF SERVICES**

The total cost of services amounted to approximately HK\$452.9 million and HK\$485.0 million for the years ended 31 March 2023 and 2024 respectively. Increase in cost of services during the year of approximately 7.1% 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 increased by approximately 9.7% from approximately HK\$94.5 million for the year ended 31 March 2023 to approximately HK\$103.7 million for the year ended 31 March 2024. The gross profit margin was approximately 17.3% and 17.6% for the year ended 31 March 2023 and 2024 respectively.

The following graph sets out the gross profit for the years ended 31 March 2022, 2023 and 2024.



## LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company was increased by approximately 61.2% from loss of approximately HK\$28.8 million for the year ended 31 March 2023 to loss of approximately HK\$46.4 million for the year ended 31 March 2024. The net loss margin are approximately -7.9% and -5.3% for the years ended 31 March 2024 and 2023 respectively.

The Group recorded net loss during the year ended 31 March 2024 mainly due to:

- (i) increase in administrative expenses of approximately HK\$5.4 million as a result of increase in staff cost and premises expenses; and
- (ii) an impairment loss of approximately HK\$25.9 million (2023: HK\$0.8 million) arising from certain properties, plant and equipment in the PRC.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended 31 March 2024 were approximately HK\$84.6 million (2023: HK\$79.2 million), representing an increase of approximately 6.8% as compared to the corresponding year in 2023 as a result of increase in staff cost incurred for the year ended 31 March 2024.

## OTHER OPERATING EXPENSES

The Group's other operating expenses for the year ended 31 March 2024 were approximately HK\$27.8 million (2023: HK\$41.2 million), representing a decrease of approximately 32.6% as compared to the corresponding year in 2023 as a result of decrease 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.

	<b>2024</b>	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
Auditors' remuneration	<b>730</b>	1,300
Consultancy fee	<b>172</b>	813
Depreciation and amortisation	<b>9,107</b>	7,221
Exchange difference	<b>130</b>	169
Insurance fee	<b>4,588</b>	4,462
Legal and professional fee	<b>2,962</b>	4,097
Office expenses	<b>3,233</b>	3,704
Share based payment expens	–	8,976
Registration, licence and subscription fee	<b>265</b>	186
Travelling and entertainment expenses	<b>6,565</b>	10,273
	<b>27,752</b>	41,201

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	<b>For the year ended/ as at 31 March</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Financial position</b>		
Current assets	<b>183,480</b>	201,053
Current liabilities	<b>73,359</b>	78,085
Net current assets	<b>110,121</b>	122,968
Total assets	<b>305,061</b>	365,994
Bank and other loan and lease liabilities	<b>9,136</b>	18,156
Bank balances and cash	<b>44,761</b>	79,139
Total equity	<b>227,832</b>	278,306
<b>Key Ratios</b>		
Return on equity (1)	<b>-18.4%</b>	-10.0%
Return on assets (2)	<b>-13.9%</b>	-8.0%
Current ratio (3)	<b>2.50 times</b>	2.57 times
Gearing ratio (4)	<b>4.0%</b>	6.5%
Net Debt to equity ratio (5)	<b>0%</b>	0%
Debtors turnover day (6)	<b>54.8 days</b>	63.5 days
Creditors turnover day (7)	<b>34.3 days</b>	33.2 days

### Notes:

- (1) Return on equity is calculated as the loss for the year divided by average total equity.
- (2) Return on assets is calculated as the loss for the year divided by average total assets.
- (3) Current ratio is calculated as the current assets divided by current liabilities.
- (4) 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.
- (5) 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.
- (6) Debtors' turnover day is calculated as average trade receivables divided by revenue times number of days in the period.
- (7) 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 2024 with bank balances and cash of approximately HK\$44.8 million (2023: HK\$79.1 million).

As at 31 March 2024, the Group had bank and other loan, obligations under finance lease and lease liabilities of approximately HK\$9.1 million (2023: HK\$18.2 million).

As at 31 March 2024, the Group's net current assets amounted to approximately HK\$110.1 million (2023: HK\$123.0 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 -10.0% for the year ended 31 March 2023 to approximately -18.4% for the year ended 31 March 2024, mainly due to an impairment loss of approximately HK\$25.9 million arising from certain properties, plant and equipment in the PRC for the year.

## **RETURN ON ASSETS**

The return on assets decreased from approximately -8.0% for the year ended 31 March 2023 to approximately -13.9% for the year ended 31 March 2024, mainly due to an impairment loss of approximately HK\$25.9 million arising from certain properties, plant and equipment in the PRC for the year.

## **CURRENT RATIO**

The Group's current ratio decreased from approximately 2.57 times for the year ended 31 March 2023 to approximately 2.50 times for the year ended 31 March 2024.

## **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 2024 is approximately 4.0% (2023: 6.5%).

## **DEBTORS' TURNOVER DAY**

The debtors' turnover day decreased from approximately 63.5 days for the year ended 31 March 2023 to approximately 54.8 days for the year ended 31 March 2024 due to decreased collecting time on trade debtors.

## **CREDITORS' TURNOVER DAY**

The creditors' turnover day increased by 1.1 days from approximately 33.2 days for the year ended 31 March 2023 to approximately 34.3 days for the year ended 31 March 2024.

## **DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: 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\$526.2 million (2023: HK\$508.3 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 2024, the Group had a total of 1,680 employees (2023: 1,692 employees). The Group's staff costs for the year ended 31 March 2024 amounted to approximately HK\$514.6 million (2023: HK\$475.6 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, 12 property management contracts were awarded to the Group in Hong Kong during the year ended 31 March 2024.

For the year ended 31 March 2024, there were in total 421 service contracts (covering around 88,592 households) comprising 397 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 421 contracts in force as at 31 March 2024, 83 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 338 valid contracts as at 31 March 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 newly signed contracts during the year ended 31 March 2024 included the mandatory term requiring the client to follow the said procedural requirements, if applicable.

## **Client Accounts**

As at 31 March 2024, the Group held 63 (31 March 2023: 68) client accounts amounting to approximately HK\$64.4 million (31 March 2023: HK\$59.1 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 2024, a bank and an insurance company issued 14 (31 March 2023: 13) bond certificates amounting to approximately HK\$29.2 million (31 March 2023: HK\$27.4 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\$7.86 million (for direct additions) for the year ended 31 March 2024 (2023: HK\$16.71 million).

## **Capital Commitments**

As at 31 March 2024, the Group had no capital commitment (2023: Nil).

## **Contingent Liabilities**

Details of contingent liabilities of the Group are set out in note 19 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**

The Group had no significant investment during the two years ended 31 March 2023 and 31 March 2024. There was no material acquisition nor disposal of the Group during the two years ended 31 March 2023 and 31 March 2024.

Subsequent to the year ended 31 March 2024–

**(i) Exempted Connected Transaction**

On 1 April 2024, the Group entered into equity transfer agreement with a connected person which is a company controlled by the spouse of Mr. Huang Liming, chairman and executive Director, in respect of the disposal of the entire equity interests in a subsidiary of the Company, namely 時時健康管理(淄博)有限公司 at a consideration of RMB10,000.

The Board has assessed the applicable ratios under Chapter 20 of the GEM Listing Rules and noted that the entering into of the above equity transfer agreement and the transactions contemplated thereunder was a de minimus transaction under Rule 20.74(1) of the GEM Listing Rules and was fully exempted from shareholders' approval, annual review and all disclosure requirements.

**(ii) Discloseable Transaction in Relation to the Disposal of the Property**

On 25 April 2024, the Group has entered into a provisional agreement with an independent third party in respect of the disposal (the "Disposal") of the property located at Factory Unit A, 13th Floor, Tak Wing Industrial Building, 3 Tsun Wen Road, Tuen Mun, New Territories, Hong Kong for a cash consideration of HK\$8.2 million. Further details of this transaction are disclosed in the announcement of the Company dated 29 April 2024.

**Charges over Assets of the Group**

As at 31 March 2024, the deposits placed for life insurance policies of approximately HK\$9.5 million (2023: deposits placed for life insurance policies of HK\$9.3 million) were pledged to a bank to secure banking facilities granted to the Group. In addition, 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 2024 and 31 March 2023 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 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 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 2024 and fund raising activities in the prior years were fully utilised or 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 placees 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 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. The Company engaged a third- party professional firm to conduct an internal control review for the year ended 31 March 2024.

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

During the year ended 31 March 2024, the Company has complied with all CG Code except for the following deviations:

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, if 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 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 year ended 31 March 2024.

## 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 and short positions in the ordinary shares of HK\$0.01 each of the Company

Name of Shareholders	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%
		626,071,950 (S) ( <i>note 3</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. Heng Sheng Capital Limited entered into a share charge in favour of Mr. Ho Ying Choi, an executive Director, in relation to 626,071,950 shares of the Company.
- (2) The letter "L" denotes long position in the shares.
- (3) The letter "S" denotes short 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. Heng Sheng Capital Limited entered into a share charge dated 23 April 2024 in favour of Mr. Ho Ying Choi, an executive Director, in relation to 626,071,950 shares in the Company. 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 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 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 and short 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 &amp; 4)</i>	Trustee	626,071,950 (L) <i>(note 2)</i>	55.45%
		626,071,950 (S) <i>(note 3)</i>	55.45%
H Family Company Limited <i>(note 1 &amp; 4)</i>	Interest in a controlled corporation	626,071,950 (L) <i>(note 2)</i>	55.45%
		626,071,950 (S) <i>(note 3)</i>	55.45%
Heng Sheng Capital Limited <i>(note 1 &amp; 4)</i>	Beneficial owner	626,071,950 (L) <i>(note 2)</i>	55.45%
		626,071,950 (S) <i>(note 3)</i>	55.45%
Li Mengya <i>(note 1 &amp; 4)</i>	Interest of spouse	626,071,950 (L) <i>(note 2)</i>	55.45%
		626,071,950 (S) <i>(note 3)</i>	55.45%
Ho Ying Choi <i>(note 4 &amp; 5)</i>	Security interest in shares	626,071,950 (S) <i>(note 2)</i>	55.45%
Chan Yuk Fan <i>(note 4 &amp; 5)</i>	Interest of spouse	626,071,950 (S) <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.
- (3) The letter “S” denotes short position in the Shares.
- (4) Heng Sheng Capital Limited entered into a share charge dated 23 April 2024 in favour of Mr. Ho Ying Choi, an executive Director, in relation to 626,071,950 shares in the Company.
- (5) Ms. Chan Yuk Fan is the spouse of Mr. Ho Ying Choi, an executive Director, and, accordingly under the SFO, is deemed to be interested in the same number of shares in which Mr. Ho Ying Choi is interested.

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 2024.

## 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 2024, 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 2024 are set out below:

Grantee	Number of awarded shares at 1 April 2023	Date of Vesting	Granted during the Year	Vested during the Year	Number of awarded shares at 31 March 2024
The Selected Participants	– (Note i)	11 January 2023	–	–	–

*Note:*

- (i) For the year ended 31 March 2023 and 2024, there were no awarded shares granted under the Plan. As at 31 March 2023 and 2024, there were no unvested awarded shares.

As at 1 April 2023, 31 March 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 Plan. The Board would “refresh” the scheme limit, when necessary, in accordance with the requirements under the GEM Listing Rules.

## **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 2024.

A summary of the related party transactions entered into by the Group during the years ended 31 March 2023 and 31 March 2024 respectively is contained in note 18 to the consolidated financial statements. The related party transactions disclosed in note 18 to the consolidated financial statements 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	20,569,958	N/A
Five largest customers in aggregate	74,793,613	N/A
The largest supplier	N/A	14,265,620
Five largest suppliers in aggregate	N/A	21,721,688



For the year ended 31 March 2024, the aggregate percentage of purchase attributable to the Group's five largest suppliers is approximately 48.9% of the total purchases of the Group and the largest supplier included therein amounted to approximately 32.1%.

For the year ended 31 March 2024, the aggregate percentage of sales attributable to the Group's five largest customers is approximately 12.7% of the total sales of the Group and the largest customer included therein amounted to approximately 3.5%.

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 2024.

## **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 three meetings during the year ended 31 March 2024 and reviewed the Company's audited annual results for the year ended 31 March 2024 and the unaudited quarterly and interim results during the year ended 31 March 2024.

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 2024. The Audit Committee has reviewed the audited financial statements of the Group for the year and recommended approval to the Board.

## **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 2024 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.

## **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.

## **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.

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

Hong Kong, 26 June 2024

*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.*