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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)**

**VOLUNTARY ANNOUNCEMENT  
CONNECTED TRANSACTION IN RELATION TO  
SUBSCRIPTION OF NEW SHARES OF SUBSIDIARY**

This announcement is made by the Company on a voluntary basis to inform the public of the latest business update of Shi Shi Services Limited (the “**Company**” and together with its subsidiaries, the “**Group**”).

**THE SUBSCRIPTION**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that on 20 December 2022 (after trading hours of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), Kong Shum Union Property Management Group Limited (“**KSG**”), an indirect wholly owned subsidiary of the Company, Shi Shi Property Limited (“**SSPL**”), a wholly-owned subsidiary of the Company and Mr. Ho Ying Choi (“**Mr. Ho**”), the executive Director, entered into a subscription agreement (the “**Subscription Agreement**”) pursuant to which (i) Mr. Ho has agreed to subscribe for and KSG has agreed to allot and issue three (3) shares of KSG (the “**Subscription Shares**”) at a consideration of HK\$2,658,030 (the “**Consideration**”); and (ii) SSPL, as warrantor, and KSG shall provide certain representations, warranties and undertakings of KSG and SSPL in favour of Mr. Ho subject to the terms and conditions of the Subscription Agreement. Completion of the subscription of the Subscription Shares (the “**Subscription**”) under the Subscription Agreement has taken place simultaneously upon signing of the Subscription Agreement and as a result, KSG is owned by SSPL as to 97% and Mr. Ho as to 3% respectively. The Consideration was determined after arm’s length negotiation between the Company and Mr. Ho and with reference to the fair value of KSG as appraised by an independent valuer under market approach.

## **THE SHAREHOLDERS' AGREEMENT**

In connection with the Subscription, KSG, SSPL and Mr. Ho entered into a shareholders' agreement (the "**Shareholders' Agreement**") simultaneously upon signing of the Subscription Agreement, which sets out the rights and obligations of SSPL and Mr. Ho, as shareholders of KSG, and the arrangements between them and KSG and amongst themselves with respect to the ownership, management and operations of KSG. Set out below are some principal terms of the Shareholders' Agreement.

### **Board Composition**

Unless otherwise agreed, the maximum number of directors of KSG holding office at any time shall not exceed three. SSPL shall be entitled to appoint two directors of KSG and Mr. Ho shall be entitled to appoint one director of KSG.

### **Right of First Refusal and Tag-Along Right**

Any transfer and disposal of or creation of encumbrance over all or part of the shares of KSG shall be subject to the transfer restrictions provided under the Shareholders' Agreement.

If a shareholder of KSG (the "**Transferring Shareholder**") proposes to sell, dispose of, or permit or suffer a transfer of the whole or any part of the shares of KSG held by it and registered in its name to a third party (the "**Purchasing Party**") by accepting a bona fide offer given by such Purchasing Party, all remaining shareholder of KSG (the "**Non-transferring Shareholder**") shall have a right of first refusal (the "**Right of First Refusal**") with respect to such transfer. In particular, upon receiving a written notice from the Transferring Shareholder in relation to the offer (the "**Transfer Notice**"), the Non-transferring Shareholder shall have the right to purchase all or any part of the relevant shares of KSG held by the Transferring Shareholder at the purchase price per share equal to that of the offer upon the other terms and conditions set forth in the Transfer Notice and subject to the requirements under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

In the event that any shareholder of KSG shall desire to sell (whether through a direct sale, a merger or otherwise) all of the then issued and outstanding shares of KSG held by such Transferring Shareholder(s), other than pursuant to a permitted transfer, and shall have received a bona fide written offer for the purchase thereof from a third party (the "**External Offeror**"), and no Non-transferring Shareholder(s) have exercised the Right of First Refusal, such Transferring Shareholder(s) shall furnish written notice (the "**Tag-Along Notice**") to the other Non-transferring Shareholder(s) of its/their intention to sell its/their shares of KSG and pursuant to the Tag-Along Notice and subject to the requirements under the GEM Listing Rules confirm whether they would exercise their rights (the "**Tag-Along Right**") to require the External Offeror to acquire all but not part of the shares of KSG of the Non-transferring Shareholder(s) on the same terms and conditions as the Transferring Shareholder(s).

## **Reserved matters requiring unanimous consent from shareholders of KSG**

Pursuant to the Shareholders' Agreement, unanimous approval of all shareholders of KSG and in compliance with the requirements under the GEM Listing Rules will be required for, among others, the following matters:

- (a) the creation or issue of shares of KSG and any of its subsidiaries (KSG together with its subsidiaries, the “**KSG Group**”) or the grant of any options over any such shares or uncalled capital of any members of the KSG Group or the issue of any warrant, debentures, securities or other obligations convertible into shares of any members of the KSG Group or enter into any agreement to do the same;
- (b) the capitalisation, repayment or other form of distribution (other than by way of dividends out of profits available for distribution) of any amount standing to the credit of any reserve of any members of the KSG Group on the redemption or purchase of its shares or any other reorganisation of share capital;
- (c) the alteration of the memorandum or articles of association of any members of the KSG Group and the passing of any resolutions, inconsistent with the provisions of the Shareholders' Agreement;
- (d) the acquisition or formation of any subsidiary or the acquisition of any other company or the participation in any partnership or joint venture (save for the existing subsidiaries, partnerships or joint ventures and other than for the purpose of an internal reorganisation of the KSG Group);
- (e) the entering into of any material contract (other than in its ordinary and usual course of business of the KSG Group) which exceeds the value of HK\$1 million;
- (f) the alteration of the rights attaching to the shares of any members of the KSG Group;
- (g) the change of the board composition of any members of the KSG Group;
- (h) the change of any dividend policy of KSG;
- (i) the acquisition or disposal of any undertaking, property, asset or investment of any members of the KSG Group or interest therein (other than in its ordinary and usual course of business of the KSG Group) or the creation of any charge, mortgage or other encumbrances over such undertaking, property, asset or investment or interest therein or contracting so to do; and
- (j) the change of the status of any members of the KSG Group from private company to public company.

## **INFORMATION ON KSG, SSPL AND MR. HO**

KSG is a company incorporated in Hong Kong with limited liability and immediately prior to completion of the Subscription, an indirect wholly owned subsidiary of the Company. The KSG Group is principally engaged in the provision of property management services, the provision of security services, the provision of cleaning services by subcontracting, properties investment and investment holding in Hong Kong. The principal subsidiaries of KSG include Kong Shum Union Property Management Company Limited, Q & V Security Company Limited, K-King Cleaning Services Limited, Yorkshire Property Management Company Limited, Fortune Trend Investment Limited and More Rise Investment Limited.

SSPL is a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company as at the date of this announcement. The principal activity of SSPL is investment holding and immediately prior to completion of the Subscription, SSPL directly holds all the issued shares of KSG.

Mr. Ho is the executive Director and the directors in certain members of the KSG Group (including KSG). Mr. Ho joined Kong Shum Union Property Management Company Limited as a director in 1992. Since then, Mr. Ho has founded and served as the director of various subsidiaries of KSG including the abovementioned companies.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group is principally engaged in the provision of property management and related services, properties investment and money lending business in the PRC and Hong Kong. The business of the Group in Hong Kong is mainly attributable to the KSG Group and certain members of which were founded by Mr. Ho. Given the business connection and industry experiences of Mr. Ho, the Company considers that the introduction of Mr. Ho as a shareholder of KSG would give the customers more confidence in the KSG Group and thus benefit the Group particularly in light of the changing regulatory environment of the property management industry and weakened economy in Hong Kong. Besides, the Subscription would also provide the Group with additional capital and thus enhance the capital base and liquidity of the Group.

Upon completion of the Subscription and the effectiveness of Shareholders' Agreement, KSG will become an indirect non-wholly owned subsidiary of the Company as to 97% and its financial results will continue to be consolidated into the Company's consolidated financial statements. The Board considers that the terms and conditions of Subscription Agreement and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As all the applicable percentage ratios calculated in respect of the Subscription are less than 5%, the Subscription does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Mr. Ho is the executive Director and thus a connected person of the Company under Chapter 20 of the GEM Listing Rules. The entering into of the Subscription Agreement and the Shareholders' Agreement constitute a connected transaction. As the Consideration is less than HK\$3,000,000 and all the applicable percentage ratios are less than 5%, the connected transaction constitutes a de minimis transaction and thus fully exempt under Rule 20.74(1)(c) of the GEM Listing Rules.

By order of the Board  
**Shi Shi Services Limited**  
**HUANG Liming**  
*Chairman and Executive Director*

Hong Kong, 20 December 2022

*As at the date of this announcement, the executive Directors are Mr. Huang Liming (Chairman), Mr. Lee Chin Ching, Cyrux 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 Stock Exchange's website 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.*