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Shi Shi Services Limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

THE DISPOSAL

On 6 January 2025, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Agent entered into the Preliminary Agreement in respect of the sale and purchase of the Property for the Consideration of HK\$17,000,000 in cash.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal is greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 6 January 2025, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Agent entered into the Preliminary Agreement in respect of the sale and purchase of the Property for the Consideration of HK\$17,000,000 in cash.

THE PRELIMINARY AGREEMENT

The principal terms of the Preliminary Agreement are summarised as follows:

- Date** : 6 January 2025
- Parties** : (i) The Vendor;
(ii) The Purchaser; and
(iii) The Agent
- Location of the Property** : Workshop A1, 1st Floor, Hang Fung Industrial Building, Phase 1, 2G Hok Yuen Street, Kowloon, Hong Kong
- Usage** : Non-residential
- Consideration and payment terms** : The Consideration of HK\$17,000,000 shall be paid by the Purchaser to the Vendor in the following manner:
- (i) an initial deposit of HK\$850,000 shall be paid by the Purchaser to the Vendor upon signing of the Preliminary Agreement;
 - (ii) a further deposit of HK\$850,000 shall be paid by the Purchaser to the Vendor within 14 days from the date of the Preliminary Agreement (that is, on or before 20 January 2025); and
 - (iii) the balance of Consideration of HK\$15,300,000 shall be payable by the Purchaser to the Vendor on the completion date.
- Possession** : The Property is subject to existing tenancy agreements with Independent Third Parties expiring during the period of 4 February 2025 to 4 September 2028 for an aggregate monthly rent of HK\$98,500
- Completion date** : 12 March 2025

Formal sale and purchase agreement in respect of the Property is expected to be signed by the Vendor and the Purchaser within 14 days from the date of the Preliminary Agreement (that is, on or before 20 January 2025).

BASIS OF DETERMINATION OF CONSIDERATION

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to the followings:

- (i) the prevailing market price of comparable properties in the vicinity of the Property; and
- (ii) the location and quality of the Property.

INFORMATION OF THE PROPERTY

The Property is subject to existing tenancy agreements. The Net Rental Income for the years ended 31 March 2024 and 2023 and for the six months ended 30 September 2024 are as follows:

	For the six months ended 30 September 2024 HK\$'000	For the year ended 31 March	
		2024 HK\$'000	2023 HK\$'000
Net Rental Income	308	735	661

GENERAL INFORMATION OF THE PARTIES

The Group

The Company was incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on GEM. The Group is principally engaged in the provision of property management and related services and property investment.

Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The principal activity of the Vendor is investment holding and leasing of the Property.

Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in trading, which is owned as to 60% by Mr. WONG Tat Wah and the remaining 40% by Mr. WONG Shek Chung Paul.

Agent

The Agent is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of property agency services in Hong Kong.

To the best knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Purchaser, the Agent and their respective ultimate beneficial owner(s) are Independent Third Parties.

FINANCIAL EFFECT OF THE DISPOSAL

As at 30 September 2024, the carrying value (at valuation) of the Property was approximately HK\$22,055,000. Notwithstanding that the Vendor acquired the Property in October 2010 for a consideration of HK\$10,150,000, the Group, based on the carrying value of the Property and the consideration of HK\$17,000,000, is expected to recognise a loss (after deducting the relevant legal costs, commission and expenses) of approximately HK\$5,030,000 on the Disposal, which is subject to final audit to be performed by the auditors of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was acquired by the Group and is currently leased to Independent Third Parties. The Disposal represents the Group's commitment to its non-core asset disposal plan so as to enable the Group to reallocate more financial resources for general corporate purpose of the Group.

The gross proceeds and net proceeds from the Disposal amount to approximately HK\$17,000,000 and HK\$16,895,000, respectively. The net proceeds from the Disposal are intended to be applied towards general working capital of the Group.

The Directors are of the view that the Disposal is in the interests of the Company and its Shareholders as a whole and the terms (including the Consideration) of the Disposal are fair and reasonable.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal is greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:

“Agent”	Centaline Property Agency Limited, a company incorporated in Hong Kong with limited liability
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Shi Shi Services Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued ordinary shares of which are listed on GEM (stock code: 8181)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration of HK\$17,000,000 payable by the Purchaser to the Vendor in relation to Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property from the Vendor to the Purchaser
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Net Rental Income”	the rental income, net of all related disbursements (if any), before tax derived from the existing tenancy agreements in respect of the Property

“Property”	Workshop A1, 1st Floor, Hang Fung Industrial Building, Kowloon, Hong Kong owned by Fortune Trend as at the date of this announcement
“Preliminary Agreement”	a preliminary sale and purchase agreement dated 6 January 2025 entered into between the Vendor, the Purchaser and the Agent in relation to the sale and purchase of the Property
“Purchaser”	Yee On (Group) Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Fortune Trend Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the Board
Shi Shi Services Limited
HO Ying Choi
Chairman and Executive Director

Hong Kong, 6 January 2025

As at the date of this announcement, the executive Directors are Mr. HO Ying Choi (Chairman) and Ms. HO Siu Chun and the independent non-executive Directors are Mr. LAM Frank Pun Yuen, Mr. CHAN Fei Fei and Mr. MAK Siu Hong.

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 GEM website at www.hkgem.com 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.