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## **SHIS Limited**

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

**(Stock Code: 1647)**

### **DISCLOSEABLE TRANSACTION**

#### **CO-OPERATION AGREEMENT**

The Board is pleased to announce that on 8 August 2018, GS Blockchain (a wholly-owned subsidiary of the Company) entered into a Co-operation Agreement with HK Wenwei in relation to the formation of the Joint Venture which shall be engaged in digital asset trading and exchange services.

Pursuant to the Co-operation Agreement, GS Blockchain will contribute HK\$15 million and HK Wenwei will contribute HK\$5 million to subscribe for 75% and 25% of the equity interest in the Joint Venture respectively.

Based on the applicable percentage ratios, the formation of the Joint Venture under the Co-operation Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

#### **INTRODUCTION**

The Board is pleased to announce that on 8 August 2018, GS Blockchain (a wholly-owned subsidiary of the Company) entered into the Co-operation Agreement with HK Wenwei in relation to the formation of the Joint Venture.

#### **CO-OPERATION AGREEMENT**

##### **Date**

8 August 2018

##### **Parties**

- (1) GS Blockchain; and
- (2) HK Wenwei

HK Wenwei is a company incorporated in Hong Kong. Under the Hong Kong TaKung Wenwei Media Group (香港大公文匯傳媒集團), HK Wenwei is principally engaged in the operation of financial trading platform for cultural related properties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HK Wenwei and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **The Joint Venture**

The proposed issued share capital of Joint Venture is HK\$20,000,000, of which HK\$15,000,000 shall be subscribed by GS Blockchain and HK\$5,000,000 shall be subscribed by HK Wenwei:

Upon completion of the formation of the Joint Venture, GS Blockchain and HK Wenwei will hold 75% and 25% of the issued share capital of the Joint Venture respectively. The Joint Venture will become a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

The amount of capital contributions was determined after arm's length negotiations between the parties to the Co-operation Agreement with reference to the proposed capital requirement of the Joint Venture and the capital contribution intentions of the parties to the Co-operation Agreement. Capital contribution by GS Blockchain will be funded by own funds of the Group.

It is the intention that GS Blockchain shall award not more than 15% of its interests in the Joint Venture to the then management and employees of the Joint Venture as part of the incentive scheme.

The Joint Venture shall be principally engaged in digital asset trading and exchange services.

According to the Co-operation Agreement, the Joint Venture shall incur a fee of HK\$5,000,000 payable to HK Wenwei, for HK Wenwei to grant the exclusive right to the Joint Venture to use the trading name of "Hong Kong Wenwei Exchange Digital Asset Exchange Centre" "香港文匯交易所數字資產交易中心". Such fee is waivable if the distributable profit of the Joint Venture to HK Wenwei exceeds HK\$10,000,000 in 2019.

### **INFORMATION ON THE GROUP AND REASON FOR AND BENEFITS OF THE CO-OPERATION AGREEMENT**

The Group is a contractor and mainly (i) provides integrated building services, with a focus on maintenance and/or installations of mechanical and electrical (M&E) systems, and including minor repairs and improvement works; and (ii) undertakes building and construction works.

Mr. Yao Yongjie has been appointed as an Executive Director on 30 May 2018 following the acquisition of the controlling stakes by Morgan Hill Holdings Limited, a controlled corporation of Mr. Yao. Leverage on Mr. Yao's extensive experience and knowledge in blockchain technology, and the background of HK Wenwei and Hong Kong TaKung Wenwei Media Group (香港大公文匯傳媒集團), the Board is of the opinion that the entering into the Co-operation Agreement is an opportunity to the Group to expand the business portfolio and income stream of the Group, thus potentially greater returns for the Shareholders from the revenue arising from the new income stream.

The Directors are of the view that the terms of the Co-operation Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Based on the applicable percentage ratios, the formation of the Joint Venture under the Co-operation Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	SHIS Limited (stock code: 1647), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“GS Blockchain”	Grand Shores Blockchain Group Limited (雄岸區塊鏈集團有限公司), a subsidiary of the Company incorporated in Hong Kong
“HK Wenwei”	Hong Kong Wenwei Cultural Property Trading and Exchange Limited (香港文匯文化產權交易所有限公司)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	Hong Kong Grandshores Digital Economy Development Limited (香港雄岸數字經濟發展有限公司), a company established in Hong Kong
“Co-operation Agreement”	the Co-operation agreement dated 8 August 2018 entered into between GS Blockchain and HK Wenwei
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**SHIS Limited**  
**Yao Yongjie**  
*Chairman and Executive Director*

Hong Kong, 8 August 2018

*As at the date of this announcement, the Board comprises Mr. Yao Yongjie as executive Director; Mr. Teng Rongsong and Mr. Chua Seng Hai as non-executive Directors; and Mr. Chu Chung Yue, Howard, Dr. Zhang Weining and Mr. Yu Wenzhuo as independent non-executive Directors.*