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If you have sold or transferred all your shares in Shi Shi Services Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

shishi

Shi Shi Services Limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF PROPERTY
AND
NOTICE OF THE EGM**

Financial Adviser to the Company



Sorrento Capital Limited

**Independent Financial Adviser to the
Independent Board Committee and the
Independent Shareholders**



Octal Capital Limited

Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed "DEFINITIONS" of this circular.

A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser setting out its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 29 of this circular.

A notice convening the EGM to be held at Unit L, 1/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hung Hom, Kowloon, Hong Kong on Friday, 29 January 2021 at 11:00 a.m., is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it should you so wish.

14 January 2021

CHARACTERISTICS OF GEM

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.

Given that 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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DEFINITIONS

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

“Acquisition”	the acquisition of the Property pursuant to the Property Sale Agreement;
“Announcement”	the announcement of the Company dated 28 December 2020 in relation to, among other things, the Acquisition;
“associate(s)”	has the meaning as defined in the GEM Listing Rules;
“Board”	the board of Directors of the Company;
“close associate(s)”	has the meaning as defined in the GEM Listing Rules;
“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 of the Stock Exchange (stock code: 8181);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Consideration”	the consideration for the Acquisition;
“controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting to be held by the Company on 29 January 2021 to consider and, if thought fit, approve the Property Sale Agreement and the transactions contemplated thereunder;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 PRC;

DEFINITIONS

“Independent Board Committee”	an independent board committee comprising all independent non-executive Directors, namely, Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard formed to advise the Independent Shareholders on the Property Sale Agreement and the transactions contemplated thereunder after considering the recommendations of the Independent Financial Adviser;
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Property Sale Agreement and the transactions contemplated thereunder;
“Independent Shareholder(s)”	with respect to the Property Sale Agreement, Shareholder(s) other than Heng Sheng Capital Limited and its associates (including Mr. Huang and his spouse Ms. Li Mengya) who are required by the GEM Listing Rules to abstain from voting at the EGM in respect of the resolution relating to the Property Sale Agreement and the transactions contemplated thereunder;
“Independent Third Party(ies)”	person(s) or company(ies) which is not a connected person of the Company;
“Latest Practicable Date”	11 January 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular;
“Mr. Huang”	Mr. Huang Liming, the chairman of the Board, an executive Director and a controlling shareholder of the Company, who wholly owns the Property as at the Latest Practicable Date and is the vendor pursuant to the Property Sale Agreement;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Property”	the five office units subject to acquisition pursuant to the Property Sale Agreement;

DEFINITIONS

“Property Sale Agreement”	the conditional agreement dated 28 December 2020 entered into between Shishi Network and Mr. Huang in relation to the Acquisition;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shishi Network”	時時網絡技術有限公司 (transliterated as Shishi Network Technology Co., Ltd.*), a wholly-owned subsidiary of the Company;
“sq.m.”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

* *For identification purposes only.*

PRECAUTIONARY MEASURES FOR THE EGM

In light of the COVID-19 pandemic, and to better protect the safety and health of the Shareholders and other participants attending the EGM, the Company will implement the following precautionary measures at the venue of the EGM (the “Venue”):

1. compulsory body temperature checks will be conducted on all persons attending the EGM at the waiting area outside the Venue before they are admitted to the Venue. Any person with a body temperature of over 37.3 degree celsius, or who has any flulike symptoms, or is otherwise apparently unwell will not be admitted to the Venue;
2. all attendees must wear face masks at all times inside the Venue or at the waiting area outside the Venue;
3. all attendees of the EGM are required to fill in a travel and health declaration form to confirm that (i) he/she has no flu-like symptoms within 7 days immediately before the EGM; and (ii) within 14 days immediately before the EGM: (a) he/she has not travelled outside of Hong Kong; (b) he/she is/was not under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong; (c) he/she has not had/has close contact with confirmed case(s) and/or probable case(s) of COVID-19 patient(s); and (d) he/she does/did not live with any person under home quarantine. Any person who fails to provide the required confirmation may be requested to leave or denied entry into the Venue;
4. seating at the Venue will be arranged in a manner to allow for appropriate social distancing. As a result, there may be limited capacity for Shareholders to attend the EGM. The Company may limit the number of attendees at the EGM as may be necessary to avoid over-crowding;
5. any attendee who does not follow any of the abovementioned measures will be refused admission to the Venue or requested to leave the Venue;
6. no refreshments or drinks will be served at the EGM to avoid close contact of attendees; and
7. all attendees are recommended to clean their hands with alcohol-based hand sanitizer before entering the Venue.

Shareholders are reminded that attendance at the EGM in person is not necessary for the purpose of exercising voting rights. The Shareholders may choose to vote by filling in and submitting the relevant proxy form of the EGM, and appoint the chairman of the meeting as a proxy to vote on the relevant resolution at the EGM as instructed in accordance with the relevant proxy form instead of attending the EGM in person. For details, please refer to the proxy form of the EGM.

The Company will keep monitoring the evolving COVID-19 situation and may implement additional measures which, if any, will be announced closer to the date of the EGM.

LETTER FROM THE BOARD

shishi

Shi Shi Services Limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

Executive Directors:

Mr. Huang Liming (*Chairman*)

Mr. Ho Ying Choi

Mr. Lee Chin Ching, Cyrix

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Mr. Tso Siu Lun, Alan

Mr. Lam Kai Yeung

Mr. Lo Chi Ho, Richard

Head Office and Principal Place of Business

in Hong Kong

Unit 903, 9th Floor, Haleson Building

1 Jubilee Street, Central

Hong Kong

14 January 2021

To the Shareholders,

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF PROPERTY**

1. INTRODUCTION

References are made to the Announcement in relation to, among other things, the entering into of the Property Sale Agreement and the transactions contemplated thereunder. On 28 December 2020 (after trading hours), Shishi Network, a subsidiary of the Company, entered into Property Sale Agreement with Mr. Huang, pursuant to which Mr. Huang has conditionally agreed to sell and Shishi Network has conditionally agreed to acquire the Property at the Consideration of RMB42 million.

The Acquisition constitutes a discloseable transaction and connected transaction of the Company under Chapters 19 and 20 of the GEM Listing Rules and is subject to, among other things, the Independent Shareholders' approval at the EGM. Heng Sheng Capital Limited, a company wholly-owned by Mr. Huang, and its associates (including Mr. Huang and his spouse Ms. Li Mengya) are required by the GEM Listing Rules to abstain from voting at the EGM in

LETTER FROM THE BOARD

respect of the resolution relating to the Property Sale Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) information relating to the Property Sale Agreement and the transactions contemplated thereunder; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders on the terms of the Property Sale Agreement and the transactions contemplated thereunder; (iii) a letter of advice from Octal Capital to the Independent Board Committee and the Independent Shareholders on the terms and conditions of the Property Sale Agreement and the transactions contemplated thereunder; and (iv) the notice convening the EGM.

2. PARTICULARS OF THE PROPERTY SALE AGREEMENT

Details of the Property Sale Agreement are summarised as follows:

Date:	28 December 2020 (after trading hours)
Parties:	(i) Mr. Huang (as vendor); and (ii) Shishi Network (as purchaser)
Subject matter:	The Property, being five office units 222105 to 222109 on level 18 in Block 6 (Unit 2) on No.1 Futong East Street, Chaoyang District, Beijing, the PRC (physical location named as units 2.2.2105 to 2.2.2109 on level 21 in Tower 2B of Wangjing SOHO (望京SOHO))
Use:	Office use
Gross floor area:	Approximately 1,072.57 sq.m.
The Consideration payable:	The Consideration of the Property is RMB42 million which should be settled by Shishi Network in the following manner: (i) RMB4.2 million to be settled by cash within 10 business days from the date on which the Property Sale Agreement becoming effective; (ii) RMB29.4 million to be settled by cash within 10 business days from the date on which the relevant resolution(s) of the Acquisition are passed at the EGM; and

LETTER FROM THE BOARD

- (iii) RMB8.4 million to be settled by cash within 10 business days from the date on which Mr. Huang has transferred the title of the Property to Shishi Network.

The Consideration is determined after arm's length negotiations between both parties, after taking into consideration the valuation of the Property by independent valuer of RMB45.9 million (under comparison approach by making reference to comparable property transactions available in the market) as adjusted by costs relating to the renovation of the Property of approximately RMB2.5 million incurred by the Group up to 30 November 2020 and a discount. The Consideration will be satisfied by internal resources of the Group.

Mortgage:

The Property has been mortgaged pursuant to relevant mortgage loan agreements between Mr. Huang and the Beijing Branch of China CITIC Bank Corporation Limited in 2013. Pursuant to the Property Sale Agreement, Mr. Huang has agreed (i) to repay the relevant mortgage loan after receiving the first and second payments of the Consideration so that the mortgage of the Property will be released; and (ii) that the first and second payments of the Consideration will not be applied in other purpose until the mortgage loan has been fully settled. In the event that the first and second payments of the Consideration are not applied as stated above, Shishi Network shall have the right to request Mr. Huang to refund the Consideration already paid plus interest within ten business days after receiving written notice from Shishi Network.

Conditions Precedent:

The completion of the Property Sale Agreement is conditional upon

- (i) the Independent Shareholders having approved the Property Sale Agreement and transactions contemplated thereunder at the EGM pursuant to the GEM Listing Rules;

LETTER FROM THE BOARD

- (ii) the Company having reviewed a PRC legal opinion on the Property and the substances of which shall be satisfactory to the Company in its absolute discretion;
- (iii) Mr. Huang has fully settled the mortgage loan of the Property and proceeded with the relevant procedures for release of the mortgage;
- (iv) Mr. Huang has cooperated to complete the registration procedures for the transfer of title of the Property to Shishi Network; and
- (v) the representations, undertakings and warranties given by Mr. Huang pursuant to the Property Sale Agreement remaining true, accurate, complete and not misleading in all respects from the date of the Property Sale Agreement up to the date on which the title of the Property has been transferred to Shishi Network.

Since Mr. Huang has agreed to repay mortgage loan relevant to the Property after receiving the first and second payments of the Consideration so as to release the mortgage (relevant to condition precedent (iii)) and the second payment of the Consideration is subject to the passing of relevant resolution(s) at the EGM (relevant to condition precedent (i)), both parties to the Property Sale Agreement have agreed to set the latest date for transfer of title of the Property to Shishi Network (relevant to condition precedent (iv)) within three months upon receipt of the second payment of the Consideration. In the event that Mr. Huang fails to transfer the title of the Property due to his own reasons within the aforesaid period, Shishi Network shall have the right to request Mr. Huang to refund the Consideration already paid plus interest within ten business days after receiving written notice from Shishi Network.

LETTER FROM THE BOARD

In the event that any conditions precedent in the Property Sale Agreement is not fulfilled, Mr. Huang shall unconditionally refund all consideration paid by Shishi Network within ten business days after receiving written notice from Shishi Network and the Property Sale Agreement and transactions contemplated thereunder will be terminated. As at the Latest Practicable Date, save as condition precedent set out in paragraph (ii), none of the conditions precedent have been fulfilled.

The Company currently expects that completion of the Acquisition will take place by end of March 2021.

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY SALE AGREEMENT

The Company is principally engaged in the provision of property management and related services, properties investment and money lending business and property management business of the Group covers Hong Kong and the PRC. As at the Latest Practicable Date, the Company had several subsidiaries in the Beijing and Shandong Province, the PRC.

Shishi Network is an indirect wholly-owned subsidiary of the Company established on 18 July 2018 with registered capital of RMB50 million and of which RMB26 million has been paid-up as at the Latest Practicable Date. The permitted business scope of Shishi Network is internet technology development, technical consultation, product design, computer system services, hosting exhibition activities, economic and trade consultation, motor vehicle public parking services, cleaning services (excluding tableware sterilisation), health management (except for clinical activities which require approval), health consultation (except for clinical activities which require approval), wholesale and retail of type I and II medical instrument, education consultation, business management, business management consultation, property management and elderly care service.

Mr. Huang is an entrepreneur with around 17 years of experience in property development and property management business in the PRC. He is the chairman of the Board, an executive Director and a controlling shareholder of the Company.

As set out in the announcement of the Company in relation to the acquisition of companies with property management business in the PRC dated 27 March 2019, leveraging on the Group's experience and resources in provision of property management services in Hong Kong, the Group had extended its property management services from Hong Kong to the PRC. Upon completion of the aforesaid acquisition, the Group has started to participate in the business of providing property management services in Shandong Province, the PRC, which is in the same line of business of the Group.

LETTER FROM THE BOARD

According to the annual report of the Company for the year ended 31 March 2020, the Company also has subsidiaries established in 2018 in the PRC, namely (i) 北京時時健康管理有限公司 (transliterated as Beijing Shishi Health Management Co., Ltd.*) for the provision of health management (except for medical services which require licences) and health care consultation services (except for medical services which require licences); (ii) 北京時時物業服務有限公司 (transliterated as Beijing Shishi Property Services Co., Ltd.*) for the provision of property management services; and (iii) Shishi Network for the purpose of providing computer network technology support for health information consultancy and elderly care services in the community which the Group provides property management services. In line with the business strategy of the Group to provide property management services as well as aforesaid value-added services, the Company has planned to setup an experience centre for the living service platform of the Group (the “**Shi Shi Living Service Centre**”) in Beijing, the PRC.

The Property is located in Chaoyang district, Beijing, the PRC and near Beijing Capital International Airport, Beijing International Convention Center and several stations of line 14 and 15 of Beijing Subway. In close proximity of the Property, there are also some international brand hotels which allows business visitors to rest after conference at Wangjing SOHO. The Property was acquired by Mr. Huang at a total consideration of approximately RMB59.0 million pursuant to the relevant pre-sale property agreements entered into in 2012 and was then leased for rental income until 2018. In view of that (i) Beijing is the capital city of the PRC accessible by various public transportation; and (ii) the modern design and age of Wangjing SOHO which the Company considers suitable for its business image in relation to computer network technology supported property management services and value-added services, the Company intends to establish the Shi Shi Living Service Centre and its headquarter office at the Property and has incurred over RMB9.0 million (unaudited) mainly for preparation up to 30 November 2020 of which approximately RMB2.5 million is relating to design and renovation and approximately RMB1.9 million is relating to addition of equipment and furniture. The Company currently expects to further incur approximately RMB2.7 million to complete the renovation and addition of equipment and furniture.

The Property will serve the purposes of the Company as a headquarter office in the PRC and the Shi Shi Living Service Centre for conference with potential clients and demonstration of its concept on property management in the PRC aided by information and technology with a view to reduce labour costs and optimize efficiency. At the Property, the Company will provide multimedia of its concept management business and simulation of smart and intelligent living services. The Company believes that location of the Property as well as the setup of the Shi Shi Living Service Centre would benefit the Group in presentation to and negotiation with potential clients in the PRC.

As no property agent is involved in the Acquisition, the Group is not required to incur any commission expenses in relation to the Acquisition. In addition, the Acquisition will allow the Group to invest in properties in Beijing. Given the long-term economic and financial prospects of Beijing and the PRC, there may be potential for capital appreciation for this investment over

* For identification purposes only

LETTER FROM THE BOARD

the long term. Furthermore, Mr. Huang has agreed the payment terms which allows the Company to settle substantial portion of the Consideration after passing relevant resolution(s) at the EGM with a view to reduce the instant impact on the working capital of the Group.

In light of the above, the Directors (including the independent non-executive Directors who have considered the advice from the Independent Financial Adviser) are of the view that (i) the Acquisition is in the ordinary and usual course of business of the Group as the Group is also engaged in property investment and on the other hand the intended use of the Property is for the expansion of principal business of the Group and thus the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Sale Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable.

Given Mr. Huang has material interest in the Acquisition, Mr. Huang has abstained from voting on the Board resolutions approving the Property Sale Agreement and the transactions contemplated thereunder.

4. GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Huang indirectly holds approximately 61.00% equity interest in the Company through Heng Sheng Capital Limited and Mr. Huang is the chairman of the Board and executive Director. Thus, Mr. Huang is a connected person of the Company as defined under the Chapter 20 of the GEM Listing Rules. As such, the entering into of the Property Sale Agreement constitute connected transaction of the Company.

As the Consideration is more than HK\$10.00 million, according to the GEM Listing Rules, the Property Sale Agreement and the transactions contemplated thereunder are subject to reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As all the applicable ratios under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Property Sale Agreement and the transactions contemplated thereunder also constitute disclosable transaction for the Company under Chapter 19 of the GEM Listing Rules.

5. EGM, PROXY ARRANGEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL

A notice convening the EGM to be held at Unit L, 1/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong on Friday, 29 January 2021 at 11:00 a.m., is set out on pages EGM-1 to EGM-3 of this circular at which an ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Property Sale Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

In accordance with Rule 17.47(4) of the GEM Listing Rules, voting at the EGM will be conducted by poll. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it should you so wish.

The register of members of the Company will be closed from Tuesday, 26 January 2021 to Friday, 29 January 2021, both days inclusive, during which time no transfer of Shares will be registered. In order to be qualified for attending and voting at the EGM, all transfer documents together with the relevant share certificate must be lodged with the Company's Hong Kong share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, 25 January 2021.

Since Mr. Huang, being the vendor of the Property, has a material interest in the Acquisition, Mr. Huang, his spouse Ms. Li Mengya and his wholly-owned company Heng Sheng Capital Limited, being immediate holding company of the Company are required to abstain from voting on the resolution(s) approving the Property Sale Agreement at the EGM under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed in this circular, no other Shareholder has a material interest in the transactions contemplated under the Property Sale Agreement and is required to abstain from voting on the relevant resolution(s) at the EGM.

6. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all three independent non-executive Directors has been formed to consider the terms of the Property Sale Agreement and the transactions contemplated thereunder. Octal Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on such matters.

7. RECOMMENDATION

The Directors (including the independent non-executive Directors who have considered the advice from the Independent Financial Adviser) are of the view that (i) the entering into of the Property Sale Agreement is in the ordinary and usual course of business of the Group as the Group is also engaged in property investment and on the other hand the intended use of the Property is for the expansion of principal business of the Group and thus the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Sale Agreement and the transactions contemplated thereunder are on normal commercial terms

LETTER FROM THE BOARD

and are fair and reasonable. Accordingly, the Directors (including the independent non-executive Directors) recommend all the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Property Sale Agreement and the transactions contemplated thereunder.

8. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM and to the letter from Octal Capital as set out on pages 16 to 29 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Property Sale Agreement.

Your attention is also drawn to the additional information set out in the Appendices to this circular.

By Order of the Board
Shi Shi Services Limited
Huang Liming
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Property Sale Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

shishi

Shi Shi Services Limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

14 January 2021

To the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

We refer to a circular (the “**Circular**”) of the Company dated 14 January 2021 of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise you whether the terms of the Property Sale Agreement are fair and reasonable, whether the Acquisition is in the interests of the Company and its shareholders as a whole and to advise the shareholders on how to vote for the resolution at the EGM. Octal Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 5 to 13 of the Circular and the letter from Octal Capital as set out on pages 16 to 29 of the Circular, which contains, *inter alia*, its advice and recommendation regarding the terms of the Property Sale Agreement with the principal factors and reasons for its advice and recommendation.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Property Sale Agreement and taking into account the advice and recommendation of the Independent Financial Adviser, we are of the view that (i) the entering into of the Property Sale Agreement is in the ordinary and usual course of business of the Group as the Group is also engaged in property investment and on the other hand the intended use of the Property is for the expansion of principal business of the Group and thus the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Sale Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. We therefore recommend that the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM thereby approving the Property Sale Agreement.

Yours faithfully,
Independent Board Committee

Tso Siu Lun, Alan
*Independent non-executive
Director*

Lam Kai Yeung
*Independent non-executive
Director*

Lo Chi Ho, Richard
*Independent non-executive
Director*

LETTER FROM OCTAL CAPITAL

The following is the letter of advice from Octal Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders in respect of the Property Sale Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



Octal Capital Limited
801–805, 8th Floor, Nan Fung Tower
88 Connaught Road Central
Hong Kong

14 January 2021

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Property Sale Agreement and transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 14 January 2021 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined under the definitions section in the Circular.

As set out in the Letter from the Board, on 28 December 2020, Shishi Network, a subsidiary of the Company, entered into the Property Sale Agreement with Mr. Huang, pursuant to which Mr. Huang has conditionally agreed to sell and Shishi Network has conditionally agreed to acquire the Property at the Consideration of RMB42.0 million.

As at the date of the Circular, Mr. Huang indirectly holds approximately 61.0% equity interest in the Company through Heng Sheng Capital Limited and Mr. Huang is the chairman of the Board and executive Director. Thus, Mr. Huang is a connected person of the Company as defined under the Chapter 20 of the GEM Listing Rules. As such, the entering into of the Property Sale Agreement constitutes connected transaction of the Company.

As all the applicable ratios under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Property Sale Agreement and the transactions contemplated thereunder also constitute discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

LETTER FROM OCTAL CAPITAL

An independent board committee of the Company comprising all of the independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard has been formed to advise the Independent Shareholders as to whether the Property Sale Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group; and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and to give a recommendation to the Independent Shareholders in respect of the voting on the resolution to be proposed at the EGM.

We, Octal Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Property Sale Agreement in this regard. We are not connected with the directors, chief executive and controlling shareholders of the Company or Mr. Huang or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date and therefore is considered suitable to give independent advice to the Independent Shareholders. During the last two years, there was no engagement between the Company or Mr. Huang and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and controlling shareholders of the Company or Mr. Huang or any of its subsidiaries or their respective associates that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser in respect of the Property Sale Agreement pursuant to Rule 17.96 of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Property Sale Agreement including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the management of the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Mr. Huang and their respective associates, nor have we carried out any independent verification of the information supplied to us.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Property Sale Agreement, we have considered the following principal factors and reasons:

1. Information of the Group, Mr. Huang and the Property

Information of the Group

The Group is principally engaged in the provision of property management and related services, properties investment and money lending business in Hong Kong and the PRC. Under the property management portfolio, as at the Latest Practicable Date, the Group have 444 management contracts on hand in relation to residential and non-residential projects in Hong Kong and 15 property management contracts on hand in relation to residential and non-residential projects in the PRC.

The following table summarises the major information of the statement of profit or loss and other comprehensive income of the Group the two years ended 31 March 2020 and the six months ended 30 September 2020, as extracted from the Company's annual report for the year ended 31 March 2020 (the "2020 Annual Report") and interim report for the six months ended 30 September 2020 (the "2020 Interim Report"):

	Year ended		Six months ended	
	31 March		30 September	
	2019	2020	2019	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	425,661	487,395	239,540	254,121
– Property management and related services	424,053	485,010	238,304	253,012
– Rental income from investment property	1,448	1,485	785	658
– Loan interest income from money lending	160	900	451	451
Profit after tax for the year/period	57,380	14,200	8,873	24,432

Source: 2020 Annual Report and 2020 Interim Report

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For the year ended 31 March 2020

The Group derived its revenue primarily from the property management and related services segment which accounted for approximately 99.5% of total revenue for the year ended 31 March 2020 and recorded a growth of approximately 14.4% as compared to the previous financial year. The profit after tax for the year ended 31 March 2020 was approximately HK\$14.2 million, representing a decrease of approximately 75.3% as compared to approximately HK\$57.4 million for the year ended 31 March 2019. According to the 2020 Annual Report, such decrease was mainly attributable to (i) non-recurrence of a compensation income of HK\$26 million recorded in the prior year; (ii) listing expenses arising from the proposed transfer of listing from the GEM to the Main Board of the Stock Exchange; (iii) share of loss from an associate which is engaged in provision of financial services in Hong Kong; and (iv) fair value loss on an investment property in Hong Kong.

For the six months ended 30 September 2020

During the six months ended 30 September 2020, the Group recorded an increase in revenue from approximately HK\$239.5 million to HK\$254.1 million during the same period, representing an increase of approximately 6.1%. The increase was mainly due to an increase of the revenue of property management and related services of approximately 6.2% as compared to the same period of last year. The profit for the six months ended 30 September 2020 was approximately HK\$24.4 million, representing an increase of approximately 1.8 times as compared to approximately HK\$8.9 million for the same period of last year. According to the 2020 Interim Report, such improvement in the profitability was mainly attributable to (i) an increase in other income arising from the net government subsidies of approximately HK\$16.8 million; and (ii) a decrease in the listing expenses arising from the proposed transfer of listing from GEM to Main Board of the Stock Exchange from approximately HK\$4.4 million for the six months ended 30 September 2019 to approximately HK\$1.8 million for the six months ended 30 September 2020.

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The following table summarises the major information of the statement of financial position of the Group as at 30 September 2020, extracted from the 2020 Interim Report:

	As at 30 September 2020 <i>HK\$'000</i> (unaudited)
Cash and cash equivalent	135,837
Trade receivables	96,991
Others	<u>58,817</u>
Current assets	291,645
Non-current assets	<u>119,170</u>
Total assets	<u>410,815</u>
Current liabilities	83,948
Non-current liabilities	<u>919</u>
Total liabilities	<u>84,867</u>
Net assets	<u><u>325,948</u></u>

Source: 2020 Interim Report

As at 30 September 2020, the total assets of the Group mainly comprise of trade receivables and cash and cash equivalents in aggregate amounted to approximately HK\$232.8 million, which represented approximately 56.7% of the total assets. As at 30 September 2020, the total liabilities of the Group mainly comprise of trade and other payables of approximately HK\$73.2 million, which represented approximately 86.3% of the total liabilities.

Information of Mr. Huang

Mr. Huang is the chairman of the Board, executive Director and a controlling shareholder of the Company. Mr. Huang is an entrepreneur with around 17 years of experience in property development and property management business in the PRC. As at the Latest Practicable Date, Mr. Huang is the sole owner of the Property.

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Information of the Property

The Property comprises of five office units with total gross floor area (“GFA”) of approximately 1,072.57 sq. m. situated on Level 21 in Tower 2B of Wangjing SOHO which is located at No. 10 Wangjing Street, Chaoyang District, Beijing, the PRC. Wangjing SOHO is a large-scale office and retail project with three commercial towers having total GFA of approximately 510,000 sq. m in Wangjing Area. Wangjing Area is a residential area and business hub in Beijing with systematic transportation planning and infrastructure, in which Line 14 and Line 15 of the Beijing Subway connected the north area, northeast-to-west area and east-to-south area of Beijing. As at the Latest Practicable Date, the Property is vacant and the details of the Property are set out below:

Unit No:	222105	222106	222107	222108	222109
Location:	Level 21 of Tower 2B of Project Wangjing SOHO, No. 10 Wangjing Street, Chaoyang District, Beijing, the PRC				
Usage:	Office				
GFA:	265.43	178.27	166.78	182.68	279.41
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.

The Property was acquired by Mr. Huang at a total consideration of approximately RMB59.0 million in 2012 and then was leased for rental income until 2018.

Based on the legal opinion issued by the PRC legal adviser of the Company regarding the Property, among other things, (i) Mr. Huang has the legal, effective, real and complete ownership right of the Property and the Property is not subject to any ownership dispute; and (ii) the Property is pledged for mortgage purpose. Once the pledge is released, there is no foreseeable legal impediments to transfer the Property from Mr. Huang to Shishi Network. The Property has been mortgaged to the Beijing Branch of China CITIC Bank Corporation Limited in 2013. The completion of the Property Sale Agreement is subject to that Mr. Huang has fully settled the outstanding mortgage loan of the Property, which is amounted to approximately RMB12.88 million and then proceeded with the relevant procedures for the release of the mortgage. As such, Mr. Huang undertakes that (i) he will repay the relevant mortgage loan after receiving the first and second payments of the Consideration so that the mortgage of the Property will be released; and (ii) the first and second payments of the Consideration will not be applied in other purpose until the mortgage loan has been fully settled.

2. Overview of Wangjing SOHO and commercial property market in the PRC

The Property is located in Wangjing SOHO, Chaoyang District, Beijing. Beijing is the capital of the PRC, and the national political, economic, cultural center of the PRC. Being a modern metropolis, Beijing has developed rapidly with a strong gross domestic product (“GDP”) growth rate and has exhibited a robust improvement of per capita disposable income. According to Beijing Municipal Bureau of Statistics, Beijing’s GDP increased by approximately 6.8% from approximately RMB3,310 billion in 2018 to approximately RMB3,537 billion in 2019 and the per capita disposable income in Beijing increased by approximately 8.7% to RMB67,756 from 2018 to 2019.

Chaoyang District is a massive district in Beijing covering the urban area to the north and east of central Beijing and beginning at the Second Ring Road while further stretching beyond the Fifth Ring Road. Chaoyang district ranked second in term of GDP in Beijing in 2019 which amounted to approximately RMB711.6 billion, representing an increase of approximately 16.8% as compared to last year. On 14 December 2009, the Beijing Municipal Development and Reform Commission issued the “Second CBD” plan, Wangjing District is in a new development opportunity to transform into “DaWangjing Business District” with spectacular modern architecture, high-end shopping malls and international business hub which has attracted major international companies and Fortune 500 enterprises including several top high technology enterprises to set up their offices in the DaWangjing District. With the completion of a series of modern commercial buildings including Wangjing SOHO, Wangjing Area has been well-regarded as a second central business district in Beijing. Besides, Wangjing District is equipped with well-rounded transportation network, it is surrounded by Line 14 and Line 15 of the Beijing Subway, which connected an extensive area of Beijing. Apart from rail lines, the overall traffic network of Wangjing Area is supported by the Fifth Ring Road and several major expressways, such as Airport Expressway, Badaling Expressway and Jingcheng Expressway.

The commercial property management market in the PRC developed rapidly in the recent years mainly due to the increase in the commercial property area. According to National Bureau Statistics, the completed commercial property area in the PRC increased from approximately 16.1 million sq.m. in 2009 to 39.2 million sq.m. in 2019, representing a compound annual growth rate of approximately 9.3%. According to the “2020 Commercial Property Management Development Report” published by China Property Management Research Institution, the top 100 property management enterprises providing commercial property management services to commercial property area of approximately 829 million sq.m. in the PRC in 2019, representing an increase of approximately 32.2% as compared to 2018. The revenue from the provision of commercial property management service recorded by the top 100 property management enterprises was approximately RMB29.7 billion in 2019, representing an increase of approximately 15.3% as compared to 2018.

According to Beijing Municipal Bureau of Statistics, during the ten months ended 31 October 2020, the property area in Beijing under construction was approximately 133.5

million sq.m., representing an increase of approximately 9.9% as compared to the same period in 2019. Among the property area under construction, approximately 63.6 million sq.m. was residential property area and approximately 27.6 million sq.m. was commercial property area. Due to the outbreak of the coronavirus pneumonia (the “COVID-19”), the completion of the property area in Beijing has been slowed down during the ten months ended 31 October 2020. Having considered the recovery from the impact of the COVID-19 and the resumption of business activities including the property construction work, it is expected that the completed property area in Beijing will be gradually resumed which will lead to a higher demand in the property management services.

3. Reasons for and benefits of the Acquisition

(i) Expansion on property management and related services in the PRC market

We understand from the management of the Company that the Group has been seeking for opportunities to expand the current property management business through self-development and/or investment(s) with other parties. On 29 March 2019, the Group completed an acquisition of Shi Shi Property (Cayman) Limited and its subsidiaries, which is principally engaged in the provision of property management and related services in Shandong Province, the PRC, which include, among others, repair and maintenance, management and security of residential and commercial buildings and car parking spaces. The Group has expanded their property management business in the PRC since then. As at the Latest Practicable Date, the Group have 15 property management projects on hand in the residential and non-residential area in Shandong, the PRC. According to the 2020 Annual Report and 2020 Interim Report, the revenue for the provision of property management and related services in the PRC contributed approximately 9.9% and 8.5% of the total revenue for this segment for the year ended 31 March 2020 and the six months ended 30 September 2020, respectively. We understand from the management of the Company that the Group will continue to extend its market presence and business scope in the PRC by rendering value-added property services through its property management businesses, including but not limited to the use of internet, Internet-of-Things, Big Data and artificial intelligence technology to enable the Company to provide their advanced property management services in residential properties, hospitals, elderly care centres, education institutions and offices. Although the Company has yet to increase its revenue from the provision of property management and related value-added services outside Shandong, the Company believes that provision of value-added services outside Shandong would be important to expand the Company’s property management market shares in the PRC in the future. According to the Letter from the Board, the Group intends to use the Property as the Group’s headquarter in the PRC and an experience centre for the living service platform of the Group (the “**Shi Shi Living Service Centre**”). The Shi Shi Living Service Centre will provide in-person demonstration to the potential clients on how the artificial intelligence technology can be embedded in the traditional property management services in order to provide more modern, intelligent and internet-based services to the potential clients with a view to optimize service

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efficiency. The Shi Shi Living Service Centre also serves as the business development base to identify and approach potential customers and the technology development base to research and develop the technologies and software for the property management services. The Shi Shi Living Service Centre provides a permanent platform to promote its brand and value-added elements of property management services to its potential clients.

(ii) Prominent location of the Property

Wangjing Area inside Chaoyang District is an residential area and business hub in Beijing. The Company believes that it will benefit from the location of the Property as Wangjing Area is the second central business district in Beijing surrounded by several top high technology enterprises, advantageously located near Beijing Capital International Airport, Beijing International Convention Center and supported by well-established transportation. According to Beijing Statistical Bureau, the GDP of Chaoyang District amounted to approximately RMB711.6 billion in 2019, represented an increase of approximately RMB102.2 billion or 16.8% from RMB609.4 billion in 2018. The Directors believe through establishing the Shi Shi Living Service Centre in the capital city of the PRC at a location witnessing strong economic growth would enhance the Group's business development capability for the provision of property management and related value-added services in the future.

Moreover, the Directors believe by establishing the Group's headquarter and the Shi Shi Living Service Centre in Wangjing SOHO, which is a landmark in a prestigious and prominent location in Beijing, will further enhance the Group's market image and position, as well as to easily reach out a greater potential client base in the surrounding area.

(iii) Optimistic prospect of the commercial property market in Beijing

As advised by the Directors, the average monthly rental (exclusive of management fees payable to an independent third party) in Wangjing SOHO is approximately RMB142.5 per sq.m. We understand from the Directors that the Acquisition would not only save a substantial amount of rental expenses of the Group each year, which amounted to approximately RMB1.8 million, but also provide a permanent platform for the Group's long-term business growth and development in the PRC.

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Due to the substantial supply of the commercial properties in Beijing, the vacancy rate of commercial property in Beijing gradually increased since 2015 and lead to a downward pressure in selling price of commercial property. The situation gets even worse due to the outbreak of COVID-19 and the economic downturn in the PRC. According to the report in relation to the Grade A office market in Beijing published by Jones Lang LaSalle, the overall vacancy rate reached approximately 13.9% and the rent continued to drop in the third quarter of 2020 due to the supply pressure, the COVID-19 and the economic downturn, leading to a reduction in leasing activities in Beijing during 2020. The Directors considered that the leasing activities in Beijing slowed down in 2020 and the price of commercial property in Beijing has come to a reasonable level. Moreover, the Directors are of the view that Beijing is the capital city of the PRC, and the central government is placing the greatest effort to boost its economic and business activities which are currently recovering and regaining its growth momentum and therefore the commercial property market in Beijing is relatively more optimistic than other major Chinese cities in the long run with the full support from the central government of the PRC.

We consider that (i) the Acquisition is in-line with the business strategy of the Group and provides a physical platform for the potential clients to understand the business model of value-added services provided by the Group, which in turn assists the Group to reach out more potential clients and expand the property management and value-added services business in the PRC; (ii) a substantial amount of rental expenses is saved every year; (iii) the Group may benefit from the potential growth of the commercial real estate market in Beijing in the long run. Therefore, we concur with the Directors that there is a commercial justification for the Company to enter into the Property Sale Agreement.

4. Principal terms of the Property Sale Agreement

The major terms of the Property Sale Agreement are summarised as follows:

Date	:	28 December 2020
Parties	:	(i) Mr. Huang as vendor (ii) Shishi Network as purchaser
Subject Matter	:	the Property
Payment method	:	The Consideration of HK\$42.0 million shall be payable through three instalments by cash.

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For further details of the terms of the Property Sale Agreement, please refer to the Letter from the Board. The Company currently expects that the completion of the Acquisition will take place by the end of March 2021.

The Consideration was determined after arm's length negotiation between Mr. Huang and Shishi Network after taking into consideration the valuation of the Property by an independent valuer (the "**Property Valuation Report**") of RMB45.9 million as at 30 October 2020 as adjusted by costs relating to renovation of the Property of approximately RMB2.5 million incurred by the Group up to 30 November 2020 and a discount. The Consideration represents a discount of approximately 8.5% or RMB3.9 million to the market value as at 31 October 2020 appraised by the independent valuer as disclosed in the Appendix I to the Circular. We consider that such discount is justified on the basis that the Group has already incurred approximately RMB2.5 million of renovation expenses on the Property and the Property has been partially renovated. It is fair and reasonable that the renovation costs incurred by the Group is deducted from the market value of the Property when the Directors determine the Consideration. Moreover, the business and economic environment in the PRC is challenging over short term due to the uncertainties brought by COVID-19 and the global travel restrictions.

The Consideration will be payable by Shishi Network through three instalments. The first and second instalments in aggregate of RMB33.6 million will be paid to Mr. Huang before the Completion. Mr. Huang undertakes to use such payment for repayment of the outstanding mortgage. We understand that if the mortgage payment is not fully repaid, the title of the Property is unable to transfer. Therefore, it is reasonable to make a partial payment of the Consideration to Mr. Huang to facilitate the title transfer of the Property. Once the mortgage is fully settled and the Property is released from the mortgage, Mr. Huang will arrange the transfer of the title of the Property to Shishi Network. In order to safeguard the advanced payment of RMB33.6 million, the Property Sales Agreement includes protective clauses, in which Shishi Network has the right to request the refund of RMB33.6 million together with the interests (which is calculated based on the base deposit rate for a term of one year published by the People's Bank of China) within ten business days after receiving the written notice from Shishi Network in the event that (i) the advanced payment of RMB33.6 million will not be applied in other purpose until the mortgage loan has been fully settled; (ii) Mr. Huang fails to transfer the title of the Property within the required period of time; and/or (iii) any conditions precedent in the Property Sale Agreement is not fulfilled.

Having considered that (i) the Consideration is at a discount to the market value appraised by the independent valuer as at 31 October 2020; (ii) the Mr. Huang requires the first and second instalments of the Consideration to repay and release the mortgage of the Property; and (iii) the protective clauses to refund the advanced payment of RMB33.6 million together with the interests have been included in the Property Sales Agreement, we are of the view that the Consideration and the payment arrangement are fairly determined.

5. Property Valuation Report

To assess the fairness and reasonableness of the Consideration, we have reviewed the valuation report issued by the independent valuer and discussed with the independent valuer regarding the methodology adopted for and the basis and assumptions used in arriving at the valuation. We noted the independent valuer has adopted the comparison approach in valuing the Property by making reference to comparable properties available in the market. Comparable properties of similar size, characteristic and location are analysed and carefully weighed against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of the capital values. As further confirmed by the independent valuer, the aforesaid approach is commonly considered as an accepted valuation approach for valuing this types of commercial property for self-use purpose and is consistent with normal market practice. We have reviewed similar property valuations conducted by other listed companies on the Stock Exchange and noted that such approach is a common valuation methodology in valuing property. We concur with the independent valuer in adopting such comparison approach for the purpose of the valuation.

We have also reviewed the methodology and parameters applied by the independent valuer in arriving at the valuation. As stated above, several comparable properties were selected by the independent valuer in order to appraise the market value of the Property. We understand from the independent valuer that the comparable properties (i) are located in the middle level of Tower 1 and Tower 2 of Wangjing SOHO with simple interior renovation; (ii) are for commercial use; and (iii) are currently put on the market of sale. We have reviewed the nature of comparable properties adopted by the independent valuer and the calculation to arrive at the market value of the Property. We also discussed with the independent valuer regarding the nature and rationale of adjustments adopted in the valuation and noted that these adjustments are made to the comparable properties to compensate the differences between the Property and the comparable properties in relation to their level, size, condition and other characters. Based on our review of the comparable properties as well as our discussion with the independent valuer to understand their selection criteria and calculation basis, we are of the view that the basis and assumptions in arriving the valuation are fair and reasonable.

For cross-checking purpose, we have reviewed the relevant sales evidences of similar commercial properties in Tower 1 and Tower 2 of Wangjing SOHO extracted from the public website in relation to sale of commercial real estates and their unit prices range from approximately RMB41,000 per sq.m. to RMB49,500 per sq.m. depending on floor, view, size, renovation and internal conditions etc. The market value of the Property appraised by the independent valuer is approximately RMB42,800 per sq.m. which falls within the range of the above-mentioned unit price identified by us, we consider that the selection of comparable properties is justifiable.

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In addition, we have enquired the independent valuer as to its qualifications, expertise, independence and due diligence measures taken by the independent valuer to the preparation of the valuation report. We have also reviewed the independent valuer's engagement letter (including the scope of work). We are not aware of any irregularities during our discussion with the independent valuer in view of their qualification, independence and works.

Having considered (i) the valuation methodology adopted by the independent valuer is commonly adopted for determining the value of similar properties; (ii) the assumptions and underlying basis for valuation of the Property are appropriate; and (iii) the selection criteria of comparable properties are justifiable, we are of the view that the valuation methodologies behind the Consideration are fair and reasonable.

Further details of the bases and assumptions of the valuation are included in the property valuation report as contained in Appendix I to the Circular. Nevertheless, the Shareholders should note that the valuation of properties usually involves assumptions and therefore the valuation may or may not reflect the true market value of the Property accurately.

6. Possible financial effect of the Acquisition

Net assets

Since the Property is acquired for self-usage, the Property will be recognised as the Group's property, plant and equipment and is measured initially at its costs. Given that the Consideration of RMB42.0 million and the market value of the Property of approximately RMB45.9 million as at 31 October 2020, it is expected that the Acquisition would not have material impact on the Group's net asset value upon completion of the Acquisition unless the value of the Property significantly deviated from its appraised value as at 31 October 2020.

Cash and cash equivalents

As the Consideration of RMB42.0 million will be settled by cash, the Group's current assets are expected to decrease by the same amount. According to 2020 Interim Report, the Group had cash and cash equivalent of approximately HK\$135.8 million as at 30 September 2020 which is sufficient for the cash payment of the Consideration.

It should be noted that the above analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Acquisition.

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RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that (i) the entering into of the Property Sale Agreement is in the ordinary and usual course of business of the Group; (ii) the terms of the Property Sale Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the entering into the Property Sale Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we recommend the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Property Sale Agreement and the transactions contemplated thereunder.

For and on behalf of

Octal Capital Limited

Alan Fung

Wong Wai Leung

Managing Director

Executive Director

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 25 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer Type 9 (asset management) regulated activities. Mr. Wong has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 October 2020 of the property interest to be acquired by Shishi Network.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Quarry Bay, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

仲量聯行企業評估及諮詢有限公司
香港鰂魚涌英皇道979號太古坊一座7樓
電話 +852 2846 5000 傳真 +852 2169 6001
公司牌照號碼：C-030171

The Board of Directors

Shi Shi Services Limited
Unit 903, 9 Floor
Haleson Building
1 Jubilee Street, Central
Hong Kong

14 January 2021

Dear Sirs,

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**” or “**we**”) is instructed by Shi Shi Services Limited (the “**Company**”) to provide valuation service on a property located at the Project Wangjing SOHO, No. 10 Wangjing Street, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”), which is to be acquired by Shishi Network Technology Co., Ltd. (“**Shishi Network**”, a wholly-owned subsidiary of the Company). In accordance with your instructions, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 31 October 2020 (the “**valuation date**”) for disclosure purpose.

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interest by the comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the marketplace can be extrapolated to similar properties, subject to allowances for variable factors.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, particulars of occupancy, statutory notices, lettings and all other relevant matters.

We have been shown copies of Real Estate Title Certificates and other title documents relating to the property and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser – Beijing Dentons Law Offices, LLP, concerning the validity of the property interest in the PRC.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out on 18 November 2020 by Ms. Blair Xiong who graduated with a master degree of real estate development and has 1 year's experience of property valuation in the PRC.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”).

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in this particular market sector remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of this property under frequent review.

The valuation certificate is attached below for your attention.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T. W. Yiu

MRICS MHKIS RPS (GP)

Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 27 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest to be acquired by Shishi Network in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
5 office units on Level 21 of Tower 2B of Project Wangjing SOHO, No. 10 Wangjing Street Chaoyang District Beijing The PRC	<p>Project Wangjing SOHO is a retail-office complex comprising 3 office towers completed in 2014. The locality where the project is situated is well served by public transportation and public facilities.</p> <p>Tower 2B of Project Wangjing SOHO is a 26-storey office building. The property comprises 5 office units on Level 21 of Tower 2B with a total gross floor area (“GFA”) of approximately 1,072.57 sq.m.</p> <p>As at the inspection date, 18 November 2020, the property was well decorated and maintained in good condition.</p> <p>The land use rights of the property have been granted for a term expiring on 11 October 2059 for composite use.</p>	<p>The property was vacant as at the valuation date.</p> <p>As advised by the Company, the property will serve the purposes of the Company as a headquarter office and for conference use.</p>	45,900,000

Notes:

- The property is located in Wangjing area, a major residential area and scientific research base in the northeast of Beijing with multiple grade A office buildings. Wangjing area is also clustered with various multinational companies' headquarters, including Nestle, Daimler and Siemens. It is well served by public transportation. Wangjing area is about 30 minutes away from the Central Business District and Beijing Capital International Airport.

2. Pursuant to 5 Real Estate Title Certificates – Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di Nos. 0081631, 0081636, 0081640, 0081643 and 0081647, 5 office units of the property with a total GFA of approximately 1,072.57 sq.m. are owned by Mr. Huang Liming (the chairman of the Board, an executive Director and a controlling shareholder of the Company). The details are set out as follows:

Title Certificate Number	Unit No.	GFA (sq.m.)
Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di No. 0081631	222105	265.43
Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di No. 0081636	222106	178.27
Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di No. 0081640	222107	166.78
Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di No. 0081643	222108	182.68
Jing (2016) Chao Yang Qu Bu Dong Chan Quan Di No. 0081647	222109	279.41
	Total:	<u>1,072.57</u>

3. Pursuant to 5 Beijing Commodity Property Pre-sale & Purchase Contracts dated 8 and 9 October 2012, the property was contracted to be sold to Mr. Huang Liming. Relevant land use rights of the land parcel, on which the property is erected, have been granted for a term of 50 years expiring on 11 October 2059 for composite use.
4. We have conducted the following market research and our valuation has been made with the following analysis:
- a. In the third quarter of 2020, overall grade A office market in Beijing has been gradually recovering from the adverse impact of COVID-19. However, the demand remained on a downswing. The vacancy rate of overall grade A office market in Beijing reached to 13.9%, representing a 0.1% decrease comparing with the last quarter, while Wangjing area's vacancy rate was 8.2%. The average monthly rent in Wangjing area was approximately RMB240 per sq.m, recorded a 1.7% drop from the last quarter.
 - b. In undertaking our valuation, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB42,000 to RMB45,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in floor level, size, condition and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property.
5. As advised by the Company, pursuant to relevant mortgage loan agreements between Mr. Huang Liming and the Beijing Branch of China CITIC Bank Corporation Limited, the property has been mortgaged with a total loan of RMB29,330,000 for a term commencing from 30 November 2013 and expiring on 30 November 2023.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, with contains, inter alia, the following:
- (a) Mr. Huang Liming has legal, effective, true and complete ownership rights of the property, and there is no ownership dispute;
 - (b) after completion of the cancellation of the registration of the mortgage mentioned in note 5, there are no foreseeable legal impediments for transferring the ownership rights of the property to Shishi Network; and
 - (c) the Company confirmed that the property is intended to be used as a headquarter office in the PRC and a conference room in the future, and such usages do not violate the restrictions or prohibitions of the current PRC laws and regulations.

1. RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors and Chief Executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Long position in shares and underlying shares of the Company

Name of Director	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding in the Company
Mr. Huang Liming	Interest in controlled corporation ⁽¹⁾	626,071,950 (long position)	61.00%

Note:

- (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 626,071,750 Shares of the Company.

(ii) Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, none of the shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Name of Shareholder	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding in the Company
Heng Sheng Capital Limited	Beneficial owner ⁽¹⁾	626,071,950 (long position)	61.00%
Li Mengya	Interest of spouse ⁽²⁾	626,071,950 (long position)	61.00%

Notes:

- (1) Heng Sheng Capital Limited is a company wholly-owned by Mr. Huang Liming, and accordingly under the SFO, Mr. Huang Liming is deemed to be interested in the Shares held by Heng Sheng Capital Limited.
- (2) 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.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates had an interest in a business, which competes or may compete with the businesses of the Company and any other conflicts of interest which any such person has or may have with the Company which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

5. DIRECTORS INTERESTS' IN ASSETS

Save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

6. DIRECTORS INTERESTS' IN CONTRACTS/ARRANGEMENTS

Save as disclosed in this circular, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse changes in the financial or trading position of the Group since 31 March 2020, the date to which the latest published audited consolidated accounts of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Octal Capital Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Professional valuer

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, none of the experts had any beneficial shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, none of the experts had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired or disposed of or leased since 31 March 2020, being the date to which the latest published audited accounts of the Company were made up, and up to the date of this circular.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the following document will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Unit 903, 9th Floor, Haleson Building, 1 Jubilee Street, Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the Property Sale Agreement;
- (c) the letter of advice from Octal Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 29 of this circular;
- (d) the valuation report of the Property prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is as set out in Appendix I to this circular;
- (e) the written consent of the experts as referred to in the paragraph headed “8. QUALIFICATION AND CONSENT OF EXPERTS” in this appendix; and
- (f) this circular.

10. MISCELLANEOUS

The English text of this circular shall prevail over its Chinese text in case of inconsistency.

NOTICE OF THE EGM

shishi

Shi Shi Services Limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Shi Shi Services Limited (the “**Company**”) will be held at Unit L, 1/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong on Friday, 29 January 2021, at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

1. (a) the agreement entered into between 時時網絡技術有限公司 (transliterated as Shishi Network Technology Co., Ltd.*), a wholly-owned subsidiary of the Company (as purchaser) and Mr. Huang Liming (as vendor) dated 28 December 2020 (the “**Property Sale Agreement**”) in relation to the acquisition of five office units 222105 to 222109 on level 18 in Block 6 (Unit 2) on No.1 Futong East Street, Chaoyang District, Beijing, the PRC at a consideration of RMB42 million (copy of the Property Sale Agreement has been produced to the EGM and marked “A” initialed by the chairman of the meeting for identification purpose), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) each of the directors of the Company be and is hereby authorised to do all such acts and things and signed, agree, ratify or execute all such documents and take all such steps as the director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with the Property Sale Agreement and any of the transactions contemplated thereunder.”

By order of the Board

Shi Shi Services Limited

Huang Liming

Chairman and Executive Director

Hong Kong, 14 January 2021

NOTICE OF THE EGM

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong at least forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 26 January 2021 to Friday, 29 January 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 25 January 2021.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The EGM is expected to last for less than half a day. Members (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Members or their proxies attending the EGM shall present their identity certifications.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the websites of the Company at www.shishiservices.com.hk and the GEM at www.hkgem.com to notify Shareholders of the date, time and place of the rescheduled meeting.
7. Any voting at the EGM shall be taken by poll.
8. In view of the recent development of the COVID-19 pandemic, and in order to better protect the safety and health of the Shareholders, the Company will not serve refreshments at the EGM to avoid the coming into close contact amongst participants at the EGM. The Company wishes to remind the Shareholders and other participants who will attend the EGM in person to take personal precautions and abide by the requirements of pandemic precaution and control at the venue of the EGM. The Company also advises the Shareholders to attend and vote at the EGM by way of non-physical presence. The Shareholders may choose to vote by filling in and submitting the relevant proxy form of the EGM, and appoint the chairman of the EGM as a proxy to vote on the relevant resolution as instructed in accordance with the relevant proxy form instead of attending the EGM in person. For details, please refer to the proxy form of the EGM. The Company will keep monitoring the evolving COVID-19 situation and may implement additional measures which, if any, will be announced closer to the date of the EGM.

NOTICE OF THE EGM

As at the date of this notice, the Board comprises six Directors, including three executive Directors, namely Mr. Huang Liming, Mr. Lee Chin Ching, Cyrix and Mr. Ho Ying Choi, and three independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard.

This notice, 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 notice will remain on the GEM website at www.hkgem.com on the “Latest Company Information” page for at least seven days from the date of its posting and the Company’s website at www.shishiservices.com.hk.

** For identification purpose only.*