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shishi

shi shi services limited

時時服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF THE LOAN

THE LOAN AGREEMENT

The Board hereby announces that on 29 June 2021 (after trading hours), the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender as lender has conditionally agreed to provide the Loan in the principal amount of HK\$18 million to the Borrower as borrower, for a period of one year commencing from the Drawdown Date at an interest rate of 10% per annum.

The Lender is principally engaged in money lending business as licensed under the MLO. Therefore, the provision of the Loan is part of the ordinary and usual course of business of the Group.

GEM LISTING RULES IMPLICATIONS

The Loan provided under the Loan Agreement constitutes financial assistance provided by the Lender within the meaning of the GEM Listing Rules.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Loan exceeds 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion of the provision of the Loan is subject to the fulfilment of various conditions precedent and therefore the provision of the Loan may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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THE LOAN AGREEMENT

Principal terms of the Loan Agreement are summarised below:

Date	:	29 June 2021
Parties	:	(i) The Lender, as lender; and (ii) The Borrower, as borrower.
Principal amount of the Loan	:	HK\$18 million
Interest	:	10% per annum, payable quarterly in arrears from the Drawdown Date
Drawdown Date	:	deemed to be 27 March 2021
Term	:	one year
Repayment and prepayment	:	The Borrower shall repay the principal amount of the Loan in full upon the Maturity Date (subject to the terms and conditions of the Loan Agreement).

The Borrower may, at any time, after giving the Lender not less than one month's prior written notice, prepay the Loan and interest accrued thereon in accordance with the Loan Agreement.

Notwithstanding anything to the contrary provided in the Loan Agreement, the Borrower shall forthwith on demand upon service of notice in writing by the Lender repay the Loan and all moneys owing by him to the Lender thereunder or any part thereof in such manner as the Lender shall in its absolute discretion direct.

- Conditions precedent
- :
- The obligation of the Lender to advance the Loan to the Borrower on the Drawdown Date shall be subject to the fulfilment (or waiver, except condition precedent (1) which may not be waived by the Lender) of the following conditions precedent at or before 4:00 p.m. on the Long Stop Date:
- (1) the parties to the Loan Agreement having duly signed the Section 18 Note within seven days of the Loan Agreement in accordance with the relevant requirements under the MLO;
 - (2) the Lender having received, in form and substance satisfactory to the Lender, evidence that all authorisations have been obtained and all necessary filings, registrations and other formalities have been or will, promptly, be completed in order to ensure that the Loan Agreement and such other documents in connection therewith are valid, enforceable and legally binding;
 - (3) the Lender having received from the Borrower evidence of full payment to the Lender of the Loan Interest accrued for the period between the Drawdown Date and 26 June 2021;
 - (4) all representations, warranties and undertakings made by the Borrower in the Loan Agreement shall be true and accurate and comply with in all material respects and repeated each day so long as any part of the Loan and interest accrued or to be accrued thereon remains outstanding under the Loan Agreement by reference to the then existing circumstances and facts;
 - (5) no event of default (as set out in the Loan Agreement) shall have occurred and is continuing; and
 - (6) the Lender being satisfied with the results of due diligence exercise conducted on the Borrower, including but not limited to his assets, liabilities, financial condition, legal liabilities and tax record.

Each party to the Loan Agreement undertakes to the other party to use its best endeavours to ensure that the above conditions precedent are fulfilled as early as practicable and in any event not later than the Long Stop Date. In the event that any conditions precedent to the Loan Agreement is not fulfilled or otherwise waived by the Lender (except the conditions precedent (1) which may not be waived by the Lender) at or before 4:00 p.m. on the Long Stop Date or such later date as may be agreed in writing between the parties to the Loan Agreement, the Loan Agreement and transactions contemplated thereunder will be terminated.

Security : the Second Legal Charge

On 5 May 2020, the Borrower and the Lender entered into a loan agreement, pursuant to which the Lender granted the loan in the principal amount of HK\$18,000,000 to the Borrower, which shall be repaid on 26 March 2021. For further details, please refer to the announcements of the Company dated 5 May 2020 and 8 May 2020, respectively. Upon satisfaction of the conditions precedent as stated in the Loan Agreement, the said loan shall be settled in full by the Borrower by way of drawdown of the Loan on the Drawdown Date.

INFORMATION OF THE BORROWER

The Borrower is a merchant who engages in property investment in Hong Kong and is the sole legal owner of the Property. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an Independent Third Party not connected with the Company or connected persons of the Company.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in the provision of property management and related services in Hong Kong and the PRC, property investment and money lending business.

The Lender is an indirect wholly-owned subsidiary of the Company principally engaged in money lending business and is a licensed money lender in Hong Kong under the MLO.

The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business of the Group. The Loan will be funded by internal resources of the Group.

INFORMATION OF THE PROPERTY

The Property is a private residential property in Kowloon, Hong Kong. As at the date of this announcement, the Borrower is the sole legal owner of the Property, which is subject to the Mortgage and the Second Legal Charge. The estimated residual value of the Property, representing the estimated market value of the Property net of the outstanding balance of the Mortgage, was approximately HK\$30 million as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement were arrived at by Lender and the Borrower after arm's length negotiations, with reference to prevailing interest rates, the amount of the Loan and the prevailing commercial practice of similar transactions in the market. Having considered the interest income to be received by the Group, the financial background of the Borrower and the estimated residual value of the Property, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the same is in the interest of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The Loan provided under the Loan Agreement constitutes financial assistance provided by the Lender within the meaning of the GEM Listing Rules.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Loan exceeds 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion of the provision of the Loan is subject to the fulfilment of various conditions precedent and therefore the provision of the Loan may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board” the board of directors

“Borrower” Chan Siu Kit Jack (陳少傑), a merchant who engages in property investment in Hong Kong, being an Independent Third Party and the sole legal owner of the Property

“Company”	Shi Shi Services Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued ordinary shares of which are listed on GEM (stock code: 8181)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Drawdown Date”	deemed to be 27 March 2021
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of and not connected with the Company and its connected persons
“Lender”	Lucky Stone Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, a licensed money lender in Hong Kong under the MLO
“Loan”	a loan of principal amount of HK\$18 million to be provided by the Lender, as lender, to the Borrower, as borrower, pursuant to the Loan Agreement
“Loan Agreement”	the conditional agreement dated 29 June 2021 entered into between the Borrower, as borrower, and the Lender, as lender, in relation to the provision of the Loan
“Long Stop Date”	the latest date to fulfil all conditions precedent of the Loan Agreement, being 30 July 2021 (or other dates as agreed by both parties to the Loan Agreement from time to time)

“Maturity Date”	26 March 2022 or such later date as may be agreed between the Lender and the Borrower in writing pursuant to the terms of the Loan Agreement
“MLO”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage”	the mortgage over the Property created by the Borrower in favour of a licensed bank in Hong Kong dated 25 April 2014
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	a private residential property in Kowloon
“Second Legal Charge”	the second legal charge over the Property created by the Borrower in favour of the Lender dated 27 March 2019 to secure all moneys outstanding and payable by the Borrower to the Lender
“Section 18 Note”	the note or memorandum in writing of the Loan Agreement to be made within seven days after the making of the Loan Agreement pursuant to section 18 of the MLO, the form of which is attached to the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Shi Shi Services Limited
Huang Liming
Chairman & executive Director

Hong Kong, 29 June 2021

As at the date of this announcement, the executive Directors are Mr. Huang Liming (Chairman), Mr. Lee Chin Ching, Cyrix and Mr. Ho Ying Choi, and the independent non-executive Directors are Mr. Lin Dongming, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.shishiservices.com.hk.