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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**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).

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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 AND CONNECTED TRANSACTION  
PROVISION OF THE LOAN  
AND  
NOTICE OF THE EGM**

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



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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 6 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 27 of this circular.

A notice convening the EGM to be held at Unit J, 6/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong on Thursday, 9 June 2022 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.

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## CHARACTERISTICS OF GEM

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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

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

“Announcement”	the announcement of the Company dated 3 May 2022 in relation to, among other things, the entering into of the Loan Agreement and the transactions contemplated thereunder;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours;
“close associate(s)”	has the meaning ascribed to it under 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 (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;
“EGM”	the extraordinary general meeting to be held by the Company on 9 June 2022 to consider and, if thought fit, approve the Loan Agreement and the transactions contemplated thereunder;
“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;

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Huge Rise”	Huge Rise Investment Limited (泰陞投資有限公司), a company incorporated in Hong Kong with limited liability and owned by as to 50% each of by Mr. Ho and his spouse, Ms. Chan Yuk Fan, respectively;
“Independent Board Committee”	an independent board committee comprising all independent non-executive Directors, namely, Mr. Lin Dongming, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard formed to advise the Independent Shareholders on the Loan Agreement and the transactions contemplated thereunder after considering the recommendations of the Independent Financial Adviser;
“Independent Financial Adviser” or “VBG Capital”	VBG 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 and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Agreement and the transactions contemplated thereunder;
“Independent Shareholder(s)”	with respect to the Loan Agreement, Shareholders other than Mr. Ho and his associates who are required by the GEM Listing Rules to abstain from voting at the EGM in respect of the resolution(s) relating to the Loan 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”	19 May 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular;
“Loan”	a loan in the principal amount of not more than HK\$21 million to be provided by Lucky Stone, as lender, to Mr. Ho, as borrower, pursuant to the Loan Agreement;

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## DEFINITIONS

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“Loan Agreement”	the conditional agreement dated 3 May 2022 entered into between Mr. Ho, as borrower, and Lucky Stone, 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 10 June 2022 (or other dates as agreed by both parties to the Loan Agreement from time to time);
“Lucky Stone” or “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 and the lender under the Loan Agreement;
“MLO”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong);
“Mortgage Deed I”	the security deed executed by, among others, Huge Rise as the mortgagor in favour of Lucky Stone creating a second priority ranking charge over the Property I as security for repayment of the Loan and the interest accrued or to be accrued thereon;
“Mortgage Deed II”	the security deed executed by, among others, Mr. Ho as the mortgagor in favour of Lucky Stone creating a first priority ranking charge over the Property II as security for repayment of the Loan and the interest accrued or to be accrued thereon;
“Mr. Ho” or “Borrower”	Mr. Ho Ying Choi, an executive Director of the Company and the borrower under the Loan 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 I”	a residential property situated at Flat A on 19th floor of Tower 2 and private car park numbered 63 on car park level 8 of Bel-Air No. 8, Bel-Air on the Peak, Island South, No. 8 Bel-Air Peak Avenue, Hong Kong which is wholly-owned by Huge Rise as at the Latest Practicable Date;

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## DEFINITIONS

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“Property II”	a residential property situated at Flat J on 23rd floor of Block 2, Harmony Garden, No. 9 Siu Sai Wan Road, Hong Kong which is wholly-owned by Mr. Ho as at the Latest Practicable Date;
“Provision of the Loan”	the provision of the Loan pursuant to the Loan Agreement;
“Section 18 Note”	the note or memorandum in writing of the Loan Agreement to be made within seven (7) 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;
“Security Documents”	the Mortgage Deed I, the Mortgage Deed II and all documents ancillary to or derived from any of them;
“SFO”	The Securities and Futures Ordinance (Chapter 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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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## PRECAUTIONARY MEASURES FOR THE EGM

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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 flu-like 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 according to their voting intentions indicated in 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 in due course.

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## LETTER FROM THE BOARD

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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)**

*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. Lin Dongming

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

23 May 2022

*To the Shareholders,*

Dear Sirs,

### **DISCLOSEABLE AND CONNECTED TRANSACTION PROVISION OF THE LOAN**

#### **1. INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the entering into of the Loan Agreement and the transactions contemplated thereunder. On 3 May 2022 (after trading hours), Lucky Stone, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with Mr. Ho, pursuant to which Lucky Stone has conditionally agreed to provide the Loan in the principal amount of not more than HK\$21 million to Mr. Ho, as borrower, for a period of one year commencing from the date of drawdown of the Loan at an interest rate of 10% per annum.

The Provision of the Loan constitutes a discloseable transaction and connected transaction of the Company under Chapters 19 and 20 of the GEM Listing Rules, respectively, and is subject to, among other things, the Independent Shareholders' approval at the EGM. Since Mr. Ho, being the borrower under the Loan Agreement, has a material interest in the Provision of the Loan, he is required by the GEM Listing Rules to abstain from voting at the EGM in respect of the

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## LETTER FROM THE BOARD

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resolution relating to the Loan Agreement and the transactions contemplated thereunder if he has any interest in the Shares. As at the Latest Practicable Date, Mr. Ho did not have any interests in the Shares.

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

### 2. PARTICULARS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date:	3 May 2022 (after trading hours)
Parties:	(i) Lucky Stone (as lender); and (ii) Mr. Ho (as borrower)
Principal amount of the Loan:	Not more than HK\$21 million
Interest:	10% per annum
Collateral:	Mortgages or charges over two residential units and a private car parking space in Hong Kong:  (i) second priority ranking charge over the Property I (comprising a residential unit and a private car parking space); and  (ii) first priority ranking charge over the Property II (comprising a residential unit)

As at the Latest Practicable Date, the Property I was mortgaged for a bank loan and overdraft. The Company currently estimates that the total value of the Property I and Property II (approximately HK\$42.5 million) less the balance of mortgage loan and overdraft (approximately HK\$12.1 million) was approximately HK\$30.4 million.

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## LETTER FROM THE BOARD

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Term: A period of one year from the date of drawdown of the Loan (the “**Drawdown Date**”) or such later date as may be agreed between Lucky Stone and Mr. Ho in writing pursuant to the terms of the Loan Agreement.

Repayment and prepayment: Mr. Ho shall repay the principal amount of the Loan in full and interest accrued thereon upon the maturity date.

Mr. Ho may, at any time, after giving Lucky Stone not less than one month’s prior written notice, prepay the outstanding amount of the Loan and interest accrued thereon in accordance with the Loan Agreement.

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

Without prejudice to any other right or remedy of Lucky Stone, Mr. Ho hereby authorises Lucky Stone on the occurrence of an event of default as stated in the Loan Agreement which is continuing to set-off any liabilities of Lucky Stone and/or the Company to Mr. Ho, including but without prejudice to the generality of the foregoing, the director’s fees and all other emoluments payable by the Company to Mr. Ho, against all or any part of any sum due from the Borrower to the Lender under the Loan Agreement or the Security Documents to which the Borrower is a party, to the extent permitted by laws.

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## LETTER FROM THE BOARD

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Conditions Precedent:

The obligation of Lucky Stone to advance the Loan to Mr. Ho on the Drawdown Date shall be subject to the fulfilment of the following conditions precedent at or before 4:00 p.m. on the Long Stop Date:

- (i) the parties to the Loan Agreement having duly signed the Section 18 Note within seven (7) days of the Loan Agreement in accordance with the relevant requirements under the MLO;
- (ii) Lucky Stone having received each of the following documents in form and substance satisfactory to Lucky Stone before 10:00 a.m. on the Drawdown Date:
  - (a) a copy of the Hong Kong identity card or other valid proof of identity of Mr. Ho together with his specimen signature certified to be true copy;
  - (b) the notice of drawing duly completed and signed by Mr. Ho;
  - (c) the original of each of the duly executed Security Documents; and
  - (d) 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 the Security Documents and such other documents in connection therewith are valid, enforceable and legally binding;
- (iii) the proposed Drawdown Date is a Business Day;

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## LETTER FROM THE BOARD

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- (iv) all representations, warranties and undertakings made by Mr. Ho in the Loan Agreement shall be true and accurate and comply with in all material respects with the same effect as though made on and as of the Drawdown Date 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;
- (v) no event of default (as set out in the Loan Agreement) shall have occurred and is continuing before the proposed Drawdown Date;
- (vi) the Independent Shareholders having approved the Loan Agreement and transactions contemplated thereunder at the EGM pursuant to the GEM Listing Rules; and
- (vii) Lucky Stone being satisfied with the results of due diligence exercise conducted on Mr. Ho, 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 Lucky Stone (except the conditions precedent (i) and (vi) which may not be waived by Lucky Stone) 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.

As at the Latest Practicable Date, save for conditions precedent no. (ii)(b), no. (iii) and no. (vi), the conditions precedent have been fulfilled.

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## LETTER FROM THE BOARD

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### 3. REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

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

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

Mr. Ho joined the Group in 1992 and has been responsible for business operation, finance management and sales and marketing of the Group. He is an executive Director as at the Latest Practicable Date.

According to the annual report of the Company for the year ended 31 March 2021, the Company recorded net cash generated from operating activities of approximately HK\$39.5 million. As at 31 March 2022, the Group has cash and cash equivalents of approximately HK\$64.1 million (unaudited). Taking into account the above, the Company considers that it would have sufficient internal resources to fund the Loan and the Loan will be recorded as loan receivable of the Group. The Loan is an extension of the loan advanced to Mr. Ho in 2021 as announced by the announcements of the Company dated 25 February 2021 and 12 March 2021, which was used primarily for Mr. Ho's personal use and investment purposes.

The Group has conducted credit assessment against Mr. Ho by reviewing (i) the background, bankruptcy and litigation search report of Mr. Ho; (ii) the land search records of the Property I and the Property II; (iii) bank statements in respect of the first mortgage charge over the Property I and the Property II, if any; and (iv) the estimated value of the Property I and the Property II, and is satisfied the results thereof.

The terms of the Loan Agreement were arrived at after arm's length negotiations between Lucky Stone and Mr. Ho with reference to the interest rates and practices of similar transactions in the market and terms of similar loans provided by the Group to the Independent Third Parties.

Given that a stable interest income can be generated from the Loan as contemplated under the Loan Agreement and the Provision of the Loan is within the ordinary and usual course of business activities of the Group, the Directors (other than the independent non-executive Directors whose view will be set out in the circular of the Company) consider that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. To the best knowledge of the Directors, there were no major disadvantages in relation to the transactions contemplated under the Loan Agreement.

Given Mr. Ho has a material interest in the Provision of the Loan, Mr. Ho has abstained from voting on the Board resolution(s) approving the Loan Agreement and the transactions contemplated thereunder. Save for Mr. Ho, none of other Directors has a material interest in the Loan Agreement and the transactions contemplated thereunder and accordingly none of them is required to abstain from voting on such Board resolution(s).

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## LETTER FROM THE BOARD

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### **4. GEM LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Mr. Ho is an executive Director and therefore 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 Loan Agreement constitutes a connected transaction of the Company.

As the principal amount of the Loan is more than HK\$10 million, according to the GEM Listing Rules, the Loan 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 one or more of the applicable ratios under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder also constitute a disclosable transaction of 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 J, 6/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hung Hom, Kowloon, Hong Kong on Thursday, 9 June 2022 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 Loan Agreement and the transactions contemplated thereunder.

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 Monday, 6 June 2022 to Thursday, 9 June 2022, 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 Thursday, 2 June 2022.

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## LETTER FROM THE BOARD

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Since Mr. Ho, being the borrower under the Loan Agreement, has a material interest in the Provision of the Loan, he is required by the GEM Listing Rules to abstain from voting at the EGM in respect of the resolution relating to the Loan Agreement and the transactions contemplated thereunder if he has any interest in the Shares. As at the Latest Practicable Date, Mr. Ho did not have any interests in the Shares.

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 Loan 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 Loan Agreement and the transactions contemplated thereunder. VBG 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 Loan Agreement is in the ordinary and usual course of business of the Group as the Group is engaged in money lending business and thus the Provision of the Loan is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Loan Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Loan 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 of advice from VBG Capital as set out on pages 16 to 27 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement.

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

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Loan 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)**

23 May 2022

*To the Independent Shareholders*

Dear Sirs,

### **DISCLOSEABLE AND CONNECTED TRANSACTION PROVISION OF THE LOAN**

#### **INTRODUCTION**

We refer to a circular (the “**Circular**”) of the Company dated 23 May 2022, 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 Loan Agreement are fair and reasonable, whether the Provision of the Loan is in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders on how to vote for the resolution at the EGM. VBG 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 6 to 13 of the Circular and the letter of advice from VBG Capital as set out on pages 16 to 27 of the Circular, which contains, among others, its advice and recommendation regarding the terms of the Loan Agreement with the principal factors and reasons for its advice and recommendation.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### RECOMMENDATION

Having considered the terms of the Loan 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 Loan Agreement is in the ordinary and usual course of business of the Group as the Group is engaged in money lending business and thus the Provision of the Loan is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Loan 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 Loan Agreement and the transactions contemplated thereunder.

Yours faithfully,  
Independent Board Committee

**Lin Dongming**  
*Independent non-executive  
Director*

**Lam Kai Yeung**  
*Independent non-executive  
Director*

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

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## LETTER FROM VBG CAPITAL

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*Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Agreement for the purpose of inclusion in this circular.*



18/F., Prosperity Tower  
39 Queen's Road Central  
Hong Kong

23 May 2022

*To: The independent board committee and the independent shareholders  
of Shi Shi Services Limited*

Dear Sirs,

### **DISCLOSEABLE AND CONNECTED TRANSACTION PROVISION OF THE LOAN**

#### **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 Loan Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 23 May 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 3 May 2022, Lucky Stone, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Mr. Ho, an executive Director, pursuant to which Lucky Stone has conditionally agreed to provide the Loan in the principal amount of not more than HK\$21 million to Mr. Ho for a period of one year commencing from the drawdown date of the Loan at the interest rate of 10% per annum (the “**Interest Rate**”).

According to the Letter from the Board, the Provision of the Loan constitutes a discloseable and connected transaction for the Company under Chapters 19 and 20 of the GEM Listing Rules, respectively, and is subject to the reporting, announcement and Independent Shareholders’ approval requirements pursuant to the GEM Listing Rules.

The Independent Board Committee, comprising Messrs. Lin Dongming, Lam Kai Yeung and Lo Chi Ho, Richard (all being independent non-executive Directors), has been established to advise the Independent Shareholders on (i) whether the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Provision of the Loan is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole;

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## LETTER FROM VBG CAPITAL

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and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Loan Agreement at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **BASIS OF OUR OPINION**

In formulating our opinion with regard to the Loan Agreement, we have reviewed, amongst others, (i) the 2021/22 third quarterly report, the 2021/22 interim report and the 2020/21 annual report of the Company; (ii) the Independent Loan Agreements (as being defined in the latter section of this letter of advice); (iii) the Application Documents (as being defined in the latter section of this letter of advice); (iv) the Loan Agreement; and (v) the relevant information contained in the Circular. To understand the market phenomenon in relation to the grant of loans to independent borrowers by Hong Kong listed companies that possess the money lenders licence, we have also performed an independent research over the website of the Stock Exchange in this regard. We have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, Mr. Ho or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Loan Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change

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## LETTER FROM VBG CAPITAL

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our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have corroborated and ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent investigation into the accuracy and completeness of such information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Loan Agreement, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Loan Agreement

##### *Information on the Group*

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.

Set out below is the consolidated financial information of the Group for the nine months ended 31 December 2021 and 2020, and the financial years ended 31 March 2021 and 2020 as extracted from the 2021/22 third quarterly report and the 2020/21 annual report of the Company, respectively:

	<b>For the nine months ended 31 December 2021 (unaudited) HK\$'000</b>	<b>For the nine months ended 31 December 2020 (unaudited) HK\$'000</b>	<b>For the financial year ended 31 March 2021 (audited) HK\$'000</b>	<b>For the financial year ended 31 March 2020 (audited) HK\$'000</b>
Revenue	392,156	384,842	511,116	487,395
– Provision of property management and related services	388,033	383,172	508,986	485,010
– Property investment	1,074	992	1,242	1,485
– Money lending	3,049	678	888	900
Profit for the period/ year	1,887	23,987	15,854	14,200

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## LETTER FROM VBG CAPITAL

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As depicted by the above table, the provision of property management and related services is the largest business segment of the Group in terms of revenue contribution. As referred to in the 2020/21 annual report of the Company, the Group's property management business primarily targets residential properties. Since 2014, the Group has been providing a range of management services in Hong Kong and the PRC including security, repair and maintenance, cleaning, financial management, administrative and legal support. Under an established functional structure with various departments, the Group has dedicated teams to carry out its management services. It also has a team of security staff to provide security services as part of the services provided under the property management contracts or under the standalone security services contracts. While subcontracting all of its cleaning services to third-party contractors, the Group employs registered technicians to provide basic repair and maintenance services to its clients if required. As advised by the Directors, the Group will continue to expand its management portfolio to private residential properties, corporations and government institutions etc.

As regards the money lending business, the Group has included money lending as one of its principal businesses since June 2017 after Lucky Stone was granted the money lenders licence under the MLO by the licensing court. Revenue generated from the money lending business amounted to approximately HK\$3.0 million and HK\$888,000 for the nine months ended 31 December 2021 and the financial year ended 31 March 2021, respectively.

### *Information on Mr. Ho*

Mr. Ho, the borrower under the Loan Agreement, is an executive Director. He joined the Group in 1992 and was appointed as a Director on 15 August 2012. Mr. Ho has been responsible for business operation, finance management and sales and marketing of the Group.

### *Reasons for the Provision of the Loan*

As aforementioned, money lending has become one of the Group's principal businesses since June 2017 after Lucky Stone was granted the money lenders licence.

Upon our enquiry with the Directors, we understand that to generate interest income, Lucky Stone has entered into several loan agreements with independent borrowers (the "**Independent Loan Agreements**") since it obtained the money lenders licence (for details of the Independent Loan Agreements, please refer to the table under the sub-section headed "Principal terms of the Loan Agreement" of this letter of advice). The Group will carefully assess its financial condition together with the credit risk level associated with the possible loan before approving each loan transaction. In this relation, we noted that the Group has been profit making in a row during the past five financial years. As further represented by the Directors, while the Group neither had any outstanding borrowings nor significant capital commitments, its total cash and

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## LETTER FROM VBG CAPITAL

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cash equivalents amounted to approximately HK\$64.1 million (unaudited) as at 31 March 2022. Taking into account the aforesaid, the Directors are of the view that the Group would have sufficient internal resources to fund the Loan and the Provision of the Loan would allow the Group to seize higher returns from its idle cash, the majority of which is currently placed as bank deposits with minimal interest.

As also confirmed by the Directors, when considering Mr. Ho's loan application, the Group has reviewed: (i) the background, bankruptcy and litigation search report of Mr. Ho; (ii) the land search records of the Collaterals (as being defined in the latter section of this letter of advice); (iii) bank statements in respect of the first mortgage charge over the Collaterals, if any; and (iv) the estimated value of the Collaterals. For our due diligence purpose, we have requested and obtained copies of all of the aforesaid documents (the "**Application Documents**").

Having considered that (i) money lending is one of the Group's principal businesses carried out by Lucky Stone; (ii) the Loan Agreement would allow the Group to seize higher returns from its idle cash; and (iii) the Group has taken various steps to assess the recoverability of the Loan from Mr. Ho to minimise the associated credit risk, we concur with the Directors that the Provision of the Loan is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

### 2. Principal terms of the Loan Agreement

As extracted from the Letter from the Board, the principal terms of the Loan Agreement dated 3 May 2022 are as follows:

<b>Lender:</b>	Lucky Stone
<b>Borrower:</b>	Mr. Ho
<b>Principal amount of the Loan:</b>	Not more than HK\$21 million
<b>Term:</b>	A period of one year from the date of drawdown of the Loan or such later date as may be agreed between Lucky Stone and Mr. Ho in writing pursuant to the terms of the Loan Agreement.
<b>Interest Rate:</b>	10% per annum
<b>Repayment and prepayment:</b>	Mr. Ho shall repay the principal amount of the Loan in full and interest accrued thereon upon the maturity date.

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## LETTER FROM VBG CAPITAL

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Mr. Ho may, at any time, after giving Lucky Stone not less than one month's prior written notice, prepay the outstanding amount of the Loan and interest accrued thereon in accordance with the Loan Agreement.

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

Without prejudice to any other right or remedy of Lucky Stone, Mr. Ho authorises Lucky Stone on the occurrence of an event of default as stated in the Loan Agreement which is continuing to set-off any liabilities of Lucky Stone and/or the Company to Mr. Ho, including but without prejudice to the generality of the foregoing, the director's fees and all other emoluments payable by the Company to Mr. Ho, against all or any part of any sum due from Mr. Ho to Lucky Stone under the Loan Agreement or the Security Documents to which Mr. Ho is a party, to the extent permitted by laws.

**Collaterals:**

Mortgages or charges over two residential units and a private car parking space in Hong Kong (the "Collaterals") with an aggregate estimated market value of approximately HK\$30.4 million after netting off the outstanding balance of mortgage loan and bank overdraft.

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## LETTER FROM VBG CAPITAL

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To assess the fairness and reasonableness of the terms of the Loan Agreement, we have reviewed the terms of the Independent Loan Agreements. The table below summarises our relevant findings:

Date of the loan agreement	Principal amount of the loan	Term of the loan	Annual interest rate	Security
29 June 2021	HK\$18 million	1 year	10%	Second legal charge over a residential property
5 May 2020	HK\$18 million	325 days	5%	Second legal charge over a residential property
27 March 2019	HK\$18 million	1 year	5%	Second legal charge over a residential property
15 December 2017	HK\$3.5 million	9 months	14%	Post-dated cheques for the principal and interest payment
15 August 2017	HK\$7 million	6 months	12%	Post-dated cheques for the principal and interest payment
18 July 2017	HK\$7 million	6 months	12%	Nil
17 July 2017	HK\$16 million	6 months	14%	Corporate guarantee and post-dated cheques for the principal and interest payment

Furthermore, we have performed an independent research regarding the grant of loans to independent borrowers by Hong Kong listed companies that possess the money lenders licence to evaluate as to whether the terms of the Loan Agreement follow common market practice and are on normal commercial terms. During the period from 1 February 2022 up to 3 May 2022 (being the date of the Loan Agreement), we identified 31 such comparable transactions (the “**Comparables**”). We chose the said research period due to its recency before the signing of the Loan Agreement. To the best of our knowledge and as far as we are aware of, the Comparables are representative and exhaustive. The table below summarises our relevant findings:

Date of announcement	Company (Stock code)	Principal amount of the loan	Term of the loan	Annual interest rate	Security
21 April 2022	Global International Credit Group Limited (1669)	HK\$3,462,677	36 months	9%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$3,039,940	36 months	9%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$2,568,621	36 months	9%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$1,545,445	36 months	9%	First legal charge in respect of a residential property

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**LETTER FROM VBG CAPITAL**

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<b>Date of announcement</b>	<b>Company (Stock code)</b>	<b>Principal amount of the loan</b>	<b>Term of the loan</b>	<b>Annual interest rate</b>	<b>Security</b>
21 April 2022	Global International Credit Group Limited (1669)	HK\$2,715,939	36 months	9%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$2,695,673	36 months	9%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$2,299,712	36 months	10%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$3,120,640	36 months	9.5%	First legal charge in respect of a residential property
21 April 2022	Global International Credit Group Limited (1669)	HK\$4,000,000	36 months	9.5%	First legal charge in respect of a retail shop
19 April 2022	Easy Repay Finance & Investment Limited (8079)	HK\$500,000	6 months	20%	A property
8 April 2022	Midland IC&I Limited (459)	HK\$9,220,000	24 months	10%	First legal charge in respect of a residential property and a car parking space
8 April 2022	Emperor Capital Group Limited (717)	HK\$600,000	4 months	9.46%	First mortgage over a commercial unit
4 April 2022	Emperor Capital Group Limited (717)	HK\$62,000,000	12 months	8.8%	First mortgage over five commercial units
4 April 2022	Sau San Tong Holdings Limited (8200)	HK\$8,000,000	24 months	10%	Not mentioned in the announcement
1 April 2022	Easy Repay Finance & Investment Limited (8079)	HK\$1,650,000	180 months	18.3%	A property
1 April 2022	Merdeka Financial Group Limited (8163)	HK\$5,000,000	3 months	10%	First legal charge in respect of a residential property
1 April 2022	Loto Interactive Limited (8198)	HK\$30,000,000	24 months	10%	Personal guarantee
30 March 2022	WLS Holdings Limited (8021)	HK\$70,000,000	12 months	10%	Personal guarantee
29 March 2022	Midland IC&I Limited (459)	HK\$20,000,000	1 year	9%	First legal charge in respect of a residential property

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**LETTER FROM VBG CAPITAL**

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<b>Date of announcement</b>	<b>Company (Stock code)</b>	<b>Principal amount of the loan</b>	<b>Term of the loan</b>	<b>Annual interest rate</b>	<b>Security</b>
18 March 2022	Midland IC&I Limited (459)	HK\$20,000,000	1 year	9%	First legal charge in respect of two residential properties
15 March 2022	New Century Group Hong Kong Limited (234)	HK\$66,200,000	12 months	8%	First legal charge over a residential property and a car parking space
9 March 2022	Neway Group Holdings Limited (55)	HK\$10,600,000	3 years	14%	Share mortgage over the entire issued share capital of the borrower
3 March 2022	Oi Wah Pawnshop Credit Holdings Limited (1319)	HK\$120,000,000	24 months	12%	First legal charge in respect of a piece of land
3 March 2022	Global International Credit Group Limited (1669)	HK\$120,000,000	24 months	12%	First legal charge in respect of a piece of land and personal guarantee
1 March 2022	Planetree International Development Limited (613)	HK\$85,000,000	6 months	10%	Nil
1 March 2022	Planetree International Development Limited (613)	HK\$90,000,000	12 months	7.5%	100% of the issued share(s) of a company directly owned by the borrower
1 March 2022	Finsoft Financial Investment Holdings Limited (8018)	HK\$1,000,000	3 months	21.6%	Not mentioned in the announcement
1 March 2022	Easy Repay Finance & Investment Limited (8079)	HK\$1,900,000	180 months	26%	A property
23 February 2022	Midland IC&I Limited (459)	HK\$51,000,000	1 year	9%	First legal charge and rental assignment in respect of a residential property
16 February 2022	Sau San Tong Holdings Limited (8200)	HK\$9,000,000	3 months	16%	Personal guarantee

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## LETTER FROM VBG CAPITAL

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Date of announcement	Company (Stock code)	Principal amount of the loan	Term of the loan	Annual interest rate	Security
15 February 2022	Emperor Capital Group Limited (717)	HK\$10,000,000	12 months	12.5%	Second mortgage charge over four residential units
				<b>Maximum interest rate</b>	<b>26%</b>
				<b>Minimum interest rate</b>	<b>7.5%</b>
				<b>Median interest rate</b>	<b>10%</b>
				<b>Mode interest rate</b>	<b>9%</b>

*Source: the website of the Stock Exchange (www.hkex.com.hk)*

### ***Term***

We understand from the Directors that the term of the loan is normally determined based on the request of the potential borrower as well as the expected availability of the Group's financial resources during the entire loan period. The Directors further advised us that the Group intends not to grant long term loans to its borrowers so as to maintain the financial flexibility of the Group. Thus, the term of the Independent Loan Agreements ranged from six months to one year, and the term of the Loan Agreement also follows the usual practice of the Group. On the other hand, we noted from the above table that it is common market practice for money lenders (i.e. the Comparables) to provide loans to borrowers for a term of one year. Therefore, we are of the view that the term of the Loan is on normal commercial terms and is fair and reasonable.

### ***The Interest Rate***

As demonstrated by the above tables, the Group charged the independent borrowers interest of 5% and 10% under the Independent Loan Agreements which were entered into in the recent three years. As such, the Interest Rate is no less favourable to the Group as compared to the rates charged on independent borrowers. At the same time, we noted that the Interest Rate is equivalent to the median and higher than the mode of the Comparables' interest rates. Hence, the Interest Rate is fair and reasonable based on market comparison.

### ***Repayment and prepayment***

Pursuant to the Loan Agreement, Lucky Stone enjoys the absolute discretion to request Mr. Ho to repay the Loan on demand anytime during the loan period. We are of the view that such provision is beneficial to the Group as it provides the Group with the option to call back the Loan whenever it considers necessary based on its own circumstances. Moreover, the Loan Agreement allows Lucky Stone on the occurrence of an event of default to set-off any liabilities of the Group, the director's fees and all other emoluments payable by the Company to Mr. Ho, against the sum

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## LETTER FROM VBG CAPITAL

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due from Mr. Ho to Lucky Stone under the Loan Agreement or the Security Documents to which Mr. Ho is a party. Such provision is also beneficial to the Group as it may provide additional protection (other than the Collaterals) to the Group in an event of default by Mr. Ho.

### *The Collaterals*

The Loan is secured by mortgages or charges over the Collaterals. In this regard, as mentioned under the sub-section headed “Reasons for the Provision of the Loan” of this letter of advice, when considering Mr. Ho’s loan application, the Group has reviewed, among other things, (i) the land search records of the Collaterals; (ii) bank statements in respect of the first mortgage charge over the Collaterals, if any; and (iii) the estimated value of the Collaterals. We noted from those documents that Mr. Ho and/or his spouse are the legal owner and/or the shareholders of the legal owner of the Collaterals, and the estimated value of the Collaterals (less the outstanding mortgage loan and bank overdraft balance) is higher than the nominal amount of the Loan plus interests to be accrued thereon. Consequently, we concur with the Directors that the credit risk of the Loan is manageable.

### **3. Possible financial effects of the Provision of the Loan**

#### *Net asset value*

According to the 2021/22 interim report of the Company, the unaudited net asset value of the Group as at 30 September 2021 was approximately HK\$321.3 million. As represented by the Directors, the Loan will be recorded as loan receivable of the Group and it is expected that the Provision of the Loan will not have material impact on the net asset value of the Group.

#### *Earnings*

It is expected that the Group will receive maximum annual interest income of HK\$2.1 million during the term of the Loan based on the Interest Rate, thereby enhancing its earnings level.

#### *Liquidity*

As disclosed under the sub-section headed “Reasons for the Provision of the Loan” of this letter of advice, the Group had cash and cash equivalents of approximately HK\$64.1 million as at 31 March 2022. The Company intends to finance the Loan from its internal resources.

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 after the Provision of the Loan.

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## LETTER FROM VBG CAPITAL

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### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Provision of the Loan is conducted in the ordinary and usual course of business of the Group and 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 to vote in favour of the resolution to be proposed at the EGM to approve the Loan Agreement, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**VBG Capital Limited**  
**Doris Sing**  
*Managing Director*

**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***

<b>Name of Director</b>	<b>Capacity/Nature of interest</b>	<b>Total number of Shares</b>	<b>Approximate percentage of shareholding in the Company</b>
Mr. Huang Liming	Interest in controlled corporation <sup>(Note)</sup>	626,071,950 (long position)	55.45%

*Note:* Mr. Huang Liming is interested in the said Shares through his wholly-owned company, Heng Sheng Capital Limited, which is the beneficial owner of 626,071,950 Shares.

**(ii) Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, none of the shareholders (other than Directors or chief executive of the Company) who had, or was deemed to have, 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 <sup>(1)</sup>	626,071,950 (long position)	55.45%
Li Mengya	Interest of spouse <sup>(2)</sup>	626,071,950 (long position)	55.45%

*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, 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**

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 2021, 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, to the best knowledge of the Directors and taking into account the profit warning announcement of the Company dated 5 November 2021, the Directors confirm that there were no material adverse changes in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited consolidated accounts of the Group were made up.

**8. QUALIFICATION AND CONSENT OF EXPERT**

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

<b>Name</b>	<b>Qualification</b>
VBG 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

VBG Capital 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, VBG Capital did not have 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, VBG Capital did not have 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 2021, 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 ON DISPLAY**

Copy of the Loan Agreement will be published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.shishiservices.com.hk](http://www.shishiservices.com.hk)) for not less than 14 days from the date of this circular up to and including the date of the EGM.

#### **10. MISCELLANEOUS**

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

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## NOTICE OF THE EGM

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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)**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**”) of Shi Shi Services Limited (the “**Company**”) will be held at Unit J, 6/F, Kaiser Estate, Phase 2, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong on Thursday, 9 June 2022, 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 conditional agreement entered into between Lucky Stone Finance Limited, an indirect wholly-owned subsidiary of the Company (as lender) and Mr. Ho Ying Choi (as borrower) dated 3 May 2022 (the “**Loan Agreement**”) in relation to the provision of loan in principal amount of not more than HK\$21 million by Lucky Stone Finance Limited to Mr. Ho Ying Choi (copy of the Loan Agreement have been produced to the EGM and marked “A” and 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 to sign, 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 Loan Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 23 May 2022

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## NOTICE OF THE EGM

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*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place of Business in Hong Kong:*

Unit 903, 9th Floor, Haleson Building  
1 Jubilee Street, Central  
Hong Kong

*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 6 June 2022 to 9 June 2022, 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 2 June 2022.
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](http://www.shishiservices.com.hk) and the GEM at [www.hkgem.com](http://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.

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## NOTICE OF THE EGM

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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 according to their voting intentions indicated in 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 in due course.

*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. Lin Dongming, 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 notice 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 notice misleading.*

*This notice will remain on the GEM website at [www.hkgem.com](http://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](http://www.shishiservices.com.hk).*