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## **SHI SHI SERVICES LIMITED**

**時時服務有限公司**

*(formerly known as Heng Sheng Holdings Limited 恒生控股有限公司)*

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

**(Stock Code: 8181)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



CHUNG SUN

**Chung Sun Securities Limited**

### **THE PLACING**

The Board is pleased to announce that on 31 October 2018 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 171,000,000 Placing Shares, to currently expected not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.24 per Placing Share.

The Placing Price of HK\$0.24 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 14.89% to the average of the closing prices per Share of approximately HK\$0.282 as quoted on the Stock Exchange for the last five consecutive trading days (including the Last Trading Day) immediately prior the date of the Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of the Placing Shares represents (i) approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders. The Placing is conditional upon the grant by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$41.0 million and the net proceeds will be approximately HK\$40.4 million (after deduction of commission and other expenses of the Placing). The Directors intend to use the net proceeds (i) as to approximately HK\$32.3 million for expansion of the Group's property management business in the PRC and provision of living value-added services in community; and (ii) as to approximately HK\$8.1 million for the general working capital of the Group.

**Shareholders and potential investors of the Company shall be aware that Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING

The Board is pleased to announce that on 31 October 2018 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing. Principal terms of the Placing Agreement are summarised below.

### The Placing Agreement

**Date:** 31 October 2018 (after trading hours of the Stock Exchange)

**Parties:** (i) the Company  
(ii) the Placing Agents: Chung Sun Securities Limited

Pursuant to the Placing Agreement, the Placing Agents shall, on a best effort basis, procure the Placees to purchase up to 171,000,000 Placing Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement.

## **Independence of the Placing Agent**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owners are Independent Third Parties.

## **The Placing Commission**

The Placing Agents will in aggregate receive a placing commission of 1.0% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares being placed by the Placing Agents. The placing commission was negotiated on arm's length basis between the Company and the Placing Agents and determined with reference to, amongst other things, the market rate and the price performance of the Shares. The Directors consider that the placing commission, is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Placees**

The Placing Agents shall use their best effort to ensure that (i) each of the Placees and their respective ultimate beneficial owner(s) is Independent Third Parties and is not acting in concert (as defined under the Takeovers Code) with the Group and its connected persons; and (ii) immediately after the Placing, none of the Placees will become a substantial shareholder of the Company.

## **Number of Placing Shares**

As at the date of this announcement, the Company has 855,351,515 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of Placing Shares of 171,000,000 Shares under the Placing represents (i) approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,710,000.

## **Placing Price**

The Placing Price of HK\$0.24 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 14.89% to the average of the closing prices per Share of approximately HK\$0.282 as quoted on the Stock Exchange for the last five consecutive trading days (including the Last Trading Day) immediately prior the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and the prospects of the Group and was negotiated on an arm's length basis between the Placing Agents and the Company. The Board considers that the Placing Price and the terms of the Placing are fair and reasonable based on the current market condition and in the interests of the Company and the Shareholders as a whole.

### **Rights and Ranking of the Placing Shares**

The Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them as at the Completion Date. The Placing Shares will rank equally in all respects among themselves and with the Shares in issue as at the date of this announcement.

### **Conditions precedent of the Placing**

The Placing and the obligations of the Company and the Placing Agent under the Placing Agreement are conditional upon:

- (i) the Listing Committee of the Stock Exchange agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing is expected to take place on a date falling within fourteen Business Days after the fulfilment of the conditions as set out in paragraph headed "Conditions precedent of the Placing" above are satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing).

If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before the Long Stop Date, the Placing will be terminated and the Placing will not proceed and all rights, obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others in respect of the Placing (save for any antecedent breaches thereof).

### **Application for listing**

Application(s) will be made to the Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, the Placing Shares.

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 171,070,303 new Shares. Up to the date of this announcement, no new Share has been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

## **Termination and force majeure**

In the following cases, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to the Completion Date.

- (i) in the reasonable opinion of the Placing Agent, there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) any material breach of any of the representations and warranties of the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iii) any suspension of dealings in the Shares for more than seven (7) consecutive trading days (other than as a result of the Placing); or
- (iv) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date.

Upon termination pursuant to the above cases, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other Party in respect of any matter arising out of or in connection with the Placing Agreement except for (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) liabilities in relation to certain fees and costs set out in the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

**Shareholders and potential investors of the Company shall be aware that the Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

The principal activities of the Group are provision of property management service in Hong Kong primarily targeting residential properties, properties investment and money lending business. As mentioned in the annual report of the Company for the year ended 31 March 2018, management of the Company had extended its property management services to the PRC market and recorded additional revenue during the that year. The management of the Company also expected the middle class of the PRC continues to drive housing demand and living service demand and therefore the Company would extend its market presence in the PRC by rendering living value-added services in the community.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$41.0 million, and the net proceeds will be approximately HK\$40.4 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.236 per Placing Share (assuming a maximum of 171,000,000 Placing Shares are allotted and issued).

The Directors intend to use the net proceeds (i) as to approximately HK\$32.3 million for expansion of the Group's property management business in the PRC and provision of living value-added services in community; and (ii) as to approximately HK\$8.1 million for the general working capital of the Group.

In light of the abovementioned business strategies and recent financial position of the Group, the Directors believe that the Placing represents a good opportunity to raise capital to strengthen the financial position and broaden the shareholder and capital base of the Group so as to facilitate its future development. Accordingly, the Directors are of the view that the Placing is in the best interest of the Company and its Shareholders as a whole.

## EFFECT ON SHAREHOLDING OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing are as follows (assuming all the Placing Shares are fully placed and there is no other change in the share capital of the Company):

|  | As at the date of<br>this announcement |               | Immediately<br>after Completion |                |
|--|--|---------------|---------------------------------|----------------|
|  | <i>No. of Shares</i>                   | <i>%</i>      | <i>No. of Shares</i>            | <i>%</i>       |
| Mr. Huang Liming<br>("Mr. Huang"),<br>a Director | 619,911,950<br>(Note 1)                | 72.47         | 619,911,950                     | 60.40          |
| Public Shareholders:<br>Placees (Note 2)         | 235,439,565<br>—                       | 27.53<br>—    | 235,439,565<br>171,000,000      | 22.94<br>16.66 |
| <b>Total</b>                                     | <b>855,351,515</b>                     | <b>100.00</b> | <b>1,026,351,515</b>            | <b>100.00</b>  |

Notes:

- Such interest in the Shares are held by Heng Sheng Capital Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is owned by Mr. Huang Liming. Ms. Li Mengya is the spouse of Mr. Huang and, accordingly under the SFO, she is deemed to be interested in the same number of Shares in which Mr. Huang is interested.
- The Placing Shares will be placed by the Placing Agent to currently expected not less than six independent Placees and none of them will become a substantial shareholder of the Company immediately after the Placing.
- The percentages are subject to rounding error.

## FUND RAISING DURING THE PAST TWELVE MONTHS

Set out below is the summary of the equity fund raising activity of the Company during the past 12 months immediately preceding the date of this announcement.

| Date of initial announcement | Fund raising activity   | Net proceeds (approximately) | Intended use of proceeds   | Actual use of proceeds   |
|------------------------------|---|------------------------------|--|--|
| 29 August 2017               | Placing of 142,400,000 new Shares at a price of HK\$0.145 per placing Shares on a several and best effort basis | HK\$20.0 million             | (i) for future investment opportunities of the Company (including but not limited to capital investment in the provision of financial services in Hong Kong such as money lending business, securities investments, and/or properties investment); and (ii) as general working capital of the Group. | Approximately HK\$18.0 million was utilized as partial payment for an acquisition of a convertible note and approximately HK\$2.0 million has been used as working capital of the Group. |

## DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

|                |   |
|----------------|---|
| “AGM”          | the annual general meeting of the Company held on 31 July 2018  |
| “Board”        | the board of Directors  |
| “Business Day” | days (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours |

|                                |  |
|--------------------------------|--|
| “Company”                      | Shi Shi Services Limited ( <i>formerly known as Heng Sheng Holdings Limited</i> ), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8181)  |
| “Completion”                   | a date the completion of the Placing in accordance with the terms and condition set out in the Placing Agreement   |
| “Completion Date”              | within fourteen Business Days after the fulfilment of the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Company and the Placing Agent in writing)   |
| “connected person(s)”          | has the meaning ascribed to it under the GEM Listing Rules   |
| “Director(s)”                  | director(s) of the Company   |
| “GEM”                          | the Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Rules”            | The Rules Governing the Listing of Securities on the GEM   |
| “General Mandate”              | the general mandate granted to the Directors pursuant to an ordinary resolution of the shareholders of the Company passed on 31 July 2018 to allot, issue and deal with up to 171,070,303 Shares, representing 20% of the issued share capital of the Company as at 31 July 2018 |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Third Party(ies)” | person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company   |
| “Last Trading Date”            | 30 October 2018, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement  |
| “Long Stop Date”               | 21 November 2018 or such later date as may be agreed between the Company and the Placing Agent in writing  |
| “Placee(s)”                    | any person or entity whom the Placing Agents has procured to purchase the Placing Shares   |

|                     |   |
|---------------------|---|
| “Placing”           | the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement  |
| “Placing Agents”    | Chung Sun Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) and Type 2 regulated activity (dealing in futures contracts) under the SFO |
| “Placing Agreement” | the placing and subscription agreement dated 31 October 2018 between the Company and the Placing Agents in respect of the Placing   |
| “Placing Price”     | HK\$0.24 per Placing Share  |
| “Placing Share(s)”  | up to 171,000,000 new Shares to be placed pursuant to the Placing Agreement   |
| “PRC”               | the People’s Republic of China  |
| “SFC”               | the Securities and Futures Commission of Hong Kong  |
| “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 Shares(s)  |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited   |
| “Takeovers Code”    | The Hong Kong Code on Takeovers and Mergers   |
| “%”                 | per cent.   |

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

Hong Kong, 31 October 2018

*As at the date of this announcement, the executive Directors are Mr. Eric Todd, Mr. Lee Chin Ching, Cyrix and Mr. Ho Ying Choi and non-executive Director is Mr. Huang Liming (Chairman), and the independent non-executive Directors are Mr. Tso Siu Lun, Alan, 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](http://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](http://www.shishiservices.com.hk).*