

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 Kong Shum Union Property Management (Holding) Limited (the “Company”), you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or the 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 the transferee(s).

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Kong Shum Union Property Management (Holding) Limited
港深聯合物業管理(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8181)

**REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

VINCO  **城高**

Grand Vinco Capital Limited

(a wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from an Independent Board Committee (as defined in this circular) is set out on page 13 of this circular. A letter from Vinco Capital to the Independent Board Committee and the Independent Shareholders (as defined in this circular), is set out from pages 14 to 26 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Unit L, 1/F., Kaiser Estate, Phase 2, 51 Man Yue Street, Hung Hom, Kowloon, Hong Kong, on Wednesday, 22 June 2016 at 3:00 p.m. is set out from pages 27 to 29 of this circular. A form of proxy for the extraordinary general meeting is enclosed. Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar in Hong Kong, 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 less than 48 hours before the time appointed for the holding of the extraordinary general meeting of the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the extraordinary general meeting of the Company should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 14 August 2015
“associate(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Kong Shum Union Property Management (Holding) Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on the GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Wednesday, 22 June 2016 at 3:00 p.m., to consider and, if thought fit, to approve the New General Mandate
“Existing General Mandate”	the general mandate granted at the previous AGM to the Directors by the Shareholders to issue, allot and deal with up to 80,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the previous AGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Board Committee”	a committee of the Board (comprising Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, all being independent non-executive Directors) established to advise the Independent Shareholders on the Refreshment of General Mandate
“Independent Shareholder(s)”	any Shareholders other than the controlling Shareholders and their associates or, if there is no controlling Shareholder, any Shareholder other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates

DEFINITIONS

“Latest Practicable Date”	1 June 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to issue, allot and deal with new Shares not exceeding 20% of the entire issued share capital of the Company as at the date of the EGM
“Open Offer”	the proposed issue of not less than 1,485,454,545 Shares and not more than 1,545,454,545 Shares to the qualifying Shareholders at HK\$0.12 per offer share on the basis of three offer shares for every share held on the relevant record date, details of which are set out in the announcements of the Company dated 3 December 2015, 11 January 2016, 5 February 2016 and 21 April 2016 respectively
“Placing”	the placing of up to 80,000,000 new Shares on a best effort basis pursuant to the terms of the placing agreement entered into between the Company and its placing agent dated 17 September 2015, details of which are set out in the announcement of the Company dated 17 September 2015
“PRC”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and the grant of the New General Mandate at the EGM
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Option(s)”	the share option(s) granted under the share option scheme adopted by the Company
“Share(s)”	ordinary shares(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Vinco Capital” or “Independent Financial Adviser”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock Code: 8340), a corporation licensed 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 appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

LETTER FROM THE BOARD



Kong Shum Union Property Management (Holding) Limited
港深聯合物業管理(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8181)

Executive Directors:

Mr. Yan Chi Ming (*Chairman*)
Mr. Ho Ying Choi
Ms. Wu Yilin

Non-executive Director:

Mr. Wong Kui Shing, Danny

Independent non-executive Directors:

Mr. Tso Siu Lun, Alan
Mr. Lam Kai Yeung
Mr. Lo Chi Ho, Richard

Registered office:

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

*Principal place of business
in Hong Kong:*

Units 2201-3, 22/F.
Tai Tung Building
8 Fleming Road
Wanchai, Hong Kong

3 June 2016

To the Shareholders

Dear Sirs or Madams

**REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to (i) provide you with the information relating to the Refreshment of General Mandate; (ii) set out the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Refreshment of General Mandate; (iii) set out the recommendation from Vinco Capital to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate; and (iv) provide the Shareholders with the notice of EGM, at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate.

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE

Background of the Refreshment of General Mandate

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with not more than 80,000,000 Shares, being 20% of the entire issued share capital of the Company of 400,000,000 Shares as at the date of the AGM. There had not been any refreshment of the Existing General Mandate since the AGM up to the Latest Practicable Date.

As at the Latest Practicable Date, 80,000,000 Shares have been issued under the Existing General Mandate upon completion of the Placing, representing approximately 100% of the maximum number of Shares which could be allotted and issued under the Existing General Mandate. The Placing was completed on 6 October 2015. The net proceeds from the Placing of approximately HK\$31.2 million are intended to be used for the general working capital of the Group.

The Company will convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

As at the Latest Practicable Date, the Company had an aggregate of 495,151,515 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of the General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed to allot and issue up to 99,030,303 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The Refreshment of General Mandate will, if approved at the EGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws and regulations of the Cayman Islands to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

Reasons for the Refreshment of the General Mandate

The Group is principally engaged in the provision of property management services in Hong Kong, primarily targeting residential properties.

LETTER FROM THE BOARD

Having considered that (a) the Existing General Mandate has been fully utilised as at the Latest Practicable Date; (b) the New General Mandate will provide the Company more flexibility in raising funds through the issue of new Shares for its general working capital and/or business development opportunities as and when the Directors consider appropriate in the future; and (c) the New General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily and provide the Company with the flexibility and ability to capture any potential investment and/or business development opportunities which may arise, the Directors consider that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the EGM.

The Board will consider potential investment and business development opportunities that may arise from time to time. As disclosed in the announcement of the Company dated 5 February 2016, the Company entered into a non-legally binding memorandum of understanding with potential vendors on even date for the acquisition of a company which is principally engaged in the business of providing property cleaning services. Following the lapse of the aforesaid memorandum of understanding on 21 March 2016, details of which are disclosed in the announcement of the Company of even date, the Company and the potential vendors continued to discuss and negotiate the terms and conditions of the proposed acquisition. However, as at the Latest Practicable Date, the Company has decided not to pursue any further discussion with the potential vendors in respect of the aforesaid acquisition.

Furthermore, the Company entered into another non-legally binding memorandum of understanding with potential vendors on 3 March 2016 as disclosed in the announcement of the Company of even date for the acquisition of a company that is principally engaged in the business of providing property management services. As disclosed in the announcement of the Company dated 26 May 2016, Kong Shum Union Property Management Group Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement on 26 May 2016 with independent third parties to purchase the entire issued share capital of the abovementioned target company which is incorporated in Hong Kong and principally engaged in the business of property management in Hong Kong at a total consideration of HK\$2,500,000, payable by cash. The consideration will be funded by the internal resources of the Group. Upon completion of the sale and purchase agreement, further announcement will be made by the Company as and when appropriate.

As at 30 April 2016, the unaudited cash and bank balance of the Group was approximately HK\$67.9 million. Taking into account the Group's internal resources, available banking facilities and the net proceeds from the Placing, and in the absence of unforeseeable circumstances, the Directors are of the view that the Group has sufficient working capital for its requirements for the year ending 31 March 2017. As potential investment and/or business development opportunities arise, the Directors would assess the Group's funding needs for the potential opportunities and consider various fund raising methods. Considering that the Refreshment of General Mandate could provide the Group with the flexibility to have immediate access to cash resources as and when potential investment and/or business investment opportunities arise, the Directors are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Directors consider equity financing to be an important avenue in meeting possible future funding needs of the Group since equity financing will not result in additional interest burden and higher gearing ratio or subject the Group to repayment obligations. Although the Group may raise funds through equity financing methods including but not limited to rights issue and open offer which would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company or placing of new Shares under specific mandate which is subject to the approval of independent Shareholders, such methods are relatively more time consuming than raising funds by placing of new Shares under general mandate and hence, the Company may not be able to grasp the potential investment and/or business development opportunities in a timely manner. In addition, carrying out rights issue and open offer may involve additional costs such as professional fees and commissions. As at the Latest Practicable Date, the Directors had no intention to conduct any fund raising activities.

In view of the above, along with the fact that the grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the fund raising methods for its future business development and/or general working capital, the Directors are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Fund raising activities of the Company in the past twelve months

Set out below are the fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of initial announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
17 September 2015	Placing of new Shares under general mandate	Approximately HK\$31.2 million	General working capital of the Group	Approximately HK\$1.29 million has been utilised as intended of which approximately HK\$0.56 million was utilised for salary expenses, approximately HK\$0.66 million was utilised for professional fees, approximately HK\$0.07 million was utilised for operating expenses and the remaining net proceeds will be used for the general working capital of the Group, including salary expenses, professional fees, marketing expenses and maintenance of the Group's information technology system. Such remaining net proceeds are expected to be utilised during the year ending 31 March 2017

LETTER FROM THE BOARD

Date of initial announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
9 June 2015	Issue of convertible notes under general mandate	Approximately HK\$19.8 million	(i) Investing in project(s) related to the development of mobile application and two-way communication platform targeted for property management companies, incorporated owners, service providers for residential properties in Hong Kong and the residents therein; and (ii) general working capital of the Group	The net proceeds have been fully utilised as intended, of which (i) approximately HK\$13.0 million was used for the subscription of 10% of the issued share capital of All Profit Alliance Limited which is principally engaged in (a) developing a mobile application that aims to provide one-stop household support to its users; and (b) setting up a two-way communication internet platform between the property management and its residents in any building or property estates in Hong Kong (please refer to the announcement of the Company dated 22 June 2015 for further details); (ii) approximately HK\$2.8 million was utilised for salary expenses; (iii) approximately HK\$1.9 million was utilised for professional fees; (iv) approximately HK\$1.3 million was utilised for rental and administrative expenses; and (v) approximately HK\$0.8 million was utilised for operating expenses

As disclosed in the announcement of the Company dated 21 April 2016, the underwriting agreement in respect of the proposed Open Offer, the initial announcement of which was published on 3 December 2015, has been terminated and the proposed Open Offer would not proceed.

Save for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full utilisation of the New General Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full) (for illustration purposes only):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full utilisation of the New General Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full)	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Shareholders				
Public Shareholders	495,151,515	100.00	495,151,515	83.33
Shares to be issued under the New General Mandate	—	—	99,030,303	16.67
Total	495,151,515	100.00	594,181,818	100.00

LETTER FROM THE BOARD

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full utilisation of the New General Mandate (assuming that all outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full) (for illustration purposes only):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full utilisation of the New General Mandate (assuming that all outstanding Share Options will be exercised, and no other Shares are issued and/ or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full)	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Shareholders				
Public Shareholders	495,151,515	100.00	515,151,515	83.88
Shares to be issued under the New General Mandate	<u>—</u>	<u>—</u>	<u>99,030,303</u>	<u>16.12</u>
Total	<u><u>495,151,515</u></u>	<u><u>100.00</u></u>	<u><u>614,181,818</u></u>	<u><u>100.00</u></u>

GENERAL

As at the Latest Practicable Date, the issued share capital of Company was consisted of 495,151,515 Shares. An ordinary resolution will be proposed to the Independent Shareholders to approve the Refreshment of General Mandate to authorise the Directors to issue, allot and deal with the new Shares, being the number of Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM for passing such resolution.

The Refreshment of General Mandate will, if approved at the EGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws and regulations of the Cayman Islands to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

The Independent Board Committee, comprising Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Refreshment of General Mandate. Vinco Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter from the Independent Board Committee is set out on page 13 of this circular and the letter from the Independent Financial Adviser containing its advice is set out from pages 14 to 26 of this circular.

The Refreshment of General Mandate requires the approval of the Independent Shareholders at the EGM taken on a vote by way of poll. Pursuant to Rule 17.42A(1) of the GEM Listing Rules, any controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate at the EGM. As at the Latest Practicable Date, to the best of the knowledge, belief and information of the Directors, having made all reasonable enquiries, there is no controlling Shareholder. Accordingly, Mr. Yan Chi Ming, Mr. Ho Ying Choi, Ms. Wu Yilin and Mr. Wong Kui Shing, Danny shall abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM. As at the Latest Practicable Date, none of the executive Directors and non-executive Directors held any equity interest of the Company.

THE EGM

A notice for convening the EGM is set out from pages 27 to 29 of this circular. The EGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolution to approve the Refreshment of General Mandate. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar in Hong Kong, 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 less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM (or any adjourned meeting thereof) should you so wish. The voting at the EGM will be taken by way of poll. An announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from Vinco Capital set out from pages 14 to 26 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of Vinco Capital, considers that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM for approving the Refreshment of General Mandate. The full text of the letter from the Independent Board Committee is set out on page 13 of this circular.

The Directors consider that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

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 Company. 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.

Yours faithfully,
For and on behalf of the Board
Kong Shum Union Property Management (Holding) Limited
Yan Chi Ming
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Kong Shum Union Property Management (Holding) Limited
港深聯合物業管理(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8181)

3 June 2016

To the Independent Shareholders

Dear Sirs or Madams,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 3 June 2016 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned.

Having considered the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice from pages 14 to 26 of the Circular, we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully

For and on behalf of the Independent Board Committee

Mr. Tso Siu Lun, Alan

Mr. Lam Kai Yeung

Mr. Lo Chi Ho, Richard

Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandate which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited

Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

3 June 2016

*To the Independent Board Committee and the Independent Shareholders of
Kong Shum Union Property Management (Holding) Limited*

Dear Sirs and Madams,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Refreshment of General Mandate, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 3 June 2016 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with not more than 80,000,000 Shares, being 20% of the entire issued share capital of the Company of 400,000,000 Shares as at the date of the AGM. There had not been any refreshment of the Existing General Mandate since the AGM up to the Latest Practicable Date.

As at the Latest Practicable Date, 80,000,000 Shares have been issued under the Existing General Mandate upon completion of the Placing, representing approximately 100% of the maximum number of Shares which could be allotted and issued under the Existing General Mandate. The Placing was completed on 6 October 2015. The net proceeds from the Placing of approximately HK\$31.2 million are intended to be used for the general working capital of the Group.

The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

LETTER FROM VINCO CAPITAL

Under Rule 17.42A(1) of GEM Listing Rules, the Refreshment of General Mandate will be subject to the Independent Shareholders' approval by way of passing an ordinary resolution at the EGM, at which any of controlling Shareholders and their associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company as well as all their respective associates shall abstain from voting in favour of the relevant resolution approving the Refreshment of General Mandate. As at the Latest Practicable Date, to the best of the knowledge, belief and information of the Directors, having made all reasonable enquiries, there is no controlling Shareholder. Accordingly, Mr. Yan Chi Ming, Mr. Ho Ying Choi, Ms. Wu Yilin and Mr. Wong Kui Shing, Danny shall abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM. As at the Latest Practicable Date, none of the executive Directors and non-executive Directors held any equity interest of the Company.

The Independent Board Committee, comprising Mr. Lam Kai Yeung, Mr. Tso Siu Lam, Alan and Mr. Lo Chi Ho, Richard, all being the independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the Refreshment of General Mandate. We, Vinco Capital, have been appointed and have been approved by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give an independent opinion as to whether the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and whether the Independent Board Committee should recommend the Independent Shareholders to vote in favour of the Refreshment of General Mandate at the EGM.

As at the Latest Practicable Date, we were not aware of any relationships or interest between Vinco Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Vinco Capital's independence as defined under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations on the terms of the proposed ordinary resolution of the Refreshment of General Mandate. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We have not acted as the independent financial adviser for the Company's other transactions in the past two years. We are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are considered eligible to give independent advice on the Refreshment of General Mandate.

LETTER FROM VINCO CAPITAL

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete up to and including the date of the EGM and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Refreshment of General Mandate, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Refreshment of General Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM VINCO CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED IN RELATION TO THE REFRESHMENT OF GENERAL MANDATE

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate, we have considered the principal factors and reasons set out below:

Background to the Refreshment of General Mandate

Background

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with not more than 80,000,000 Shares, being 20% of the entire issued share capital of the Company of 400,000,000 Shares as at the date of the AGM. There had not been any refreshment of the Existing General Mandate since the AGM up to the Latest Practicable Date.

As at the Latest Practicable Date, 80,000,000 Shares have been issued under the Existing General Mandate upon completion of the Placing, representing approximately 100% of the maximum number of Shares which could be allotted and issued under the Existing General Mandate. The Placing was completed on 6 October 2015. The net proceeds from the Placing of approximately HK\$31.2 million are intended to be used for the general working capital of the Group.

The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

As at the Latest Practicable Date, the Company had an aggregate of 495,151,515 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed to allot and issue up to 99,030,303 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The Refreshment of General Mandate will, if approved at the EGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws and regulations of the Cayman Islands to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

Reasons for the Refreshment of General Mandate

The Group is principally in the provision of property management services in Hong Kong, primarily targeting residential properties.

Having considered that (a) the Existing General Mandate has been fully utilised as at the Latest Practicable Date; (b) the New General Mandate will provide the Company more flexibility in raising funds through the issue of new Shares for its general working capital and/or business development opportunities as and when the Directors consider appropriate in the future; and (c) the New General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily and provide the Company with the flexibility and ability to capture any potential investment and/or business development opportunities which may arise, the Directors consider that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the EGM.

The Board will consider potential investment and business development opportunities that may arise from time to time. As disclosed in the announcement of the Company dated 5 February 2016, the Company entered into a non-legally binding memorandum of understanding with potential vendors on even date for the acquisition of a company which is principally engaged in the business of providing property cleaning services. Following the lapse of the aforesaid memorandum of understanding on 21 March 2016, details of which are disclosed in the announcement of the Company of even date, the Company and the potential vendors continued to discuss and negotiate the terms and conditions of the proposed acquisition. However, as at the Latest Practicable Date, the Company has decided not to pursue any further discussion with the potential vendors in respect of the aforesaid acquisition.

Furthermore, the Company entered into another non-legally binding memorandum of understanding with potential vendors on 3 March 2016 as disclosed in the announcement of the Company of even date for the acquisition of a company that is principally engaged in the business of providing property management services. As disclosed in the announcement of the Company dated 26 May 2016, Kong Shum Union Property Management Group Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement on 26 May 2016 with independent third parties to purchase the entire issued share capital of the abovementioned target company which is incorporated in Hong Kong and principally engaged in the business of property management in Hong Kong at a total consideration of HK\$2,500,000, payable by cash. The consideration will be funded by the internal resources of the Group. Upon completion of the sale and purchase agreement, further announcement will be made by the Company as and when appropriate.

As at 30 April 2016, the unaudited cash and bank balance of the Group was approximately HK\$67.9 million. Taking into account the Group's internal resources, available banking facilities and the net proceeds from the Placing, and in the absence of unforeseeable circumstances, the Directors are of the view that the Group has sufficient

LETTER FROM VINCO CAPITAL

working capital for its requirements for the year ending 31 March 2017. As potential investment and/or business development opportunities arise, the Directors would assess the Group's funding needs for the potential opportunities and consider various fund raising methods. Considering that the Refreshment of General Mandate could provide the Group with the flexibility to have immediate access to cash resources as and when potential investment and/or business investment opportunities arise, the Directors are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, the Directors had no intention to conduct any fund raising activity.

As detailed in the Letter from the Board, and after our discussion with the Directors, we are aware of that in order to allow the flexibility to raise further capital to finance future investments and/or for future business development, the Company wishes to seek approval of Independent Shareholders at the EGM to grant the New General Mandate to the Directors. As at the Latest Practicable Date, the Company does not have any immediate plans for any new issue of Shares under the New General Mandate. The Company has an aggregate of 495,151,515 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed to allot and issue up to 99,030,303 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

We consider that it is necessary for the Refreshment of General Mandate, as it will (i) enable the Group to conduct fund raising activities when opportunities arise; and (ii) granting of specific mandate is subject to the approval of the Shareholders which may cause undue delay if the Group wishes to carry out timely acquisitions. If the New General Mandate is granted, the Group will be in a better bargaining position in the negotiation of potential investments or acquisitions, the Board thus proposes to pass an ordinary resolution at the EGM to approve the Refreshment of General Mandate so as to allow the Directors to issue new Shares not exceeding 20% of the nominal amount of the issued share capital of the Company as at the Latest Practicable Date.

We have reviewed the Business Development Plan provided by the Company. According to the Business Development Plan, the Group will be making various acquisitions of residential, commercial and industrial property management companies with small and median size should it has identified suitable acquisition targets. The implementation of mandatory licensing regime for property management companies and property management practitioners governed by The Property Management Services Bill in the middle of 2016 would create good opportunity for the Group to acquire small and median size property management companies as it will add operation pressure to their existing business due to tightening of licensing requirements. The Group also has a seasoned management team to identify potential acquisition targets and perform related negotiations.

LETTER FROM VINCO CAPITAL

Given that (i) the Group has business development strategies which is among its ordinary and usual course of business; (ii) the New General Mandate allows the Group to conduct fund raising opportunities and capture investment opportunities in a timely manner; and (iii) future acquisitions to be performed by the Group would enhance its revenue stream and scale of operation, we are of the view that the Refreshment of General Mandate is fair and reasonable.

Financial Flexibility

The Directors believe that the Refreshment of General Mandate will provide the Company with necessary financial flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

As advised by the Directors, although there is no intention/plan for utilising the New General Mandate at the Latest Practicable Date but if any potential investors offer attractive terms for investment in the Shares subject to the market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as general working capital and/or supporting the Group's future business development. The Directors consider that funding requirement or appropriate investment opportunities may or may not raise at any time prior to the next annual general meeting and decision may have to be made within a limited period of time in such event. The Directors therefore believe that the Refreshment of General Mandate will provide flexibility in the source of funding and allow the Company to grasp any potential opportunities in a timely manner.

Accordingly, we are of view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

Other financing alternatives

As advised by the Directors, apart from equity financing, the Directors will also consider other financing methods such as bank financing and debt financing so as to meet its financing requirements arising from any future development of the Group, depending on the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. Bank financing and debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks.

Furthermore, as the Group has been at a loss making position, the Group recorded a decreasing trend in profit attributable to the owners of the Company for the two years ended 31 March 2015. The profit and total comprehensive income attributable to owners of the Company decreased by approximately 75.4% from approximately HK\$4.6 million for the nine months ended 31 December 2014 to approximately HK\$1.1 million for the nine months ended 31 December 2015, it would have to go through lengthy due diligence to raise funds via bank financing as well as pledge of assets of the Group. Therefore, the Directors consider that the Refreshment of General Mandate may provide an alternative to fund any possible business development or investment opportunities that does not create any interest paying obligations on the Group.

LETTER FROM VINCO CAPITAL

In addition, the management of the Company have also considered other means of equity financing method such as pro rata equity financing like open offer and rights issue. Reference is made to the announcements dated 21 April 2016 respectively in relation to the proposed Open Offer, due to the recent volatile market conditions, the Company and the underwriter considered that it would be inexpedient or inadvisable to proceed with the proposed Open Offer and have therefore mutually agreed to terminate the underwriting agreement on 21 April 2016. Besides the proposed Open Offer, rights issue may be more time consuming as compared to direct placement of shares and would incur substantial costs in form of legal costs and underwriting commission. Accordingly, the Directors confirmed that they would exercise due and careful consideration when choosing the financing method available to the Group and would adopt the method which serves the best interest of the Group. In light of the above, we consider the Refreshment of General Mandate provides the Company an additional financing alternative for the Company to raise further capital for its business development if and when an opportunity arises and it is reasonable for the Company to maintain its flexibility in deciding the best financing alternative for its future investments and/or business development. Therefore, we thus concur with the Directors' view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

In view of the next annual general meeting will not be held until around August 2016, which is about two months away from the Latest Practicable Date, the granting of the New General Mandate shall (i) ensure the Company having sufficient general mandate, if so required; (ii) provide an alternative to increase the amount of capital which may be raised under the New General Mandate; and (iii) the Refreshment of General Mandate provides more flexibility and options of financing to the Group for future business opportunities which may arise occasionally. We are of the view that the New General Mandate, which may or may not be utilised, is in the interests of the Company and the Shareholders as a whole.

LETTER FROM VINCO CAPITAL

Fund raising activities in the past twelve months

The table set out below summarises the information relating to the Company's fund raising activities, from which we noted that the Company conducted two fund raising activities for approximately HK\$51.0 million, in the past twelve months prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of net proceeds	Actual use of proceeds as at the Latest Practicable Date
17 September 2015	Placing of new Shares under general mandate	Approximately HK\$31.2 million	General working capital of the Group	Approximately HK\$1.29 million has been utilised as intended of which approximately HK\$0.56 million was utilized for salary expenses, approximately HK\$0.66 million was utilized for professional fees, approximately HK\$0.07 million was utilized for operating expenses and the remaining net proceeds will be used for the general working capital of the Group, including salary expenses, professional fees, marketing expenses and maintenance of the Group's information technology system. Such remaining net proceeds are expected to be utilised during the year ending 31 March 2017

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Date of announcement	Event	Net proceeds	Intended use of net proceeds	Actual use of proceeds as at the Latest Practicable Date
9 June 2015	Issue of convertible notes under general mandate	Approximately HK\$19.8 million	(i) Investing in project(s) related to the development of mobile application and two-way communication platform targeted for property management companies, incorporated owners, service providers for residential properties in Hong Kong and the residents therein; and (ii) general working capital of the Group	The net proceeds have been fully utilised as intended, of which (i) approximately HK\$13.0 million was used for the subscription of 10% of the issued share capital of All Profit Alliance Limited which is principally engaged in (a) developing a mobile application that aims to provide one-stop household support to its users; and (b) setting up a two-way communication internet platform between the property management and its residents in any building or property estates in Hong Kong (please refer to the announcement of the Company dated 22 June 2015 for further details); (ii) approximately HK\$2.8 million was utilised for salary expenses; (iii) approximately HK\$1.9 million was utilised for professional fees; (iv) approximately HK\$1.3 million was utilised for rental and administrative expenses; and (v) approximately HK\$0.8 million was utilised for operating expenses

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As disclosed in the announcement of the Company dated 21 April 2016, the underwriting agreement in respect of the proposed Open Offer, the initial announcement of which was published on 3 December 2015, has been terminated and the proposed Open Offer would not proceed.

Save as disclosed above, the Directors confirmed that the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

According to our discussion with the management of the Company, we noted that the remaining net proceeds of approximately HK\$29.9 million from placing of new Shares under general mandate will be used for the general working capital of the Group for the year ending 31 March 2017. For our due diligence purpose, we have reviewed the profit and cash flow forecast for the year ending 31 March 2017 provided by the Company, we noted that, according to the operation needs of the Group, the remaining net proceeds of approximately HK\$29.9 million will be fully utilised for the general working capital of the Group.

Potential dilution to the shareholding of the Company

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full utilisation of the New General Mandate (assuming that no outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full) (for illustration purposes only):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full utilisation of the New General Mandate (assuming that no outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full)	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Shareholders				
Public Shareholders	495,151,515	100.00	495,151,515	83.33
New Shares issued under the New General Mandate	—	—	99,030,303	16.67
Total	<u>495,151,515</u>	<u>100.00</u>	<u>594,181,818</u>	<u>100.00</u>

Upon full utilisation of the New General Mandate (assuming no outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full), 99,030,303 Shares will be issued, representing 20% of the existing issued share capital of the Company as at the Latest Practicable Date

LETTER FROM VINCO CAPITAL

and approximately 16.67% of the issued share capital of the Company as enlarged by the new Shares issued under the New General Mandate. The aggregate shareholding of the other public Shareholders will decrease from approximately 100.00% to approximately 83.33% upon Latest Practicable Date and full utilisation of the New General Mandate. The existing public Shareholders will have a potential maximum decrease in shareholding of approximately 16.67% following the full utilisation of the New General Mandate.

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full utilisation of the New General Mandate (assuming that all outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full) (for illustration purposes only):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full utilisation of the New General Mandate (assuming that all outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full)	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Shareholders				
Public Shareholders	495,151,515	100.00	515,151,515	83.88
New Shares issued under the New General Mandate	—	—	<u>99,030,303</u>	<u>16.12</u>
Total	<u>495,151,515</u>	<u>100.00</u>	<u>614,181,818</u>	<u>100.00</u>

Upon full utilisation of the New General Mandate (assuming all outstanding Share Options will be exercised, and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the New General Mandate, if granted, is exercised in full), 99,030,303 Shares will be issued, representing 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 16.12% of the issued share capital of the Company as enlarged by the new Shares issued under the New General Mandate. The aggregate shareholding of the other public Shareholders will decrease from approximately 100.00% to approximately 83.88% upon Latest Practicable Date and full utilisation of the New General Mandate. The existing public Shareholders will have a potential maximum decrease in shareholding of approximately 16.12% following the full utilisation of the New General Mandate.

Taking into account the principal factors of the Refreshment of General Mandate and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilisation of the New General Mandate, with all other things being equal, we consider such dilution or potential dilution of shareholding of the Independent Shareholders to be acceptable.

LETTER FROM VINCO CAPITAL

RECOMMENDATION

Having taken into consideration the above principal factors and reasons regarding the Refreshment of General Mandate, in particular:

- during the period from the grant of the General Mandate to the Latest Practicable Date, the Existing General Mandate has been fully utilised;
- the New General Mandate provides more flexibility and option of financing to the Company for future business opportunities which may arise occasionally;
- debt financing may bring interest burden to the Group while other means of equity financing may be more time consuming as compared to direct placement of shares and would incur substantial costs in form of legal costs and underwriting commission; and
- the acceptable potential dilution to shareholdings of the Independent Shareholders,

we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole, and the terms of the Refreshment of General Mandate are fair and reasonable so far as the Shareholders are concerned. Shareholders are, however, reminded to note the potential dilution effect of the full utilisation of the New General Mandate on their shareholding interests in the Company.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Refreshment of General Mandate to be proposed at the EGM.

Yours faithfully,
For the on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Grand Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Kong Shum Union Property Management (Holding) Limited
港深聯合物業管理（控股）有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8181)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Kong Shum Union Property Management (Holding) Limited (the “**Company**”) will be held at Unit L, 1/F., Kaiser Estate, Phase 2, 51 Man Yue Street, Hung Hom, Kowloon, Hong Kong at 3:00 p.m. on Wednesday, 22 June 2016 the (the “**Meeting**”) for the purpose of considering and, if thought fit, passing with or without amendment the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period (as hereafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period (as hereafter defined);
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereafter defined); (ii) any Share Option Scheme (as hereafter defined) of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a

NOTICE OF EXTRAORDINARY GENERAL MEETING

dividend on shares of the Company pursuant to the memorandum and articles of association of the Company, shall not exceed 20 per cent. of the issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution,

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws and regulations of the Cayman Islands to be held;

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company); and

“**Share Option Scheme**” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person of shares or rights to acquire shares of the Company.”

By order of the Board
Kong Shum Union Property Management (Holding) Limited
Yan Chi Ming
Chairman

Hong Kong, 3 June 2016

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

*Principal place of business
in Hong Kong:*
Units 2201–3, 22/F.
Tai Tung Building
8 Fleming Road
Wanchai, Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, 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 Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 11:00 a.m. on the date of the extraordinary general meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.kongshum.com.hk and the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
8. As at the date of this notice, the executive Directors are Mr. Yan Chi Ming (Chairman), Mr. Ho Ying Choi and Ms. Wu Yilin; the non-executive Director is Mr. Wong Kui Shing, Danny; and the independent non-executive Directors are Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard.