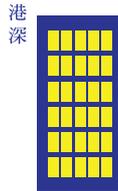


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*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**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)**

**ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE**

**ISSUE OF CONVERTIBLE NOTES**

On 9 June 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement in relation to the issue of the Convertible Notes in the principal amount of HK\$20,000,000. Completion of the Subscription is subject to the conditions as set out in the paragraph headed “Conditions precedent” below. The maturity of the Convertible Notes will be the date falling on the 3<sup>rd</sup> month of the date of issue of the Convertible Notes. Detailed terms of the Convertible Notes are set out in the paragraph headed “Principal terms of the Convertible Notes” in this announcement.

Under the terms and conditions of the Convertible Notes, the Convertible Notes do not bear any interest. The Convertible Notes are convertible into Conversion Shares at a Conversion Price of HK\$1.32 per Share. The Conversion Price represents (i) a discount of approximately 5.71% to the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 9.59% to the average closing price of approximately HK\$1.46 per Share as quoted on Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The estimated gross proceeds and net proceeds from the Convertible Notes (after deducting all related expenses) will be HK\$20,000,000 and approximately HK\$19,800,000 respectively. The Company intends to apply the net proceeds for (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.

As at the date of this announcement, the Company has a total of 400,000,000 Shares in issue. Assuming full conversion of the Convertible Notes at the Conversion Price of HK\$1.32 per Share, a total of 15,151,515 Conversion Shares will be allotted and issued, representing (i) approximately 3.79% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company and none of the subscription rights attaching to the outstanding share options are exercised between the date of this announcement up to full exercise of the conversion rights attached to the Convertible Notes).

## **GENERAL**

The Conversion Shares falling to be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes will be issued under the General Mandate.

No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares.

**As the Subscription Agreement may or may not complete, the Convertible Notes may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION**

On 9 June 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the Convertible Notes of a principal amount of HK\$20,000,000 due 3 months from the date of issue at the Conversion Price of HK\$1.32 per Conversion Share. Details of the Subscription Agreement and terms of the Convertible Notes are described below.

## 1. Date and Parties

**Date:** 9 June 2015 (after trading hours)

**Issuer:** The Company

**Subscriber:** Madam Lau, Anna Siu Fun, an Independent Third Party.

To the best knowledge and belief of the Directors after making all necessary enquiries, as at the date of this announcement, the Subscriber and her associates are third party independent of the Group and its connected persons.

## 2. Principal terms of the Convertible Notes

Principal amount: HK\$20,000,000

Interest rate: Zero coupon

Maturity date: The day falling on the 3<sup>rd</sup> month of the date of issue of the Convertible Notes. The Company shall redeem all outstanding principal amounts of the Convertible Notes on the maturity date.

Transferability: The Convertible Notes are not transferable.

Redemption price: 100% of the amount of the Convertible Notes then outstanding as at the Maturity Date.

Early redemption: The Company is not entitled to redeem all or part of the Convertible Notes at any time before the Maturity Date.

Conversion: The Noteholder will have the right to convert the whole or part of the principal amount of the Convertible Notes during the conversion period into Conversion Shares in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion.

Mandatory Conversion: Within 7 Business Days immediately before but excluding the Maturity Date, the Company shall be entitled to request the Noteholder to mandatorily convert the entire outstanding principal amount of the Convertible Notes into Conversion Shares at the Conversion Price.

Conversion Price:	HK\$1.32 per Conversion Share without any adjustment.
Conversion Restrictions:	<p>The Noteholder shall not have the right to convert the whole or part of the outstanding principal amount of the Convertible Notes into Shares to the extent that immediately after such conversion, the Noteholder together with parties acting in concert with her, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or in such percentage as may from time to time be specified in the Takeovers Code being the level for triggering a mandatory general offer) or otherwise, a general offer shall be given in accordance with the requirement of the Takeovers Code or where applicable, a whitewash waiver is granted by the Executive (as defined in the Takeovers Code).</p> <p>Further, the Noteholder shall not have the right to convert the whole or part of the outstanding principal amount of the Convertible Notes into Shares to the extent that immediately after such conversion, there will not be sufficient public float of the Shares as required under the GEM Listing Rules.</p>
Voting right:	The Noteholder will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the Noteholder.
Listing:	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.

### 3. Conversion Price and Conversion Shares

Based on the Conversion Price of HK\$1.32 per Conversion Share and assuming that the Convertible Notes are fully converted into Conversion Shares, a total number of 15,151,515 Conversion Shares will be allotted and issued to the relevant Noteholder(s) upon exercise of the conversion rights attached to the Convertible Notes in full, which represent: (i) approximately 3.79% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes in full (assuming that there is no change in the issued share capital of the Company and none of the subscription rights attaching to the outstanding share options and the unlisted warrants are exercised).

The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares. The Conversion Price of HK\$1.32 per Conversion Share represents:

- (i) a discount of approximately 5.71% to the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.59% to the average of the closing prices per Share of approximately HK\$1.46 for the last five consecutive trading days prior to the date of the Subscription Agreement;
- (iii) a discount of approximately 9.59% to the average of the closing prices per Share of approximately HK\$1.46 for the last ten consecutive trading days prior to the date of the Subscription Agreement; and

The Conversion Price was determined after arm's length negotiations between the parties on normal commercial terms with reference to the closing price of the Shares as at the Last Trading Day, and other favourable terms of the Convertible Notes such as zero interest, the Company's right to request for mandatory conversion or redemption upon maturity of the Convertible Notes.

Under the General Mandate, the Company is authorized to allot and otherwise deal with new Shares of up to 20% of the issued share capital of the Company as at the date of the aforesaid general meeting, which amounts to 80,000,000 new Shares. As at the date of this announcement, the Company has not allotted and issued any Shares under the General Mandate and the Conversion Shares, if allotted and issued, will utilize as to approximately 18.9% of the General Mandate.

The Conversion Shares will be issued under the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

#### 4. Conditions precedent

Completion is conditional upon the fulfillment (or waiver) of the following conditions precedent:

- (A) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Conversion Shares falling to be issued on the exercise of the conversion rights attached to the Convertible Notes; and
- (B) the Company's warranties and the Subscriber's warranties having remained true and accurate and not misleading in all respects as at the completion of the Subscription Agreement.

If any of the conditions has not been fulfilled or waived by the Subscriber (other than conditions (A) which cannot be waived by the Subscriber) on or before the Long Stop Date, the Subscription Agreement shall lapse and none of the parties to the Subscription Agreement shall have any obligations and liabilities towards each other save for any prior breaches of the terms of the Subscription Agreement.

#### 5. Completion

Completion shall take place within two Business Days following the fulfilment of the conditions precedent (or such other date as the parties to the Subscription Agreement may agree).

**As the Subscription Agreement may or may not complete, the Convertible Notes may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## EFFECT ON THE FULL CONVERSION OF THE CONVERTIBLE NOTES

The shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately after the allotment and issue of the Conversion Shares upon conversion of the Convertible Notes are set out below for illustration purpose only:

	As at the date this announcement		Immediately upon the issue of the Conversion Shares (Note 2)	
	No. of Shares	Approximate%	No. of Shares	Approximate%
<i>Controlling Shareholder:</i>				
Wiser Capital Management Limited (Note 1)	298,232,000	74.56	298,232,000	71.84
<i>Public Shareholders:</i>				
The Subscriber	–	–	15,151,515	3.65
Other Public Shareholders	101,768,000	25.44	101,768,000	24.51
Total	<u>400,000,000</u>	<u>100.00</u>	<u>415,151,515</u>	<u>100.00</u>

### Notes:

- (1) Wiser Capital Management Limited is wholly-owned by Mr. Liu Dan who is the Chairman, an executive Director and the Chief Executive Officer of the Company.
- (2) Assuming there is no change in the existing shareholding of the Company except for the issue of the Conversion Shares.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company had not taken any fund raising activity of the Group for the 12 months immediately preceding the date of this announcement.

## REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTES AND USE OF PROCEEDS

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

The gross proceeds from the issue of the Convertible Notes are estimated to be HK\$20,000,000. The net proceeds from the issue of the Convertible Notes, after deduction of all necessary expenses and costs, are estimated to be approximately HK\$19,800,000. The net proceeds from the issue of the Convertible Notes will be used for (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 Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGM”	the annual general meeting of the Company held on 25 July 2014
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for business throughout their normal business hours, excluding a Saturday
“Company”	Kong Shum Union Property Management (Holding) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Conversion Price”	being HK\$1.32 per Conversion Share
“Conversion Share(s)”	the Share(s) issuable upon the conversion of the Convertible Note
“Convertible Note(s)”	the 3-month convertible note(s) in the aggregate principal amount of HK\$20,000,000 issued by the Company having a denomination of HK\$1,000,000 each
“Director(s)”	the 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Last Trading Day”	8 June 2015, being the last trading day for the Shares prior to the issue of this announcement
“Long Stop Date”	23 June 2015 (or such other date as the parties may agree in writing)
“Maturity Date”	means the day falling on the 3rd month of the date of issue of the Convertible Notes or if such date is not a Business Day, the Business Day immediately following such date
“Noteholder”	the person whose name is registered in the Company’s register of Convertible Notes
“Subscriber”	Madam Lau, Anna Siu Fun
“Subscription”	the subscription for the Convertible Notes by the Subscribers pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 9 June 2015 and entered into between the Company and the Subscribers respectively in relation to the Subscription
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

“HK\$”

Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board  
**Kong Shum Union Property Management (Holding) Limited**  
**Liu Dan**  
*Chairman*

Hong Kong, 9 June 2015

As at the date of this announcement, the Board comprises:

- (1) Mr. Liu Dan (*Chairman and Chief Executive Officer*), as an executive Director;
- (2) Mr. Ho Ying Choi, as an executive Director;
- (3) Mr. Shen Ka Yip, Timothy, as an executive Director;
- (4) Ms. Lai Sze Yau, Vivien, as an executive Director;
- (5) Mr. Shum Lok To, as a non-executive Director;
- (6) Mr. Bai Jin Rong, as an independent non-executive Director;
- (7) Mr. Chow Siu Lui, as an independent non-executive Director; and
- (8) Mr. Tso Siu Lun, Alan, as an independent non-executive Director.

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at <http://www.kongshum.com.hk>.*