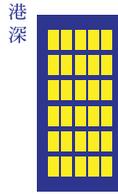


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2015**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**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 the 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Kong Shum Union Property Management (Holding) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

## FINANCIAL HIGHLIGHTS

	Three months ended		Increase/ (Decrease)
	30 June		
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	
Revenue	<b>91,991</b>	82,441	11.6%
(Losses)/earnings before interest, tax, depreciation and amortization	<b>(1,190)</b>	2,549	(181.29)%
Adjusted EBITDA ( <i>Note</i> )	<b>1,936</b>	2,549	(24.0)%
(Loss)/profit before taxation	<b>(1,718)</b>	2,114	(181.2)%
(Loss)/profit attributable to owners of the Company	<b>(2,655)</b>	1,733	253.2%
(Losses)/earnings per share ( <i>HK cents</i> )	<b>(0.66)</b>	0.43	(253.5)%

*Note: The adjusted EBITDA is arrived at based on (losses)/earnings before finance costs, taxation, depreciation and amortization, adjusted for the share based payment expenses for the three months ended 30 June 2015 in relation to the share option granted to directors and consultants of the Company, which are non-cash and non-recurring in nature.*

## UNAUDITED QUARTERLY RESULTS

The board of directors (the "Board") of Kong Shum Union Property Management (Holding) Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 30 June 2015, together with the comparative figures for the corresponding period in 2014 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	<b>Three months ended 30 June</b>	
		<b>2015</b> <b>(unaudited)</b> <b>HK\$'000</b>	<b>2014</b> <b>(unaudited)</b> <b>HK\$'000</b>
<b>Revenue</b>	4	<b>91,991</b>	82,441
Cost of services		<u><b>(73,238)</b></u>	<u>(65,995)</u>
<b>Gross profit</b>		<b>18,753</b>	16,446
Other revenue	5	<b>76</b>	87
Administrative expenses		<b>(14,189)</b>	(10,620)
Other operating expenses		<b>(6,171)</b>	(3,619)
Finance costs		<u><b>(187)</b></u>	<u>(180)</u>
<b>(Loss)/profit before tax</b>	6	<b>(1,718)</b>	2,114
Income tax expense	7	<u><b>(937)</b></u>	<u>(381)</u>
<b>(Loss)/profit and total comprehensive income for the period attributable to owners of the Company</b>		<u><b>(2,655)</b></u>	<u>1,733</u>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>(Loss)/earnings per share</b>			
– basic	9	<u><b>(0.66)</b></u>	<u>0.43</u>
– diluted	9	<u><b>(0.66)</b></u>	<u>0.43</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 30 June 2015*

	Attributable to the owners of the Company						
	Share capital	Share premium	Share options reserve	Convertible notes reserve	Merger reserve	Retained profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 April 2014 (audited)	4,000	24,088	–	–	4,750	20,729	53,567
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,733</u>	<u>1,733</u>
As at 30 June 2014 (unaudited)	<u><u>4,000</u></u>	<u><u>24,088</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>4,750</u></u>	<u><u>22,462</u></u>	<u><u>55,300</u></u>
As at 1 April 2015 (audited)	<u>4,000</u>	<u>24,088</u>	<u>745</u>	<u>–</u>	<u>4,750</u>	<u>5,704</u>	<u>39,287</u>
Loss and total comprehensive income for the period	–	–	–	–	–	(2,655)	(2,655)
Recognition of share-based payments	–	–	3,127	–	–	–	3,127
Issue of convertible notes	<u>–</u>	<u>–</u>	<u>–</u>	<u>359</u>	<u>–</u>	<u>–</u>	<u>359</u>
Changes in equity for the period	<u>–</u>	<u>–</u>	<u>3,127</u>	<u>359</u>	<u>–</u>	<u>(2,655)</u>	<u>831</u>
As at 30 June 2015 (unaudited)	<u><u>4,000</u></u>	<u><u>24,088</u></u>	<u><u>3,872</u></u>	<u><u>359</u></u>	<u><u>4,750</u></u>	<u><u>3,049</u></u>	<u><u>40,118</u></u>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 August 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at 22/F, Blink Building, No. 111 Bonham Strand, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of property management services.

These unaudited condensed consolidated results are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

In the opinion of the Directors of the Company, as at 30 June 2015, Wiser Capital Management Limited, a company incorporated in the Cayman Islands, is the ultimate parent and Mr. Liu Dan is the ultimate controlling party of the Company.

### 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2015 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared under historical cost convention. The accounting policies adopted are consistent with those applied in the Group’s annual financial statements for the year ended 31 March 2015.

In the current period, the Group has adopted all the new/revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2015.

The Group has not yet applied new/revised HKFRSs that have been issued but not yet effective. The Group has already commenced an assessment of the impact of these new/revised HKFRSs but is not yet in a position to state whether these new/revised HKFRSs would have a material impact on its results of operations.

### 3. SEGMENT INFORMATION

The Group currently operates in one operating segment which is property management services. Management team reports are presented to the Group's chief operating decision-maker who allocates resources and assesses performance based on the consolidated result for the period for the entire business comprehensively. Accordingly, the Group does not present separate segment information.

During the three months ended 30 June 2015 and 2014, all revenue were derived from customers in Hong Kong and the Group's non-current assets as at 30 June 2015 and 2014 were located in Hong Kong.

### 4. REVENUE

The Group is principally engaged in the provision of property management services during the three months ended 2015 and 2014. An analysis of the Group's revenue is as follows:

	<b>Three months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Provision of property management services	<b>91,991</b>	<b>82,441</b>

### 5. OTHER REVENUE

	<b>Three months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income	<b>76</b>	<b>74</b>
Sundry income	<b>-</b>	<b>13</b>
	<b>76</b>	<b>87</b>

## 6. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging the following:

	Three months ended 30 June	
	2015 (unaudited) <i>HK\$'000</i>	2014 (unaudited) <i>HK\$'000</i>
Staff costs including directors' remuneration:		
– salaries, wages and other staff benefits	78,364	68,806
– contributions to retirement benefit scheme	2,344	2,243
– equity-settled share-based payments	920	–
	<u>81,628</u>	<u>71,049</u>
Auditor's remuneration	163	163
Depreciation of property, plant and equipment	340	255
Legal and professional fees	743	309
Operating lease rentals in respect of premises	734	638
Equity-settled consultancy fees	2,207	–

## 7. INCOME TAX EXPENSE

	Three months ended 30 June	
	2015 (unaudited) <i>HK\$'000</i>	2014 (unaudited) <i>HK\$'000</i>
The tax charge comprises:		
Hong Kong Profits Tax – current period	1,236	533
Deferred taxation – current period	(299)	(152)
	<u>937</u>	<u>381</u>

The Company is tax exempt under the laws of the Cayman Islands. The Company's subsidiaries operate in Hong Kong are subject to Hong Kong Profits Tax which is calculated at 16.5% (2014: 16.5%) on the assessable profits earned in Hong Kong.

## **8. DIVIDENDS**

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2015 (2014: Nil).

## **9. (LOSS)/EARNINGS PER SHARE**

### **Basic (loss)/earnings per share**

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the consolidated loss for the period attributable to owners of the Company of approximately HK\$2.7 million (2014: profit approximately HK\$1.7 million) and the weighted average number of ordinary shares of 400,000,000 (2014: 400,000,000) in issue during the period.

### **Diluted (loss)/earnings per share**

The effects of all potential ordinary shares of the Company in respect of share options and convertible notes as at 30 June 2015 do not give rise to any dilution effect to the (loss)/earnings per share.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Overview**

The Group is a property management services group principally engaged in the provision of property management services in Hong Kong primarily targeting residential properties. The Group operates under the brand name of “Kong Shum” and provides a range of management services including security, repair and maintenance, cleaning, finance management, administrative and legal support. Under an established functional structure with various departments, the Group has dedicated teams to carry out the aforementioned management services. The Group also employs a team of security staff to provide security services as part of the services provided under property management contracts or under stand-alone security services contracts. For the three months ended 30 June 2015, the Group provided property security services for 11 properties under stand-alone security services contracts. The operating arm of the Group’s security services is mainly Q & V Security Company Limited (“Q&V”). The Group hires its own security staff to provide property security services. The Group also employs registered technicians to provide basic repair and maintenance services to its customers if required. In relation to the cleaning services, the Group subcontracts substantially all of its cleaning services to third-party contractors.

During the period under review and riding on the rapid e-commerce development, the Group has started to explore opportunities in the e-commerce sector actively. This allows the Group to provide value-added services to its customers and seek new revenue streams. During the period under review, the Company entered into a Subscription and Shareholders’ Agreement with All Profit Alliance Limited (“All Profit”) in jointly developing the mobile application, namely, “Yes Master!”. The mobile application is a virtual concierge providing all-rounded personal and household services to users. The Group believes that the investment in All Profit is in line with its objective to provide value-added services to over 400 properties and around 90,000 households under its management, and ultimately to every resident in Hong Kong.

## Financial Review

For the three months ended 30 June 2014 and 2015, all of the Group's revenue was derived from its operation in Hong Kong. The following table sets out the Group's revenue by contract type for each of three months ended 30 June 2014 and 2015:

	Three months ended 30 June			
	2015		2014	
	<i>HK\$ million</i>	<i>Percentage</i>	<i>HK\$ million</i>	<i>Percentage</i>
Property management services contracts	<b>87.2</b>	<b>94.8%</b>	77.2	93.7%
Property security services contracts	<b>4.8</b>	<b>5.2%</b>	5.2	6.3%
	<b><u>92.0</u></b>	<b><u>100%</u></b>	<b><u>82.4</u></b>	<b><u>100%</u></b>

The Group's revenue improved by approximately 11.6% from approximately HK\$82.4 million for the three months ended 30 June 2014 to approximately HK\$92.0 million for the three months ended 30 June 2015. The increase was primarily attributable to the growth of revenue generated from property management services contracts, increased by around 13.0% to approximately HK\$87.2 million for the three months ended 30 June 2015. Revenue generated from security services contracts recorded a decrease of around 7.7% to approximately HK\$4.8 million for the three months ended 30 June 2015.

The gross profit of the Group increased by approximately 14.0% from approximately HK\$16.4 million for the three months ended 30 June 2014 to approximately HK\$18.8 million for the three months ended 30 June 2015. The gross profit margin was approximately 19.9% and 20.4% for three months ended 30 June 2014 and 2015 respectively. The total cost of services amounted to approximately HK\$66.0 million and HK\$73.2 million for the three months ended 30 June 2014 and 2015 respectively, representing approximately 80.1% and 79.6% of the Group's revenue.

The Group has recorded a loss of approximately HK\$2.7 million for the three months ended 30 June 2015 as opposed to the profit of approximately HK\$1.7 million for the three months ended 30 June 2014. The loss is mainly attributable to the recognition of the share based payment expenses for the three months ended 30 June 2015 in relation to the share options granted to directors and consultants of the Company, which are non-cash and non-recurring in nature.

## **OPERATION REVIEW**

### **Human resources**

As at 30 June 2015, the Group had a total of 2,108 employees (as at 30 June 2014: 2,050 employees). The Group's staff costs for the three months ended 30 June 2015 amounted to approximately HK\$80.7 million. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees of the Group by reference to the Group's results and individual performance.

### **Services contracts**

Due to the well established team and project planning, in the first quarter of 2015, three facility management service contracts for non-domestic property management segment which included 2 shopping complexes and 1 car park area, were awarded to the Group. The success in securing the contracts gave the Group confidence to expand the property management portfolio continuously. In addition, 6 property management contracts were awarded to the Group during the period under review.

As at 30 June 2015, there were in total 421 service contracts (as at 30 June 2014: 405 service contracts) comprising 395 property management service contracts, 12 stand alone securities contracts and 14 facility management service contracts.

### **Contract renewal complying with procedural requirements**

A service contract which does not comply with the procedural requirements for contract renewal as stipulated in section 20A of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) may be cancelled by the owners' corporation. For the 421 contracts in force as at 30 June 2015, 102 service contracts are not in strict compliance with the said contract renewal requirements, hence, termination notice were served on clients involving in these contracts. All of the remaining 319 valid contracts as at 30 June 2015 were in compliance with the said procedural requirements or not applicable under the Building Management Ordinance. The senior management adopts a tight control system to monitor the full compliance of the procedural requirements. All newly signed contracts during the three months ended 30 June 2015 included the mandatory term requiring the client to follow the said procedural requirements, if applicable.

### **Client accounts**

As at 30 June 2015, the Group holds 55 client accounts amounting to approximately HK\$25.3 million (as at 31 March 2015: approximately HK\$21.1 million) on trust for and on behalf of customers. These client accounts are opened in the names of the Group and the relevant property. The management fees received from the tenants or owners of the properties were deposited into these client accounts and the expenditure of these customers was paid from these client accounts.

## **Performance bond**

As at 30 June 2015, the banks issued 12 bond certificates amounting to approximately HK\$18.2 million (as at 31 March 2015: approximately HK\$18.2 million) on behalf of the Group to the clients as required in the service contracts.

## **Outlook**

The property market in the Hong Kong is expanding. Public opinion voices concern over the housing stock production and the speeding up of the completion of construction of properties in the near future is expected to solve the heavy demand on housing. It is envisaged that the property management business will expand simultaneously. On the other hand, even though strong competition and soaring cost resulting from minimum wage revision and inflation are unavoidable, the Directors are confident that the Group is now on an appropriate stage to increase its market share after the Listing of the Company's shares on the GEM and believe that the Group would be benefited from the Listing.

## **Liquidity, financial resources and capital structure**

The Group's bank borrowings and obligations under finance lease, as at 30 June 2015 was approximately HK\$15.9 million (as at 31 March 2015: approximately HK\$17.1 million). As at 30 June 2015, the Group had bank balances and cash of approximately HK\$29.4 million (as at 31 March 2015: approximately HK\$34.6 million). As at 30 June 2015, the Group's net current assets amounted to approximately HK\$13.3 million (as at 31 March 2015: approximately HK\$25.6 million). Current ratio as at 30 June 2015 was approximately 1.16 times (as at 31 March 2015: approximately 1.67 times).

The Group's operations are financed principally by revenue generated from its business operations, available cash and bank balances and bank borrowings.

## **Capital expenditure**

The Group purchased property, plant and equipment amounting to approximately HK\$30,000 for the three months ended 30 June 2015 (three months ended 30 June 2014: approximately HK\$1.3 million).

## **Capital commitments**

The Group did not have any significant capital commitments as at 30 June 2015 (as at 31 March 2015: Nil).

## **Gearing ratio**

The Group's gearing ratio, defined as the total debt (i.e. bank borrowing, convertible note payable and finance leases obligation) divided by total equity, as at 30 June 2015 is 88.7% (as at 31 March 2015: 43.6%).

## MAJOR INVESTMENT AND ISSUE OF CONVERTIBLE NOTES

- a) On 10 May 2015, the Company entered into a Memorandum of Understanding with All Profit. All Profit, an independent third party in relation to a proposed business cooperation in jointly (i) developing a mobile application, namely, “Yes Master!”, which aims to provide one-stop household support to its users to gain access to a number of value-added services surrounding their households, in the areas of market place, social networking, resident bulletin and community services; and (ii) setting up a two-way communication internet platform among the property management companies, incorporated owners, service providers and its users in any building or property estates in Hong Kong.

On 21 June 2015, the Company, All Profit and Capital Creation (BVI) Limited (“Capital Creation”), as the shareholder of All Profit after the reorganisation including (i) transfer of one share of All Profit from the sole shareholder to Capital Creation; and (ii) the issue and allotment of 89 new shares of All Profit to Capital Creation at par (the “Reorganisation”), entered into a subscription and shareholders’ agreement (the “Subscription and Shareholders’ Agreement”), pursuant to which All Profit has agreed to issue, and the Company has agreed to subscribe for 10 new shares of All Profit at an aggregated subscription price of HK\$13 million (the “Subscription Shares”), representing 10% of the issued share capital of All Profit as enlarged by the allotment and issue of Subscription Shares (the “Share Subscription”).

The completion of the Share Subscription is subject to the fulfillment of the conditions as set out in the Subscription and Shareholders’ Agreement including (i) the Reorganisation has been completed; and (ii) the Company completed and is satisfied with the results of the due diligence review on the business of All Profit.

The Share Subscription was completed on 30 June 2015.

- b) On 9 June 2015, the Company and an independent third party Madam Lau, Anna Siu Fun (the “Subscriber”), entered into a subscription agreement (the “Subscription Agreement”), under which the Subscriber has conditionally agreed to subscribe for zero-coupon convertible notes (“CNs”) to be issued by the Company at principal amount of HK\$20,000,000 (the “Subscription”).

The CNs have maturity after 3 months from the date of issue. The Subscriber will be entitled to convert the whole or part of the principal amount of the CNs during the conversion period into shares of the Company in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion at conversion price of HK\$1.32 per each share of the Company. Within seven business days immediately before the maturity of the CNs, the Company shall be entitled to request the Subscriber to mandatorily convert the entire outstanding principal amount of the CNs into shares of the Company.

The Subscription was completed on 19 June 2015 following approval has been obtained from the Stock Exchange. Details of above are disclosed in the Company’s announcements dated 9 June 2015 and 19 June 2015 respectively.

## EVENTS AFTER THE REPORTING PERIOD

- a) On 10 July 2015, the board of directors of the Company announced that the Company has entered into a letter of intent with IMC International Manufacturing Corporation Limited (“IMC”), an independent third party incorporated in Hong Kong, which is a private high-tech and export enterprise focuses on the research and development, production and marketing of digital products with overseas distribution network. IMC also operates various cross border e-commerce platforms, with its own online branding and websites.

Subject to further negotiation between the Company and IMC, the Company (or its nominees) will subscribe for new shares of IMC (the “Subscription Shares”) and/or convertible notes (the “Convertible Notes”) which are convertible into new shares of IMC (the “Conversion Shares”) to the effect that, upon completion of the subscription(s) of Subscription Shares and/or the conversion of the Convertible Notes into Conversion Shares, the Company will become the legal and beneficial owner of not less than 51% of the voting rights of IMC (as enlarged by the Subscription Shares and/or Conversion Shares on a fully converted basis). Details of the above are disclosed in the Company’s announcements dated 10 July 2015.

- b) On 24 July 2015, the board of directors of the Company announced that the Company has entered into a letter of intent with Shenzhen Yun Xin Hui Tong Financial Information Services Co., Ltd (“Yun Xin Hui Tong”), a company incorporated in the PRC with limited liability. Yun Xin Hui Tong is an independent third party operates an online peer-to-peer (“P2P”) platform called 財大獅 (www.dashi.cn), which specialises in agricultural internet financing.

Subject to further negotiation between the Company and Yun Xin Hui Tong, the Company (or its nominees) will subscribe for new shares of Yun Xin Hui Tong (the “Subscription Shares”) and/or convertible notes (the “Convertible Notes”) which are convertible into new shares of Yun Xin Hui Tong (the “Conversion Shares”) to the effect that, upon completion of the subscription(s) of Subscription Shares and/or the conversion of the Convertible Notes into Conversion Shares, the Company will become the legal and beneficial owner of not less than 70% of the voting rights of Yun Xin Hui Tong (as enlarged by the Subscription Shares and/or Conversion Shares on a fully converted basis). Details of the above are disclosed in the Company’s announcements dated 24 July 2015.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2015, the interest and short position of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

### Long positions in the securities of the Company

#### (a) Ordinary shares of the Company

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital
Mr. Liu Dan ( <i>note</i> )	Beneficial interest in controlled corporation	297,760,000	74.44%

*Note:* Mr. Liu Dan is an Executive Director and the Chief Executive Officer of the Company who is the beneficial owner of the entire issued share capital of Wiser Capital Management Limited, Mr. Liu Dan is deemed to be interested in the shares held by Wiser Capital Management Limited under Part XV of the SFO.

#### (b) Share options

Name	Capacity	Number of options held	Number of underlying shares	Percentage of the Company's issued share capital
Mr. Shen Ka Yip, Timothy	Beneficial owner	4,000,000	4,000,000	1%
Mr. Lai Sze Yau, Vivien	Beneficial owner	4,000,000	4,000,000	1%

Save as disclosed above, as at 30 June 2015, none of the Directors and Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far is known to the Directors, as at 30 June 2015, the following persons (other than a Director or Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### Long positions in ordinary shares of the Company

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital
Wiser Capital Management Limited ("Wiser Capital")	Beneficial owner	297,760,000	74.44%
Kingston Finance Limited ("Kingston Finance")	Person having a security interest in shares ( <i>Note</i> )	297,760,000	74.44%
Ample Cheer Limited ("Ample Cheer")	Interest in controlled corporation ( <i>Note</i> )	297,760,000	74.44%
Best Forth Limited ("Best Forth")	Interest in controlled corporation ( <i>Note</i> )	297,760,000	74.44%
Chu Yuet Wah ("Madam Chu")	Interest in controlled corporation ( <i>Note</i> )	297,760,000	74.44%

*Note:* Kingston Finance had a security interest of 297,760,000 shares held by Wiser Capital. Since Kingston Finance is wholly-owned by Ample Cheer which is in turn 80%-owned by Best Forth, a company wholly-owned by Madam Chu. Thus, Madam Chu, Best Forth and Ample Cheer are deemed to be interested in 297,760,000 shares held by Kingston Finance.

Save as disclosed above, as at 30 June 2015, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2015.

## **CONTRACT OF SIGNIFICANCE**

Save for the respective director service contract with each Director, the share options granted to Directors, and the rental expenses paid to a related company, no Director had a material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the period.

## **COMPLIANCE COMMITTEE**

The Compliance Committee is a committee under the Company's Audit Committee and is chaired by Mr. Ho Ying Choi, an Executive Director and comprises Mr. Lau Ping Kwai, the associate director (*note*), Mr. Fong Shek Hung, the associate director (*note*) and Mr. Cheng Kam Hung, the financial controller. The Group's legal adviser, Y.C. Lee Pang, Kwok & Ip Solicitors, is procured to provide legal advices and to attend the committee meeting on a needed basis. For the period ended 30 June 2015, three meetings were held and the legal adviser had participated in one meeting. The minutes of the meetings were distributed to the legal adviser, Y.C. Lee, Pang, Kwok & Ip Solicitors, and the Audit Committee members for scrutiny and comment. The Committee addresses the matters concerning the compliance of law and regulations, contract terms and litigation cases of the Group.

*Note:* The position "associate director" is a corporate title only and not a "director" within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the GEM Listing Rules. An associate director named herein is principally responsible for (i) the supervision of property management of the Group or its staff; (ii) supervision of the Group's administration or overall standard; and (iii) the Group's customer relations.

## **SAFETY COMMITTEE**

To raise the Management's awareness of the health and safety in the workplace, the Group formed a Safety Committee comprising Mr. Fong Shek Hung, the associate director (*note*) of Kong Shun Union Property Management Company Limited, a Company's subsidiary, seven other committee members from (i) Property Management Department; (ii) Cleaning Department; (iii) Security Department; (iv) Maintenance Department; and (v) Administration Department, and two members appointed by an external safety consultancy firm (the "Safety Consultant"). Among seven of the nine members who are the Group's staff, at least four members, including Mr. Fong Shek Hung, have more than ten years of experience in property management while the other two members have more than fifteen years of experience in cleaning and maintenance services industry.

*Note:* The position “associate director” is a corporate title only and not a “director” within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the GEM Listing Rules. An associate director named herein is principally responsible for (i) the supervision of property management of the Group or its staff; (ii) supervision of the Group’s administration or overall standard; and (iii) the Group’s customer relations.

The responsibilities of the Safety Committee are, among other things, to establish the Group’s workplace health and safety management system, formulate and implement the internal health and safety policies, and arrange staff trainings. The Safety Committee holds monthly meetings to review the effectiveness of the system. The Group engages the Safety Consultant for the review and recommendation in respect of safety in buildings managed by the Group. For the period ended 30 June 2015, the Committee held three meetings and 4 buildings or estates were reviewed by the Safety Consultant.

## **COMPETING INTERESTS**

The Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group’s business.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by the Compliance Adviser of the Company, Ample Capital Limited, as at 30 June 2015, except for the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 27 September 2013, neither Ample Capital Limited or its directors, employees or close associates had any interest in relation to the Group.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference, available on the Company’s website, in compliance with the GEM Listing Rules. The Audit Committee is currently composed of all the Independent Non-executive Directors, namely Mr. Chow Siu Lui (Chairman), Mr. Bai Jin Rong and Mr. Tso Siu Lun, Alan. The Audit Committee has reviewed and approved the Company’s unaudited quarterly results for the period ended 30 June 2015 and recommended approval to the Board.

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

Hong Kong, 11 August 2015

*As at the date of this announcement, the Executive Directors are Mr. Liu Dan (Chairman and Chief Executive Officer), Mr. Ho Ying Choi, Mr. Shen Ka Yip, Timothy and Ms. Lai Sze Yau, Vivien; the Non-executive Director is Mr. Shum Lok To; and the Independent Non-executive Directors are Mr. Bai Jin Rong, Mr. Chow Siu Lui and Mr. Tso Siu Lun, Alan.*

*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 Company’s website at [www.kongshum.com.hk](http://www.kongshum.com.hk)*