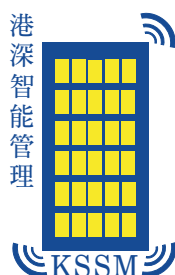


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Kong Shum Smart Management Group (Holdings) Limited **港深智能管理集團(控股)有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

CHANGE IN USE OF NET PROCEEDS

References are made to (i) the prospectus (the “**Prospectus**”) of Kong Shum Union Property Management (Holding) Limited (now known as Kong Shum Smart Management Group (Holdings) Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2013 in relation to the placing (the “**Placing**”) of the new shares in the Company for subscription; (ii) the announcement of the Company dated 10 October 2013 in relation to the results of the Placing (the “**Announcement**”) and (iii) the interim report of the Company for the six months ended 30 September 2025 (the “**Interim Report**”), in which the intended use of the net proceeds from the Placing and its utilization up to 30 September 2025 were disclosed. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Announcement and the Interim Report.

USE OF PROCEEDS

As disclosed in the Announcement and the section headed “Use of Proceeds from the Listing” in the Interim Report, the net proceeds from the Placing amounted to approximately HK\$17.5 million (after deduction of related expenses). The intended use of proceeds was:

- Repayment of bank loans: HK\$7.5 million (fully utilized);
- Expansion of property management portfolio: HK\$5.7 million (fully utilized); and
- Implementation of old district property management scheme: HK\$4.3 million (unutilized).

As at the date of this announcement, the net proceeds intended to be used in the implementation of old district property management scheme of approximately HK\$4.3 million remained unutilized.

The old district property management scheme could not be implemented as the Group was unable to obtain public liability insurance for the targeted old tenement buildings, which was a prerequisite for launching the scheme. The management of the Group had explored options with insurance carriers, but no insurer was willing to provide coverage for these aging buildings. As a result, the allocated net proceeds have remained unutilized since the Listing.

CHANGE IN USE OF NET PROCEEDS

On 23 March 2026, the board of directors (the “**Board**”) of the Company resolved to change the use of the unutilized net proceeds. The revised allocation is as follows:

Planned use of net proceeds	Original allocation (in HK\$ million)	Utilized net proceeds as at the date of this announcement (in HK\$ million)	Unutilized net proceeds as at the date of this announcement (in HK\$ million)	Revised allocation of the unutilized net proceeds (in HK\$ million)	Expected timeline for utilization after the change in use of net proceeds
Repayment of bank loans	7.5	7.5	–	–	–
Expansion of the property management portfolio	5.7	5.7	–	–	–
Implementation of old district property management scheme	4.3	–	4.3	–	–
General working capital	–	–	–	4.3	On or before 31 March 2027
	<hr/>	<hr/>	<hr/>	<hr/>	
Total	<u>17.5</u>	<u>13.2</u>	<u>4.3</u>	<u>4.3</u>	

REASONS FOR AND BENEFITS OF THE CHANGE

The Board considers it appropriate to reallocate the unutilized net proceeds to general working capital in order to:

- Strengthen the Group’s liquidity position;
- Provide flexibility to meet operational and administrative expenses; and
- Support ongoing business development without material adverse effect on existing operations.

The Board confirms that there are no material changes in the nature of the business of the Company. The Board considers that the above change is in the interests of the Company and its shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kong Shum Smart Management Group (Holdings) Limited
Dr. HO Ying Choi
Chairman

Hong Kong, 23 March 2026

As at the date of this announcement, the executive Directors are Dr. HO Ying Choi (Chairman) and Ms. HO Siu Chun, and the independent non-executive Directors are Mr. LAM Pun Yuen Frank, Mr. CHAN Fei Fei and Mr. MAK Siu Hong.

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 GEM 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 Listed Company Information” page on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.kongshum.com.hk.