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**Heng Sheng Capital Limited**  
**恒生資本有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*



**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)**

## **JOINT ANNOUNCEMENT**

### **(1) CONDITIONAL MANDATORY CASH OFFERS BY KINGSTON SECURITIES**

**FOR AND ON BEHALF OF HENG SHENG CAPITAL LIMITED FOR ALL THE ISSUED SHARES IN KONG SHUM UNION PROPERTY MANAGEMENT (HOLDING) LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY HENG SHENG CAPITAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND FOR THE CANCELLATION OF ALL THE OUTSTANDING SHARE OPTIONS OF KONG SHUM UNION PROPERTY MANAGEMENT (HOLDING) LIMITED; AND**

### **(2) RESUMPTION OF TRADING**

**Financial adviser to the Offeror**

 **KINGSTON CORPORATE FINANCE**

**Financial adviser to the Company**

 **國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL  
**Guotai Junan Capital Limited**

## **INTRODUCTION**

On 29 December 2017, the Offeror has purchased an aggregate of 15,000,000 Shares on the market at prices ranging between HK\$0.370 and HK\$0.380 per Share being the highest purchase price over last six months prior to the date of this joint announcement. As a result, immediately following the Share Purchases (including the Additional Share Purchases), the Offeror holds 257,504,000 Shares, representing approximately 30.11% of the entire issued share capital of the Company as at the date of this joint announcement.

## **CONDITIONAL MANDATORY CASH OFFERS**

Immediately prior to the Share Purchases, the Offeror and parties acting in concert with it were not interested in any Shares. Immediately prior to the Additional Share Purchases, the Offeror and parties acting in concert with it were interested in 242,504,000 Shares, representing approximately 28.35% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately following the Share Purchases (including the Additional Share Purchases), the Offeror and parties acting in concert with it own an aggregate of 257,504,000 Shares, representing approximately 30.11% of the entire issued share capital of the Company as at the date of this joint announcement.

The Offeror is required to make the conditional mandatory cash Offers for all the issued Shares (other than those already owned or to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code and to cancel all the outstanding Share Options pursuant to Rule 13.5 of the Takeovers Code.

### **Principal terms of the Offers**

Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

#### **Share Offer**

For each Offer Share . . . . . HK\$0.38 in cash

#### **Option Offer**

For cancellation of each Share Option  
with exercise price at HK\$1.09 per Share . . . . . HK\$0.01 in cash

### **Financial resources available to the Offeror**

Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable in case of full acceptances of the Offers. The Offers will be financed by the Loan Facility provided by Kingston Securities.

The Offeror has entered into the Loan Facility Agreement under which the Offeror is required to pledge the Shares held by it and the Shares to be acquired by it as collateral.

### **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

The Company will establish the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, to advise the Independent Shareholders and the Optionholders in respect of the Offers. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

### **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and Optionholders in relation to the Offers; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers, together with the Forms of Acceptance to the Shareholders and Optionholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 2 January 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 5 January 2018.

## **WARNING**

**The Offers are conditional. If the total number of Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 p.m. on the Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offers, together with the Shares acquired before or during the Share Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offers will not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **INTRODUCTION**

On 29 December 2017, the Offeror has purchased an aggregate of 15,000,000 Shares on the market at prices ranging between HK\$0.370 and HK\$0.380 per Share being the highest purchase price over last six months prior to the date of this joint announcement. As a result, immediately following the Share Purchases (including the Additional Share Purchases), the Offeror and parties acting in concert with it hold 257,504,000 Shares, representing approximately 30.11% of the entire issued share capital of the Company as at the date of this joint announcement.

## **CONDITIONAL MANDATORY CASH OFFERS**

Immediately prior to the Share Purchases, the Offeror and parties acting in concert with it were not interested in any Shares. Immediately prior to the Additional Share Purchases, the Offeror and parties acting in concert with it were interested in 242,504,000 Shares, representing approximately 28.35% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately following the Share Purchases (including the Additional Share Purchases), the Offeror and parties acting in concert with it own an aggregate of 257,504,000 Shares, representing approximately 30.11% of the entire issued share capital of the Company as at the date of this joint announcement.

The Offeror is required to make the conditional mandatory cash Offers for all the issued Shares (other than those already owned or to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code and to cancel all the outstanding Share Options pursuant to Rule 13.5 of the Takeovers Code.

As at the date of this joint announcement, the Company has a total of 855,351,515 Shares in issue. Assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the Closing Date, there will be 597,847,515 Shares subject to the Share Offer, representing approximately 69.89% of the existing issued share capital of the Company.

As at the date of this joint announcement, there are 20,000,000 Share Options outstanding entitling the grantees to subscribe for an aggregate of 20,000,000 Shares at an exercise price of HK\$1.09 per Share granted under the Share Option Scheme.

Save as disclosed above, the Company does not have any other securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

### **Principal terms of the Offers**

Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

#### **Share Offer**

For each Offer Share . . . . .HK\$0.38 in cash

#### **Option Offer**

For cancellation of each Share Option  
with exercise price at HK\$1.09 per Share . . . . .HK\$0.01 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise prices of the outstanding Share Options are above the Share Offer Price, the outstanding Share Options are out-of-money and the Option Offer Price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.01.

### **Comparisons of value**

The Share Offer Price of HK\$0.38 per Offer Share represents:

- (i) the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 4.40% over the average of closing price of HK\$0.364 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 84.33% over the unaudited consolidated net asset value of the Group of approximately HK\$0.206 per Share as at 30 September 2017, based on a total of 855,351,515 Shares in issue as at 30 September 2017 and the date of this joint announcement and the unaudited consolidated net asset value of the Group of approximately HK\$176,330,000 as at 30 September 2017.

## **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$0.38 per Share (on 29 December 2017) and HK\$0.143 per Share (on 16 October 2017), respectively.

## **Value of the Offers**

As at the date of this joint announcement, the Company has a total of 855,351,515 Shares in issue and there are 20,000,000 Share Options outstanding entitling the grantees to subscribe for an aggregate of 20,000,000 Shares at an exercise price of HK\$1.09 per Share granted under the Share Option Scheme.

Assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the Closing Date and on the basis of the Share Offer Price of HK\$0.38 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$325 million. Each of 597,847,515 Shares and 20,000,000 outstanding Share Options will be subject to the Offers and the Offers are valued at approximately HK\$227 million and HK\$0.2 million, respectively.

Assuming all the outstanding Share Options are exercised in full by the Optionholders prior to the Closing Date, the total number of issued Shares would increase to 875,351,515 Shares and the value of the Share Offer will be approximately HK\$235 million.

## **Financial resources available to the Offeror**

Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable in case of full acceptances of the Offers. The Offers will be financed by the Loan Facility provided by Kingston Securities.

The Offeror has entered into the Loan Facility Agreement under which the Offeror is required to pledge the Shares held by it and the Shares to be acquired by it as collateral (the “**Pledged Shares**”).

The Offeror confirms that the repayment of the interest on, repayment of or security for any liability (contingent or otherwise) of the Loan Facility will not depend on any significant extent on the business of the Company.

## **Conditions of the Offers**

The Share Offer is conditional upon valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares acquired before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

### **Effect of accepting the Offers**

The acceptance of the Offers by any Shareholders and/or Optionholders will be deemed to constitute a warranty by such Shareholders and/or Optionholders that all Offer Shares and Share Options sold under the Offers are free from all liens, claims, charges, options, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including without limitation, the right to receive all dividends and distributions declared, paid or made, if any, on or after the date on which the Offers are made, being the date of the Composite Document.

### **Payment**

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven Business Days following the later of the date on which (i) the Offers become, or are declared unconditional; and (ii) the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Offer Shares or the Share Options (as the case may be) in respect of such acceptance are received by the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder and/or Optionholder who accepts the Offers will be rounded up to the nearest cent.

### **Taxation advice**

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Kingston Securities, Kingston Corporate Finance and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

### **Overseas Shareholders and overseas Optionholders**

The making of the Offers to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdiction. Overseas Shareholders or overseas Optionholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required



or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders and overseas Optionholders in respect of such jurisdictions). The overseas Shareholders and overseas Optionholders should consult their professional advisers if in doubt.

### **Stamp duty**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00). The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

### **Other arrangements**

The Offeror confirms that, save for the Share Purchases, the Loan Facility and the Pledged Shares, as at the date of this joint announcement:

- (i) none of the Offeror and parties acting in concert with it owns or has control or direction over any voting rights in any Shares or rights over the Shares or convertible securities, Share Options, warrants or derivatives of the Company;
- (ii) there is no outstanding derivatives in respect of the securities in the Company which has been entered into by the Offeror and any person acting in concert with it;
- (iii) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (iv) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (v) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or reject the Offers;
- (vi) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;



- (vii) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand and the Shareholders on the other hand; and
- (viii) save for the payment under the Share Purchases, there are no other consideration in any form paid or payable by the Offeror or parties acting in concert with it to the ex-Shareholders of the Share Purchases.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Share Purchases; (ii) immediately prior to the Additional Share Purchases; and (iii) immediately following the Share Purchases (including the Additional Share Purchases) and as at the date of this joint announcement:

Shareholdings	Immediately prior to the Share Purchases		Immediately prior to the Additional Share Purchases		Immediately following the Share Purchases (including the Additional Share Purchases) and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
The Offeror and parties acting in concert with it	-	-	242,504,000	28.35	257,504,000	30.11
Public Shareholders	855,351,515	100.00	612,847,515	71.65	597,847,515	69.89
Total	<u>855,351,515</u>	<u>100.00</u>	<u>855,351,515</u>	<u>100.00</u>	<u>855,351,515</u>	<u>100.00</u>

## INFORMATION ON THE GROUP

The Group is principally engaged in the provision of property management services in Hong Kong primarily targeting residential properties, properties investment and money lending business under the MLO. The Company is also interested in 30% issued share capital of an associate which, via its subsidiaries, carries out (i) Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) money lending business under the MLO.

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 March 2017:

	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2017</b>
	<i>(Approximately HK\$'000)</i>	<i>(Approximately HK\$'000)</i>
	<i>(audited)</i>	<i>(audited)</i>
<b>Revenue</b>	374,024	395,514
<b>Profit before taxation</b>	5,956	13,508
<b>Profit attributable to owners of the Company</b>	2,815	10,188

According to the interim report of the Company, the unaudited consolidated net assets of the Group was approximately HK\$176.3 million as at 30 September 2017.

Further financial information of the Group will be set out in the Composite Document to be despatched to the Shareholders and Optionholders.

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the British Virgin Islands on 4 August 2011 with limited liability. The Offeror is beneficially wholly-owned by Mr. Huang. Mr. Huang is the sole director of the Offeror. As at the date of this joint announcement, save for the Share Purchases, the Offeror has not engaged in any business activities.

Mr. Huang, aged 42, is an entrepreneur with 16 years of experience in property development and property management business in the PRC. He is currently the chairman of 恒生地產有限公司 (Heng Sheng Real Estate Co., Ltd), a company that is principally engaged in property development and residential property management business in the city of Zibo (淄博市), the city of Jinan (濟南市) and the city of Qingdao (青島市) in Shandong Province (山東省) of the PRC. Save for the shareholding interest in the Company, Mr. Huang is not a substantial shareholder of any other listed companies in Hong Kong as at the date of this joint announcement.

## **OFFEROR'S INTENTION ON THE COMPANY**

The Offeror considers the Share Purchases and the Offers offer an opportunity for it to increase its stake and consolidate control in the Company. As at the date of this joint announcement, the Offeror intends to continue the principal business of the Group. The Offeror will, following the completion of the Offers, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may diversify the business of the Group with the objective of broadening its sources of income.

## **Maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the Closing Date and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the Closing Date to ensure that a sufficient public float exists for the Shares. The Company and the Offeror will issue a separate announcement as and when necessary regarding the decision of any such placing down if the circumstances warrant.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

## **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

Pursuant to Rule 2.1 of the Takeovers Code, the Company will establish the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, to advise the Independent Shareholders and the Optionholders in respect of the Offers. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and Optionholders in relation to the Offers; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers, together with the Forms of Acceptance to the Shareholders and Optionholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 2 January 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 5 January 2018.

## **WARNING**

**The Offers are conditional. If the total number of Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 p.m. on the Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offers, together with the Shares acquired before or during the Share Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offers will not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITION

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Additional Share Purchases”	the share purchases on the market by the Offeror of 15,000,000 Shares on 29 December 2017, representing approximately 1.76% of the entire share capital of the Company as at the date of this joint announcement
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company in relation to the Offers in accordance with the Takeovers Code containing, amongst other things, details of the Offers (including the expected timetable), the recommendation from the Independent Board Committee to the Independent Shareholders and Optionholders and the advice from the independent financial adviser of the Company to be appointed to the Independent Board Committee in respect of the Offers
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“Encumbrance”	any claim, charge, mortgage, security, lien, pledge, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind, and “Encumber” shall be construed accordingly
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Forms of Acceptance”	the form of acceptance and transfer of the Offer Shares and the form of acceptance and cancellation of the Share Options
“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 from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard, to be established to give a recommendation to the Independent Shareholders and Optionholders regarding the terms of the Offers
“Independent Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and being the financial adviser to the Offeror in respect of the Offers
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO and being the agent to make the Offers for and on behalf of the Offeror
“Last Trading Day”	29 December 2017, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this joint announcement

“Loan Facility”	the loan facility granted by Kingston Securities to the Offeror for financing the consideration payable under the Offers
“Loan Facility Agreement”	the loan facility agreement entered into between Kingston Securities as lender and the Offeror as borrower dated 20 December 2017 in relation to the Loan Facility
“MLO”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mr. Huang”	Mr. Huang Liming, the sole director and the beneficial owner of the Offeror
“Offer Share(s)”	Share(s) in respect of which the Share Offer is made, being Share(s) not already owned or to be acquired by the Offeror and the parties acting in concert with it
“Offeror”	Heng Sheng Capital Limited, a company incorporated in the British Virgin Islands with limited liability
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the conditional mandatory cash offer to be made by Kingston Securities for and on behalf of the Offeror for the cancellation of the outstanding Share Options in accordance with the Takeovers Code
“Option Offer Price”	HK\$0.01 per Share Option
“Optionholder(s)”	holder(s) of the Share Option(s)
“Overseas Shareholders”	Independent Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



“Share Offer”	the conditional mandatory cash offer to be made by Kingston Securities for and on behalf of the Offeror for all the issued Shares, other than those already owned or to be acquired by the Offeror and parties acting in concert with it
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.38 per Offer Share
“Share Option(s)”	the share option(s) granted under the Share Option Scheme which entitle the grantees to subscribe for an aggregate of 20,000,000 Shares at an exercise price of HK\$1.09 per Share
“Share Option Scheme”	the share option scheme adopted by the Company on 19 September 2013
“Share Purchases”	the share purchases on the market by the Offeror totalling 257,504,000 Shares (including the Additional Share Purchases), representing approximately 30.11% of the entire share capital of the Company as at the date of this joint announcement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

By Order of the board of director of  
**Heng Sheng Capital Limited**  
**Huang Liming**  
*Director*

By Order of the Board  
**Kong Shum Union Property Management  
(Holding) Limited**  
**Eric Todd**  
*Chairman*

Hong Kong, 4 January 2018

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Huang Liming.*

*As at the date of this joint announcement, the executive Directors are Mr. Eric Todd (Chairman), Mr. Ho Ying Choi and Mr. Lee Chin Ching, Cyrix; the independent non-executive Directors are Mr. Tso Siu Lun, Alan, Mr. Lam Kai Yeung and Mr. Lo Chi Ho, Richard.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the Offeror and parties acting in concert with it) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*This joint 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).*