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Kong Shum Union Property Management (Holding) Limited

港深聯合物業管理（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8181)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF LOAN

The Board is pleased to announce that after trading hours on 18 July 2017 and 15 August 2017, the Existing Loan Agreement and the Loan Agreement was respectively entered into between the Lender, an indirect wholly-owned subsidiary of the Company, as lender and the Borrower as borrower.

Pursuant to the Existing Loan Agreement and the Loan Agreement, the Lender has agreed to grant the Existing Loan and the Loan to the Borrower for a period of 6 months commencing from the date of the Existing Loan Agreement and the Loan Agreement respectively at an interest rate of 12% per annum.

GEM LISTING RULES IMPLICATIONS

The Loans provided under the Loan Agreements constitute financial assistance provided by the Lender within the meaning of the GEM Listing Rules.

As the aggregate amount of the Loans granted to the Borrower under Chapter 19 of the GEM Listing Rules exceeds 5% but less than 25%, the grant of the Loans constitute a discloseable transaction for the Company. Accordingly, the Loans are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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Summarized below are the principal terms of the Loan Agreements:

THE LOAN AGREEMENT

Date	:	15 August 2017 (after trading hours)
Lender	:	Lucky Stone Finance Limited, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrower
Principal amount	:	HK\$7,000,000
Interest	:	12% per annum
Drawdown date	:	15 August 2017
Term	:	A period of six months commencing from the date of the Loan Agreement
Payment	:	The Borrower shall pay interest of the Loan to the Lender and repay the principal amount of the Loan and interest accrued thereon on or before the end of the term of the Loan (subject to the terms and conditions of the Loan Agreement)
Prepayment	:	The Borrower may, at any time, after giving the Lender not less than one month's prior written notice, prepay the outstanding Loan and interest thereon in accordance with the Loan Agreement
Security	:	One post-dated cheque from the Borrower for the interest accrued on the Loan payable on the date of maturity and one post-dated cheque for the payment of the principal amount of the Loan on the date of maturity drawn on a licensed bank in Hong Kong

THE EXISTING LOAN AGREEMENT

Date	:	18 July 2017 (after trading hours)
Lender	:	Lucky Stone Finance Limited, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrower
Revolving loan facility	:	A revolving loan facility of up to HK\$7,000,000 to be made available to the Borrower by the Lender upon the terms and conditions of the Existing Loan Agreement
Existing Loan	:	The principal amount drawn and for the time being outstanding under the Existing Loan
Interest	:	Interest shall accrue on the principal outstanding balance of the Existing Loan at the rate of 12% per annum (or at such rate as may from time to time determined by the Lender)
Drawdown date	:	the Borrower may, subject to the terms and conditions of the Existing Loan Agreement, on any day and at any time during the subsistence of the Existing Loan Agreement make a drawing under the Existing Loan
Term	:	A period of six months commencing from the date of the Existing Loan Agreement or at such term as may from time to time extended or determined by the Lender
Payment	:	The Borrower shall pay interest of the Existing Loan to the Lender accrued until the total principal outstanding amount together with all interests in or in relation to the Existing Loan are fully settled and repay the principal outstanding balance of the Existing Loan and interest accrued thereon on or before the expiration of the term of the Existing Loan (subject to the terms and conditions of the Existing Loan Agreement)
Prepayment	:	The Borrower may at any time, after giving the Lender prior written notice, prepay the outstanding Loan and interest thereon in accordance with the Existing Loan Agreement
Security	:	Nil

FUNDING OF THE ADVANCE

The Loans were/will be financed by the Group's internal resources.

INFORMATION OF THE BORROWER

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is a merchant with no default record in our Group and is an Independent Third Party and not connected to the Group.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in provision of property management services in Hong Kong primarily targeting residential properties and properties investment. The Lender, being an indirectly wholly-owned subsidiary of the Company principally engaged in the business of money lending service, is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

REASON FOR PROVISION OF THE LOANS

The provision of the Loans will provide reasonable interest income to the Lender and the Loans will be recorded as a loan receivable of the Group.

The terms of the Loans were arrived at after arm's length negotiations between the Lender and the Borrower with reference to the financial background and repayment ability of the Borrower. The Directors consider that the transactions contemplated under the Existing Loan Agreement and the Loan Agreement are in ordinary and usual course of business of the Group and on normal commercial terms and the terms of the Loans are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Loans provided under the Loan Agreements constitute financial assistance provided by the Lender within the meaning of the GEM Listing Rules.

As the aggregate amount of the Loans granted to the Borrower under Chapter 19 of the GEM Listing Rules exceeds 5% but less than 25%, the grant of the Loans constitute a discloseable transaction for the Company. Accordingly, the Loans are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	The board of Directors;
“Borrower”	the borrower being an individual and an Independent Third Party;
“Business Day”	a day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong throughout their normal business hours;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Kong Shum Union Property Management (Holding) Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued ordinary shares of which are listed on GEM (stock code: 8181);
“Director(s)”	the director(s) of the Company;
“Existing Loan”	the revolving loan facility in the principal amount of HK\$7,000,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the Existing Loan Agreement;
“Existing Loan Agreement”	the memorandum of agreement dated 18 July 2017 entered into between the Lender and the Borrower relating to the granting of the Existing Loan;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Group and its connected persons in accordance with the GEM Listing Rules;
“Lender”	Lucky Stone Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Loan”	the term loan in the principal amount of HK\$7,000,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement;
“Loans”	the Existing Loan and the Loan;
“Loan Agreement”	the loan agreement dated 15 August 2017 entered into between the Lender and the Borrower relating to the granting of the Loan;
“Loan Agreements”	the Existing Loan Agreement and the Loan Agreement;
“Shareholder(s)”	holder(s) of the issued share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
Kong Shum Union Property Management (Holding) Limited
Eric TODD
Chairman

Hong Kong, 15 August 2017

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.kongshum.com.hk.