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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)

DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
30% OF THE TOTAL NUMBER OF ISSUED SHARES OF
THE TARGET COMPANY INVOLVING ISSUE OF A PROMISSORY NOTE

Financial adviser to the Company

邁時金融 MAXA FINANCIAL

THE ACQUISITION

The Board is pleased to announce that on 20 November 2026 (after trading hours of the Stock Exchange), the Purchaser (a directly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, at a consideration of HK$14,000,000.

The Consideration shall be satisfied in cash as to 50% and by the issue of the Promissory Note as to the remaining 50%.

Upon Completion, the Group will hold 30% of the total number of issued shares of the Target Company and the Target Company will become an associate of the Company and its results and net assets will be accounted for using the equity method in the consolidated financial statements of the Company after Completion. Accordingly, the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group.

SHAREHOLDERS' AGREEMENT

In connection with the Acquisition, the Vendor, the Purchaser and the Target Company shall enter into the Shareholders' Agreement on the Completion Date to define and regulate the respective rights and obligations of the shareholders of the Target Company upon the Completion.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Chapter 19 of the GEM Listing Rules) in respect of the Acquisition is higher than 5% but less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules, subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 20 November 2026 (after trading hours of the Stock Exchange), the Purchaser (a directly wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, at a consideration of HK$14,000,000.

The principal terms of the Sale and Purchase Agreement are set out below.

Date : 20 November 2026

Parties : (i) the Vendor; and

(ii) the Purchaser.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing 30% of the total number of issued shares of the Target Company.

Consideration and payment

The Consideration payable by the Purchaser to the Vendor for the Acquisition shall be HK$14,000,000. The Purchaser shall pay the Consideration to the Vendor at Completion in the manner below:

(a) as to 50% of the Consideration, being the amount of HK$7,000,000, in cash; and

(b) as to the remaining 50% of the Consideration, being the amount of HK$7,000,000, by the issue of the Promissory Note duly signed by the Purchaser to the Vendor.

The cash portion of the Consideration and the repayment of the principal amount under the Promissory Note will be funded by the internal resources of the Group. Having considered the Group's available financial resources and working capital requirements, the Directors consider that the payment of the Consideration will not have any material adverse effect on the working capital and financial position of the Group.

The principal terms of the Promissory Note are set out as follows:

Issuer	:	the Purchaser
Noteholder	:	the Vendor
Principal sum	:	HK$7,000,000
Issue date	:	the Completion Date
Maturity date	:	the date falling on two months after the issue date of the Promissory Note
Interest	:	no interest payable
Convertibility	:	non-convertible; no right to subscribe for, convert into, or otherwise receive any shares or other securities of the Purchaser
Security	:	unsecured
Transferability	:	freely transferrable with five (5) Business Days' prior notice in writing to the Purchaser
Early redemption	:	no early redemption provision

Basis of determination of the Consideration

The basis of the Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the Target Company's operating licence, namely, Type I security company licence issued by the Security and Guarding Services Industry Authority of Hong Kong under Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong) for the provision of security guarding services; (ii) the reasons for and benefits of the Acquisition to the Group, including the recent financial performance of the Target Company and the business and development prospects of the Target Company. Specifically, the Board noted that the revenue of the Target Company increased from approximately HK$54.0 million for the year ended 31 March 2025 to approximately HK$83.9 million for the year ended 31 March 2026, while its profit before taxation increased from approximately HK$3.8 million for the year ended 31 March 2025 to approximately HK$9.2 million for the year ended 31 March 2026. Moreover, the Target Company has been engaging in the provision of security services in Hong Kong for over 10 years and has accumulated relevant industry experience and established business channels. Since the business of the Target Company is closely aligned with that of the Group, it is expected to generate synergies through closer cooperation in the provision of security and related services; (iii) the price to earnings ratio of the comparable companies in the Valuation; and (iv) the appraised value of the 30% interest in the Target Company as at the Valuation Date of approximately HK$14,000,000, as appraised by the Valuer using the market approach, as referred to in the Valuation. For further details of the Valuation, please refer to the section headed "The Valuation" in this announcement.

Based on the above, given that the Target Company possesses the Type I security company operating licence, solid market position and customer network in the security service industry in Hong Kong, which is beneficial for the Group as it generates synergies with the Group's principal business segment and taking into account the Valuation, the Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place within five (5) Business Days after the date of the Sale and Purchase Agreement, or such other date as the Vendor and the Purchaser may mutually agree in writing.

Upon Completion, the Group will hold 30% of the total number of issued shares of the Target Company and the Target Company will become an associate of the Company and its results and net assets will be accounted for using the equity method in the consolidated financial statements of the Company after Completion. Accordingly, the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group.

Post-completion undertaking

The Vendor has undertaken that he shall settle part of the amount due from director of the Target Company in the amount of HK$7,000,000 within thirty (30) days after the Completion Date and in the amount of HK$7,000,000 within seven (7) days after the date falling two (2) months from the Completion Date.

THE VALUATION

For the purpose of the Valuation of the 30% interest of the Target Company contemplated under the Acquisition, the Valuer has taken into consideration all relevant factors including, among others, the overall business operation and development of the Target Company, the economic outlook in general affecting the business, industry and market and certain market data.

Qualification and independence of the Valuer

The Board had reviewed and enquired into the qualifications and experience of the Valuer in relation to the preparation of the valuation report. To the best of the Directors' knowledge and belief and having made all reasonable enquiries:

Mr. Nick C. L. Kung, the responsible person of the Valuer in charge of the valuation of the Target Company, is a member of the Royal Institution of Chartered Surveyors (the RICS) and member of the Hong Kong Institute of Surveyors (the HKIS), RICS Registered Valuer, Registered Professional Surveyor (General Practice) and Registered Business Valuer of the Hong Kong Business Valuation Forum (HKBVF) and has more than 20 years of experience in the valuation of business assets and business entities in Hong Kong and overseas.

The Board has assessed the qualification and experience of the Valuer and its responsible persons, and is of the view that the Valuer is qualified, experienced and competent in performing the Valuation and providing a reliable opinion in respect of the valuation of the Target Company.

The Board also enquired with the Valuer as to its independence from the Group and the parties involved in the Acquisition, and understands that the Valuer is independent from the Group, the Vendor, the Target Company and their respective associates.

Scope of work

The Valuer was instructed by the Company to provide the opinion of the market value of 30% equity interest in the Target Company as at 31 July 2026, being the Valuation Date.

Valuation approach and methodology

In the process of valuing the business subject, the Valuer has considered the nature of the Target Company, specialty of its operations, its current condition, and the industry it is participating. Having considered the three general valuation approaches, the Valuer considers that the Market Approach would be appropriate and reasonable in the valuation of the market value of the Target Company.

In this valuation, the Income Approach is not adopted given that long-term forecasts inherently rely on various subjective assumptions, which may or may not be sustainable. Therefore, preparing the financial projection of the Target Company involves subjective judgement and uncertainties. The Asset Approach is not applied as the valuation of the Target Company is conducted on a going concern basis, and the summation of its assets is inappropriate as such method ignores the future economic benefits of the business as a whole and market sentiment regarding the shares of the Target Company. In contrast, the Market Approach is better suited to capturing market sentiment and producing a less biased valuation of the Target Company as it requires fewer subjective inputs. The Valuer has therefore solely relied on the Market Approach in determining the opinion of value.

Under the Market Approach, the Valuer has considered two commonly used methods of valuation, the Guideline Public Company Method and the Comparable Transactions Method. The Guideline Public Company Method is applied as there are a certain number of public traded companies engaged in the same or similar line of business as the Target Company that can be identified. The shares of these publicly traded companies are actively traded in free and open markets and provide valid indicators of value to permit meaningful comparison. The application of Comparable Transactions Method is limited as there are insufficient comparable transactions and information to form a reliable opinion of value.

For the valuation of the Target Company, the Valuer has employed the price to earnings ("**P/E**") ratio. The Valuer considers the P/E ratio is more representative than other commonly adopted multiples (e.g. price to sales ("**P/S**") and price to book ("**P/B**") ratios) due to the following reasons:

- Earnings is the primary determinant of value for a profitable operating company, and P/E ratio is one of the most commonly referenced benchmarks in valuation, equity research and market transactions, enhancing comparability and market acceptance; and

- Price to sales (P/S) and price to book (P/B) ratios do not account for the profitability of the business, and fail to reflect the true earnings power and value of the business.

Source of information

In the course of the valuation, the Valuer has performed company visit of the Target Company in November 2026 and had discussion with the Company on the prospect of the security guarding industry in Hong Kong and the development of the Target Company. The Valuer has also relied on the following major documents and information in the valuation analysis. Some of the information and materials are furnished by the Company. Other information is extracted from public sources such as government sources, Refinitiv, Kroll Cost of Capital Navigator*, etc.

* *Kroll Cost of Capital Navigator is a global cost of capital tool and data delivery platform developed by Kroll Inc. (rebranded from Duff & Phelps LLC in 2022), which is a leading independent corporate investigation, risk consulting and financial advisory solutions provider established in 1972.*

The major documents and information include the following:

- Copies of certificate(s) or license(s) and other relevant information of the Target Company as provided by the Company or extracted from public sources;

- Company profile of the Target Company;

- Historical financial information such as income statements and balance sheets of the Target Company as provided by the Company;

- Operational information of the Target Company as discussed with the Company; and

- Industry and economic data.

The Valuer considers that adequate information had been obtained from the sources described above to provide a reliable opinion of the market value.

Guideline Public Companies

The Valuer has identified a total of 8 guideline public companies for the analysis. Since the Target Company is principally engaged in the provision of security services in Hong Kong, there is no perfect match of guideline public companies with exactly the same financial performance, business operations and risk profile as the business subject. However, the guideline public companies the Valuer gathered are mainly engaged in the security guarding or property management services, and therefore the Valuer considers they are subject to similar business, industry, economic risks and rewards as the Target Company. Selection criteria of the guideline public companies are listed as follows:

a.) Companies that are actively traded and publicly listed in Hong Kong;

b.) Over 75% of the revenue is derived from security guarding or property management services;

c.) Over 90% of the revenue is generated in Hong Kong or the People's Republic of China (the "**PRC**");

d.) Companies that are generating net profits;

e.) Companies that have net assets;

f.) Companies having market capitalization below US$782.17 million, which are the micro capitalization companies as defined by the Cost of Capital Navigator, Center for Research in Security Prices Deciles Size Study as of 31 December 2025, published by Kroll Cost of Capital Navigator*; and

g.) Companies having substantial amounts of net cash indicated by negative enterprise value are excluded.

* *Kroll Cost of Capital Navigator is a global cost of capital tool and data delivery platform developed by Kroll Inc. (rebranded from Duff & Phelps LLC in 2022), which is a leading independent corporate investigation, risk consulting and financial advisory solutions provider established in 1972.*

Based on the exhaustive search of the Refinitiv database using the criteria above, the 8 guideline public companies are set out below:

Refinitiv Ticker	**Company Name**	**Market capitalization (as at the Valuation Date)** *(HK$'000)*	**Net income**[(1)] *(HK$'000)*
1941.HK	Ye Xing Group Holdings Ltd	214,814	13,030
1995.HK	Ever Sunshine Services Group Ltd	3,100,666	508,093
2146.HK	Roiserv Lifestyle Services Co Ltd	752,000	130,794
2271.HK	Zhong An Intelligent Living Service Ltd	1,547,162	36,583
2455.HK	Runhua Living Service Group Holdings Ltd	201,000	53,805
3319.HK	A-Living Smart City Services Co Ltd	2,567,558	115,291
8426.HK	Modern Living Investments Holdings Ltd	199,200	21,843
9983.HK	Central China New Life Ltd	389,741	182,916

Note:

(1) This is the income available to common shareholders excluding extraordinary items for the trailing twelve months ended 31 December 2025 according to Refinitiv.

Table 1: Guideline public companies of the Target Company

Source: Refinitiv, Peak Vision Appraisals

Valuation results

Multiple Ratios:

The multiples applied are presented as follows:

Refinitiv Ticker	Company Name	P/E Ratio
1941.HK	Ye Xing Group Holdings Ltd	16.49
1995.HK	Ever Sunshine Services Group Ltd	6.10
2146.HK	Roiserv Lifestyle Services Co Ltd	5.75
2271.HK	Zhong An Intelligent Living Service Ltd	N/A[(1)]
2455.HK	Runhua Living Service Group Holdings Ltd	3.74
3319.HK	A-Living Smart City Services Co Ltd	22.27
8426.HK	Modern Living Investments Holdings Ltd	9.12
9983.HK	Central China New Life Ltd	2.13
	Mean	9.37
	Standard deviation	7.36
	Mean excluding outliers[(2)]	7.22
	Applied ratio	7.22

* *Figures above are subject to rounding*

Note:

(1) The implied P/E ratio was approximately 42.29x. As it was considered an extreme outlier, it was excluded from the calculation of the mean and is presented as "N/A".

(2) Sample values outside one standard deviation of the mean are determined as outliers

Based on the above, the P/E ratios of the guideline public companies ranged from the minimum of 2.13x to the maximum of 22.27x, resulting in a mean of approximately 9.37x and mean excluding outliers of approximately 7.22x.

The Valuer has adopted the mean excluding outliers as the multiples due to the following reasons: (1) mean is commonly adopted and takes into account of all the values of the comparable companies; and (2) mean excluding outliers are not influenced by extreme values. The Valuer then applied the multiple to the corresponding measurement base, which is based on the financial information of the Target Company provided by the Management.

Based on the financial information of the Target Company, the normalized net income of the Target Company for the trailing twelve months ended 31 July 2026 was approximately HK$8,118,000, which is calculated based on eight months profit after taxation by proportioning the annual profit after taxation for the year ended 31 March 2026 plus four months profit after taxation during the period from 1 April 2026 to 31 July 2026.

Lack of Marketability Discount

The Valuer has adopted a lack of marketability discount of approximately 20.4% as ownership interest in closely held companies are typically not readily marketable compared to similar interest in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

The discount of 20.4% was determined with reference to Stout Restricted Stock Study Companion Guide (2025 Edition)*(1)*.

Note:

(1) The Stout Restricted Stock Study Companion Guide is a widely used empirical reference in valuation practice that analyses historical transactions of restricted stock to estimate discounts for lack of marketability (DLOM). The 2025 Edition includes over 750 restricted-stock transactions across multiple industries and time periods, providing statistically robust benchmarks for assessing marketability discounts. The overall average discount observed across the full sample is 20.4%, which is commonly adopted as a reference point in valuations.

Valuation Summary

Based on the analysis, the mean excluding outliers of the P/E ratio of the guideline public companies was approximately 7.22x. By applying the normalized net income of the Target Company for the trailing twelve months ended 31 July 2026 of approximately HK$8,118,000 and adjusting for lack of marketability discount, the market value of 100% equity interest (non-controlling basis) of the Target Company as at the Valuation Date was approximately HK$46,661,000. The calculation is tabulated as follows:

	(HK$'000)
Applied P/E ratio	7.22x
Multiplication factor (normalized net income of the Target Company for the trailing twelve months ended 31 July 2026)	8,118
	58,619
Adjustment:	
Less: Lack of marketability discount	(11,958)
Market value of 100% equity interest (non-controlling basis) of the Target Company	**46,661**

* *Figures above are subject to rounding*

By applying 30% equity interest in the Target Company, the Valuer is of the opinion that the market value of 30% equity interest of the Target Company as at the Valuation Date was in the sum of HK$14,000,000.

Key assumptions

- For the Target Company to continue as a going concern, the Target Company will successfully carry out all necessary activities for the development of its business;
- Key management, competent personnel, professional and technical staff will all be retained to support the ongoing operations of the Target Company;
- The availability of finance will not be a constraint on the forecast growth of the Target Company's operations in accordance with the business plans;
- Market trends and conditions where the Target Company operates will not deviate significantly from the economic forecasts in general;
- The financial information of the Target Company as supplied to us has been prepared in a manner which truly and accurately reflects the financial performances and positions of the Target Company as at the respective financial statement dates;
- There will be no material changes in the business strategy of the Target Company and its operating structure;
- The Target Company shall have uninterrupted rights to operate its existing business during the unexpired term of its authorized operating period;
- Interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing;
- All relevant approvals, business certificates, licences or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and
- There will be no major changes in the political, legal, technological, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues and profits attributable to the Target Company.

View of the Board on the fairness and reasonableness of the Valuation

The valuation report prepared by the Valuer has been reviewed by the Directors to assist in the determination of the consideration of the Acquisition. The Directors concur with the Valuer's view that the market approach is the most appropriate valuation approach to determine the value of the Target Company. The income approach was considered inappropriate as making detailed long-term forecasts susceptible to management bias and speculative assumptions. The asset approach was also ruled out as the Target Company was valued on a going concern basis and such method taking into account the assets of the Target Company effectively disregard the future economic benefits of the Target Company and the market sentiment regarding the shares of the Target Company. The market approach reflects market expectations over the corresponding industry by considering price multiples of comparable companies derived from market consensus. Since there are sufficient comparable public companies in similar industries and business models as the Target Company, their market values serve as good indicators for provision of security services.

Furthermore, the Directors have reviewed the selected comparable companies and noted that their primary business activities involve security guarding or property management services, with over 75% of their revenues derived from these activities. Also, the Valuer had selected comparable companies with market capitalization less than US$782.17 million to avoid large size companies. Therefore, the selected companies possess suitably similar operational characteristics to the Target Company and constitute a fair and representative peer group for comparative analysis. The Directors also agree that using the price to earnings multiple (P/E Ratio) based on the market approach is appropriate, as it reflects the intrinsic value of the Target Company. The Directors consider the adoption of the mean excluding outliers multiple to be a reasonable, prudent, and commonly accepted practice to prevent extreme values and outliers from distorting the results.

The Directors (including the independent non-executive Directors) are of the view that the Valuation provides an objective evaluation of the fair value of 100% of the number of issued shares and the corresponding 30% of the total number of issued shares in the Target Company, having applied the market approach with reference to observable market data from comparable publicly listed companies. The Directors have carefully reviewed the bases, assumptions, and methodology of the Valuation and consider that (i) the selection of the comparable companies and the P/E multiple as the primary valuation metric are appropriate; (ii) the adjustments made for lack of marketability are reasonable; and (iii) the Valuer's conclusion that the market value of the 30% equity interest in the Target Company was HK$14,000,000 is fair and reasonable.

The Directors also note that the Consideration equals to the valuation as determined by the Valuer.

SHAREHOLDERS' AGREEMENT

In connection with the Acquisition, the Vendor, the Purchaser and the Target Company shall enter into the Shareholders' Agreement on the Completion Date to define and regulate the respective rights and obligations of the shareholders of the Target Company upon the Completion.

The principal terms of the Shareholders' Agreement are summarised as follows:

Parties

(i) the Vendor as the majority shareholder

(ii) the Purchaser as the minority shareholder

(iii) the Target Company, being Goldfield Services Limited

Subject matter

The Vendor, the Purchaser and the Target Company shall enter into the Shareholders' Agreement on the Completion Date to define and regulate the respective rights and obligations of the shareholders of the Target Company and the Target Company's conduct of its activities and affairs, and to set out the agreements and arrangements for the management of the business operations and the governance of the Target Company upon the Completion.

Effectiveness

The Shareholders' Agreement shall continue to in full force and effect until the Target Company shall be wound up or otherwise cease to exist as a separate corporate existing or unless terminated by written agreement of all shareholders of the Target Company or lapse automatically in accordance with the terms of the Shareholders' Agreement.

Shareholding structure

Upon Completion, the shareholding structure of the Target Company shall be as follows:

Name	**Number of Share(s)**	**Approximate percentage of shareholding in the Target Company**
The Vendor	70	70%
The Purchaser	30	30%

Business of the Target Company

The purpose of the Target Company is to engage in the provision of security services in Hong Kong, and any other business to be determined by the Target Company's board of directors and/or shareholders.

Right of first refusal

If any shareholder of the Target Company proposes to sell or transfer all or any part of its shares in the Target Company to any bona fide third-party purchaser, such shareholder of the Target Company shall first offer to sell or transfer those shares to the other shareholder of the Target Company.

Tag-along right

In the event that any shareholder of the Target Company desires to sell all or any part of its shares in the Target Company (or in the case of the Vendor, in the event that the Vendor shall desire to sell any shares in the Target Company where such transfer would result in the Vendor ceasing to hold more than 50% of the total number of shares of the Target Company then in issue), the other shareholder of the Target Company shall have the right (but not the obligation) to sell all but not part of his shares in the Target Company, together with the sale of such shareholder's shares in the Target Company, to the proposed transferee at the same price and under the same terms and conditions.

Board of directors of the Target Company

The board of directors of the Target Company shall consist of no more than three (3) directors, of which the Vendor shall have the right to nominate two (2) directors to the board of directors of the Target Company and the Purchaser shall have the right to nominate one (1) director to the board of directors of the Target Company. At any time and in its sole discretion, each shareholder of the Target Company may remove and/or replace any director nominated by him/it. Save and except for certain reserved matters, all resolutions of the board of directors of the Target Company shall require a simple majority of votes cast by the directors at such meeting.

Shareholders' meeting

There are certain reserved matters where the unanimous approval of all the shareholders shall be required, apart from which all other matters shall require a simple majority of votes cast by the shareholders who attend the meeting and are entitled to vote.

Dividend policy

If there are any net profits (after taxation) of the Target Company for any financial year, the board of directors of the Target Company shall pass such resolution(s) necessary to declare that no less than 30% of such net profits (after taxation) of the Target Company for such financial year be distributed by way of dividend to the shareholders, unless otherwise agreed in writing between all shareholders of the Target Company. In addition and without prejudice to the aforementioned, taking into consideration the operations, performance, capital expenditure needs and working capital requirements of the Target Company, the board of directors of the Target Company may from time to time determine and authorise any other distribution to the shareholders at a time and of an amount they think fit, provided that the board of directors of the Target Company is satisfied that immediately after the distribution, the value of the Target Company's assets will exceed its liabilities and the Target Company will be able to pay its debts as they fall due.

GENERAL INFORMATION

The Purchaser and the Group

The Purchaser is a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

The Group is principally engaged in (i) the provision of property management and related services; and (ii) properties investment.

The Vendor

The Vendor is a Hong Kong citizen and a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Vendor is an Independent Third Party.

The Target Company

The Target Company is principally engaged in the provision of security services in Hong Kong with Type I security company licence issued by the Security and Guarding Services Industry Authority of Hong Kong under Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong) for the provision of security guarding services. The Target Company is a subcontractor of the Group providing security services to the Group. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Target Company is an Independent Third Party.

As at the date of this announcement and immediately prior to Completion, the Target Company is wholly-owned by the Vendor.

Financial information of the Target Company

The financial information of the Target Company for the financial years ended 31 March 2025 and 2026 is set out below:

	For the year ended 31 March	
	2026	**2025**
	(audited)	**(audited)**
	HK$	*HK$*
Revenue	83,850,202	54,040,629
Profit for the year (before tax)	9,221,976	3,760,234
Profit for the year (after tax)	7,866,846	3,307,709

The audited net asset value of the Target Company as at 31 March 2026 was approximately HK$12,606,667.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the provision of property management and related services; and (ii) properties investment. The Purchaser is a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company.

As disclosed in the annual report of the Company for the year ended 31 March 2026, the Company was of the view that the general property market in Hong Kong was in an expansion phase with public opinion voices concern over the housing stock production and the speeding up of the completion of construction of properties in the near future was expected to solve the demand on housing. Accordingly, the Directors intended to further develop the Group's property management business and expand its market presence. The Directors consider that the Acquisition is consistent with such strategy as the security services provided by the Target Company are complementary to the Group's existing property management business.

The Acquisition represents an effort of the Company to further develop its existing property management and related services business and is in line with the overall business development strategy of the Company taking into account: (i) the business of the Target Company is closely aligned with that of the Group and is expected to generate synergies through closer cooperation in the provision of security and related services; and (ii) the recent financial performance of the Target Company. In particular, the revenue of the Target Company increased from approximately HK$54.0 million for the year ended 31 March 2025 to approximately HK$83.9 million for the year ended 31 March 2026, while its profit before taxation increased from approximately HK$3.8 million for the year ended 31 March 2025 to approximately HK$9.2 million for the year ended 31 March 2026. The Directors consider that the acquisition of a 30% interest of the Target Company allows the Group to participate in the future development and financial performance of the Target Company without acquiring a controlling interest.

Although the Purchaser will hold a minority interest in the Target Company, under the Shareholders' Agreement, the Purchaser shall have the right to nominate one director to the board of the Target Company and will have consent rights over certain reserved matters, as well as information and inspection rights. The Directors consider that these arrangements provide reasonable protection for the Group's investment in the Target Company.

The Directors consider that the Acquisition is in line with the Group's overall business strategy and represents an opportunity for the Company to participate in the future development of the Target Company and to complement its current business operations. On this basis, the Directors consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Chapter 19 of the GEM Listing Rules) in respect of the Acquisition is higher than 5% but less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules, subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement
"Board"	the board of Directors
"Business Day(s)"	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Kong Shum Smart Management Group (Holdings) Limited (Stock Code: 8181), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8181)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date on which Completion shall take place, being a date falling within five (5) Business Days after the date of the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may mutually agree in writing
"connected person(s)"	has the meaning given to it under the GEM Listing Rules
"Consideration"	the purchase price of HK$14,000,000
"Director(s)"	the director(s) of the Company
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollar(s), 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)"	third party(ies) independent of and not connected with the Company and its connected persons in accordance with the GEM Listing Rules
"Promissory Note"	the promissory note to be issued by the Purchaser to the Vendor on Completion in the principal amount of HK$7,000,000
"Purchaser"	Yorkshire (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Sale and Purchase Agreement"	the sale and purchase agreement dated 20 November 2026 and entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Sale Shares
"Sale Shares"	30 ordinary shares of the Target Company, representing 30% of the total number of issued shares of the Target Company
"Share(s)"	the share(s) of HK$0.01 each in the capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shareholders' Agreement"	the shareholders' agreement to be entered into among the Vendor (as majority shareholder), the Purchaser (as minority shareholder) and the Target Company on the Completion Date to define and regulate their respective rights and obligations in respect of the Target Company upon Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Goldfield Services Limited (金輝服務有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by the Vendor immediately prior to the Completion
"US$"	United States dollar, the lawful currency of the United States of America
"Valuation"	the valuation conducted by the Valuer in respect of 30% interest in the Target Company as at the Valuation Date
"Valuation Date"	31 July 2026

"Valuer"	Peak Vision Appraisals Limited, an independent qualified professional valuer
"Vendor"	Leung Wing Fai
"%"	per cent.

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

Hong Kong, 20 November 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 Frank Pun Yuen, 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 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 "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.