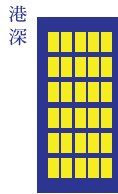


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## **Kong Shum Union Property Management (Holding) Limited**

**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)**

### **LETTER OF INTENT**

#### **IN RESPECT OF PROPOSED SUBSCRIPTION OF NEW SHARES AND/OR PROPOSED SUBSCRIPTION OF CONVERTIBLE NOTES IN IMC**

The Board is pleased to announce that on 10 July 2015 (after trading hours of the Stock Exchange), the Company and IMC entered into a non-legally binding LOI in respect of the proposed subscription(s) of the Subscription Shares and/or the Convertible Notes in IMC.

**The Board wishes to emphasise that the LOI is not legally binding and may or may not lead to the entering into of any definitive agreement(s) and the transactions contemplated thereunder may or may not be consummated. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

**The Proposed Investment, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.**

This announcement is made by the Company on a voluntary basis.

#### **THE LOI**

The Board is pleased to announce that on 10 July 2015 (after trading hours of the Stock Exchange), the Company and IMC entered into the LOI (the “**Proposed Investment**”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, IMC is a company incorporated in Hong Kong which together with its beneficial owner(s) are Independent Third Parties.

## **PRINCIPAL TERMS OF THE LOI**

### **1. Subject Company**

IMC is incorporated in Hong Kong and is a private high-tech and export enterprise focuses on the research and development, production and marketing of digital products with overseas distribution network. IMC also operates various cross border e-commerce platforms, with its own online branding and websites.

### **2. Subscription(s) of Subscription Shares and Convertible Notes in IMC**

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

### **3. Arrangement for Due Diligence**

After execution of the LOI, the Company is entitled to conduct due diligence investigation in respect of the legal, financial and business status of IMC and each of its subsidiaries.

### **4. Signing of Shareholders’ Agreement**

Upon completion of the Proposed Investment, all shareholders of IMC (including the Company, or its nominees) will enter into a shareholders’ agreement in a form to the satisfaction of and approved by the Company.

### **5. Exclusive Right**

After signing of the LOI and pending execution of the definitive agreements in respect of the Proposed Investment, IMC agrees that it shall not negotiate with any other party for the sale and purchase of shares or issue of any new shares or convertible notes of IMC or any of its subsidiaries and associated companies within two months from the date of the LOI (or such other period as agreed by the parties).

## **6. Definitive Agreements**

The parties should negotiate in good faith for entering into definitive agreement(s) in respect of the Proposed Investment within two months from the date of the LOI (or such other period as agreed by the parties). The LOI shall have no effect if no definitive agreements have been entered into between the parties within two months from the date of the LOI.

## **7. Consideration**

The total consideration for the proposed subscription(s) of the Subscription Shares and/or Convertible Notes and the manner of payment shall be further negotiated between the parties on arm's length basis and be determined with reference to, among other things, the valuation of IMC prepared by an independent third party valuation company.

## **8. Profit Guarantee**

IMC shall provide a profit guarantee in favour of the Company or its nominees in an amount to be further negotiated and agreed between the parties (the "**Guaranteed Profit**"). If the profit of IMC for each of the years ending 2015 and 2016 is less than the Guaranteed Profit, IMC shall compensate the Company for the damages in an amount to be further negotiated between the parties.

## **9. Non-legally binding effect**

The LOI was intended to serve as a platform for further negotiations between the parties to the LOI and was not intended to be legally binding on the relevant parties (save for the provisions headed "*Due Diligence*", "*Exclusive Right*", "*Confidentiality*" and "*Jurisdiction*" in the LOI).

**The Board wishes to emphasise that the LOI is not legally binding and may or may not lead to the entering into of any definitive agreement(s) and the transactions contemplated thereunder may or may not be consummated. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Proposed Investment, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.**

## DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	Kong Shum Union Property Management (Holding) Limited, incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IMC”	IMC International Manufacturing Corporation Limited, incorporated in Hong Kong with limited liability
“Independent Third Party(ies)”	third party(ies) who is(are) not a connected person(s) of the Company and is(are) independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“LOI”	the non-legally binding letter of intent entered into between the Company and IMC on 10 July 2015 in relation to the proposed subscription(s) of the Subscription Shares and/or Convertible Notes in IMC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 10 July 2015

As at the date of this announcement, the Board comprises:

- (1) Mr. Liu Dan (*Chairman and Chief Executive Officer*), as an executive Director;
- (2) Mr. Ho Ying Choi, as an executive Director;
- (3) Mr. Shen Ka Yip, Timothy, as an executive Director;
- (4) Ms. Lai Sze Yau, Vivien, as an executive Director;
- (5) Mr. Shum Lok To, as a non-executive Director;
- (6) Mr. Bai Jin Rong, as an independent non-executive Director;
- (7) Mr. Chow Siu Lui, as an independent non-executive Director; and
- (8) Mr. Tso Siu Lun, Alan, as an independent non-executive Director.

*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 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 website of the Company at <http://www.kongshum.com.hk>.*