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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 INVESTMENT IN**  
**MARCO POLO E-COMMERCE (HOLDING) LIMITED**

The Board is pleased to announce that on 4 March 2015 (after trading hours of the Stock Exchange), the Company and Mr. Chang entered into a non-legally binding LOI in respect of the Proposed Investment in Marco Polo E-Commerce.

**The Board wishes to emphasise that no legally binding agreement in relation to the Proposed Investment has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the Proposed Investment may or may not proceed and are advised to exercise caution when dealing in the shares of the Company. If the Proposed Investment materializes, it may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement in respect of the Proposed Investment 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 4 March 2015 (after trading hours of the Stock Exchange), the Company and Mr. Chang entered into a non-legally binding LOI in respect of the Proposed Investment.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Chang is an individual who is an Independent Third Party.

## **PRINCIPAL TERMS OF THE LOI**

### **1. Subject Company**

A special purpose vehicle company (the “**Subject Company**”) is to be incorporated by Mr. Chang for holding of his entire 76% shareholding interest in Marco Polo E-Commerce.

As at the date of this announcement, Marco Polo E-Commerce owns 23.24% equity interest in UCO, which in turn owns 36% equity interest in Hangzhou You-yue and the entire equity interest in Hangzhou Ning-jiu-wei. UCO is an e-commerce service provider, providing services linking a number of international cosmetic brands with internet trading platforms on a business-to-customers (B2C) basis and related services.

The Company intends to subscribe for certain new shares in the Subject Company (the “**Proposed Share Subscription**”) and purchase certain existing shares in the Subject Company from Mr. Chang (the “**Proposed Share Purchase**”) to the effect that upon Completion, the Company shall own not more than 50% shareholding interest of the Subject Company and the remaining shareholding interest shall be owned by Mr. Chang.

### **2. Proposed increase of shareholding interest of the Subject Company in Marco Polo E-Commerce and UCO**

It is proposed that the Subject Company’s shareholding in Marco Polo E-Commerce shall increase from 76% to at least 80% before Completion. Pursuant to the LOI, upon Completion, the Company shall own not more than 40% of the effective interest in Marco Polo E-Commerce through its shareholding in the Subject Company.

It is further proposed the Marco Polo E-Commerce’s equity interest in UCO shall increase from 23.24% to at least 30% as soon as possible after Completion.

### **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 the Subject Company, Marco Polo E-Commerce, UCO, Hangzhou You-yue and Hangzhou Ning-jiu-wei.

### **4. Exclusive Right**

After signing of the LOI and pending execution of definitive agreements, Mr. Chang shall not negotiate with any other party for the sale and purchase of Marco Polo E-Commerce or any of its subsidiaries and associated companies within two months from the date of the LOI, except for the need of offshore re-structuring of shareholders of UCO for the purpose of UCO listing in public stock market (the “**UCO Listing**”).

## **5. Definitive Agreements**

The terms of the definitive agreements are subject to further negotiation between the parties. In the case that the Proposed Investment proceeded, the parties should negotiate in good faith the terms of definitive agreements within two months from the date of the LOI in relation to the Proposed Share Subscription and the Proposed Share Purchase. 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.

## **6. Consideration**

The total consideration for the Proposed Share Subscription and the Proposed Share Purchase 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 Marco Polo E-Commerce prepared by an independent third party valuation company, the historical after-tax profit of UCO and the price-to-earnings ratio of other companies engaged in similar business of UCO.

## **7. 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).

To the best of the Directors' knowledge, information and belief, the UCO Listing may or may not proceed.

**The Board wishes to emphasise that no legally binding agreement in relation to the Proposed Investment has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the Proposed Investment may or may not proceed and are advised to exercise caution when dealing in the shares of the Company. If the Proposed Investment materializes, it may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement in respect of the Proposed Investment 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
“Completion”	the completion of the Proposed Investment
“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
“Hangzhou Ning-jiu-wei”	杭州寧久微貿易有限公司 (Hangzhou Ning-jiu-wei Trading Company Limited*), a company incorporated in the PRC with limited liability
“Hangzhou You-yue”	杭州悠悅品牌管理有限公司 (Hangzhou You-yue Brand Management Company Limited*), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party who is not a connected person of the Company and is 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 Mr. Chang on 4 March 2015 in relation to the Proposed Investment
“Marco Polo E-Commerce”	Marco Polo E-Commerce (Holding) Limited, incorporated in Hong Kong with limited liability
“Mr. Chang”	Mr. Chang Che Hang
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Investment”	the proposed investment by the Company of not more than 40% of the effective interest in Marco Polo E-Commerce by way of the Proposed Share Subscription and Proposed Share Purchase as contemplated in the LOI

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“UCO”

杭州悠可化妝品有限公司, a company incorporated in the PRC with limited liability

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

Hong Kong, 4 March 2015

\* *For identification purposes only*

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

- (1) Mr. Ho Ying Choi, as an executive Director;
- (2) Mr. Liu Dan, 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest 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>.*