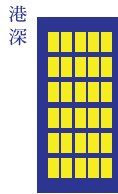


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## **Kong Shum Union Property Management (Holding) Limited**

**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 PROPOSED SUBSCRIPTION OF CONVERTIBLE NOTES IN Q INTERNATIONAL HOLDINGS LIMITED**

The Board is pleased to announce that on 26 March 2015 (after trading hours of the Stock Exchange), the Company and Q International entered into a non-legally binding LOI in respect of the proposed subscription of Subscription Shares and Convertible Notes in Q International.

**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 26 March 2015 (after trading hours of the Stock Exchange), the Company and Q International entered into a non-legally binding LOI in respect of the proposed subscription of Subscription Shares and Convertible Notes in Q International (the “**Proposed Investment**”).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Q International is a company incorporated in BVI which is an Independent Third Party.

## **PRINCIPAL TERMS OF THE LOI**

### **1. Subject Company**

Q International is incorporated in BVI and engages in the business of payment solutions through its operating subsidiaries in Hong Kong and the PRC. As warranted and represented by Q International, Q International is a certified enterprise partner to Tencent Group. It receives commissions including distribution fees, transaction fees and residual value sharing through the distribution of prepaid cards of Tencent Group. As warranted and represented by Q International, Q International also operates the overseas Quick Response (QR) payment gateway of Tencent Group's one-stop online payment platform "Tenpay".

### **2. Subscriptions of Subscription Shares and Convertible Notes in Q International**

Subject to further negotiation between the Company and Q International, the Company (or its nominees) will subscribe for such number of new shares of Q International (the "**Subscription Shares**") and such number of convertible notes (the "**Convertible Notes**") which are convertible into new shares of Q International (the "**Conversion Shares**") to the effect that, upon completion of the subscriptions of Subscription Shares and the conversion of the Convertible Notes into Conversion Shares, the Company will become the legal and beneficial owner of not more than 51% of the voting rights of Q International (as enlarged as the Subscription Shares and 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 Q International and each of its subsidiaries.

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

Upon completion of the Proposed Investment, all shareholders of Q International (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, Q International 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 Q International or any of its subsidiaries and associated companies within two months from the date of the LOI.

## 6. Definitive Agreements

The parties should negotiate in good faith for entering into two respective definitive agreements in respect of the Proposed Investment within two months from the date of the LOI. 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 subscriptions of the Subscription Shares and 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 Q International prepared by an independent third party valuation company.

## 8. Profit Guarantee

Q International 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 Q International for each of the years ending 2015 and 2016 is less than the Guaranteed Profit, Q International 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
“BVI”	the British Virgin Islands
“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
“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 Q International on 26 March 2015 in relation to the proposed subscriptions of the Subscription Shares and Convertible Notes
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Q International”	Q International Holdings Limited, incorporated in the BVI with limited liability
“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, 26 March 2015

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 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>.*