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## **Harmonic Strait Financial Holdings Limited**

### **和協海峽金融集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 33)

#### **INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION**

The Board is pleased to announce that on 5 February, 2016, the Company entered into the MOU with the Vendor in relation to the possible acquisition of a company which carries on the business of designs, development and implementation of mobile instant lottery system, and distribution of the mobile game-based lottery products in China.

This announcement is made by Harmonic Strait Financial Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 5 February, 2016, (after trading hours), the Company entered into a non-legal binding memorandum of understanding (the “**MOU**”) with the vendor (the “**Vendor**”) which is a third party independent of the Company and its connected persons (as defined under the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to the possible acquisition (the “**Possible Acquisition**”) of the entire issued share capital (the “**Sale Shares**”) of a company (the “**Target Company**”).

The Target Company and its subsidiaries carry on the business of designs, development and implementation of mobile instant lottery system, and distribution of the mobile game-based lottery products in China.

#### **PRINCIPAL TERMS OF THE MOU**

Pursuant to the MOU, the Company shall pay the Vendor a refundable deposit of USD 2 million (equivalent to approximately HK\$ 15.6 million) as earnest money and the Company shall be entitled to conduct the relevant due diligence within a period of 90 business days from the date of the MOU (or such other date as the Vendor and the Company may agree) (the “**Exclusivity Period**”) for considering the potential acquisition of the Vendor’s business, assets and/or interests.

During the Exclusivity Period, the Vendor shall not negotiate or enter into any discussions with any third party in respect of the sale, transfer or assignment of the business, assets and/or interests in the Sale Shares of the Target Company. The Company will perform due diligence review on the Target Company during the Exclusivity Period. Formal agreement will be entered into by the Vendor and the

Company (or its nominee) after the completion of the said due diligence and the deposit paid shall be applied as partial payment of consideration in accordance with the terms of the formal agreement. In the event that the parties cannot reach consensus to enter into the formal agreement, the deposit paid to the Vendor shall be returned to the Company within 7 business days. If the formal agreement cannot be entered by the reason of the Company (except for those arising from listing regulators or regulations), then the Vendor are entitled to forfeit the deposit in full.

Save for certain provisions related to confidentiality, exclusivity, costs and governing law, the other terms of the MOU are not intended to be legally binding.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The Company and its subsidiaries (collectively, the “**Group**”) are currently principally engaged in the credit guarantee and investment business and asset management in the PRC, and trading business in Hong Kong.

In order to enhance the performance of the Group for maximizing returns to the shareholders of the Company, the Group has been actively seeking various investment opportunities. By investing in the Target Company, it is expected that the Group can derive steady revenue stream, and to be benefited from the return of the Target Company and in turn increase the Company’s value and benefit the Company and its shareholders as a whole.

## **GENERAL**

**The Board wishes to emphasize that the Company has not entered into any binding agreement in relation to the Possible Acquisition as at the date of this announcement, and therefore the Possible Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

The Company will make further announcement(s) in respect of the Possible Acquisition as and when appropriate in accordance with the Listing Rules.

By Order of the Board  
**Harmonic Strait Financial Holdings Limited**  
**Tong Nai Kan**  
*Executive Director*

Hong Kong, 5 February, 2016

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tong Nai Kan, Mr. Wong Kwong Sum, Mr. Xie Li and Mr. Zhao Tieliu; one non-executive director, Dr. Wang Edward Xu; and four independent non-executive directors, namely Mr. Cheung Wah Keung, Mr. Anthony Espina, Mr. Zhang Huadi and Mr. Ho Chun Chung, Patrick.*