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SYNERTONE

協同通信集團有限公司

Synertone Communication Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1613)

LETTER OF INTENT IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made by Synertone Communication Corporation (the “**Company**”) pursuant to Rules 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

POSSIBLE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 16 July 2018, the Company, as purchaser, entered into a non-legally binding letter of intent (the “**LOI**”) with 深圳市前海理想金融控股有限公司 (Shenzhen Qianhai Ideal Finance Holdings Limited) (the “**Vendor**”), as vendor, in relation to the possible acquisition in a controlling interest in 深圳市理想電子商務有限公司 (Shenzhen Ideal e-Commerce Limited) (the “**Target Company**”) (the “**Possible Acquisition**”). The Target Company is a financial technology company (Fintech), principally engaging in the provision of online lending platform in China to match prospective borrowers and lenders, with a credit assessment scheme. Under the brand name of “Ideal Treasures”(理想寶), the Target Company earns handling fees from the borrowers upon each successful grant of loans.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected person(s) (as defined in the Listing Rules).

From the date of the signing of the LOI, the Company shall be entitled to carry out due diligence review on business, financial and legal, and other matters in relation to the Target Company. Subject to the results of such due diligence review and further negotiations

between the parties on the price, percentage of shareholdings to acquire, and other terms and conditions, the Company and the Vendor shall enter into a formal and binding agreement in respect of the Possible Acquisition. In addition, under the LOI, the Vendor will not, and will procure the Target Company will not, directly or indirectly, for a period of 90 days commencing from the date of the LOI to (i) solicit, initiate or encourage inquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the Possible Acquisition.

GENERAL

The LOI, save for provisions therein regarding the due diligence review, confidentiality, expenses, exclusivity and governing law, is non-legally binding and does not constitute legally-binding commitment of the parties thereto in respect of the consummation of the Possible Acquisition.

Should the Possible Acquisition materialise, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Board wishes to emphasise that the Possible Acquisition may or may not proceed and that the Company has not entered into any binding agreement in relation to the Possible Acquisition as at the date of this announcement. Since the Possible Acquisition may or may not materialise or eventually be consummated, the shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the securities of the Company.

By order of the Board
Synertone Communication Corporation
Wong Chit On
Chairman and Executive Director

Hong Kong, 16 July 2018

As at the date of this announcement, the executive Directors are Mr. Wong Chit On and Mr. Han Weining; and the independent non-executive Directors are Mr. Lam Ying Hung Andy, Mr. Wang Chen and Ms. Li Mingqi.