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協同通信集團有限公司
Synertone Communication Corporation
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1613)

INSIDE INFORMATION:

UPDATE ON SUBSCRIPTION OF CONVERTIBLE BONDS – TERMINATION OF THE SUBSCRIPTION AGREEMENT

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

Reference is made to the announcements of the Company dated 15 July 2015 and 18 August 2015 (the “**Announcements**”) in relation to, inter alia, the second written demand (the “**Written Demand**”) issued by the Company to the Subscriber for the subscription of the Convertible Bonds in the principal amount of HK\$445,000,000 (the “**Subscription Money**”). Capitalized terms used in this announcement shall have the same meanings as those used and defined in the Announcements unless otherwise defined herein.

As stated in the Announcements, the Subscriber had failed to pay the Subscription Money by 15 August 2015. Despite a further demand made by the Company, no response to the Written Demand was received from the Subscriber. In the above circumstances, the Subscriber has repudiated the Subscription Agreement. After seeking legal advice, the Company has accepted the Subscriber’s repudiation of the Subscription Agreement by way of a letter issued by the Company’s legal adviser to the Subscriber on 31 August 2015, and the Subscription Agreement was thereby terminated. The Company will take all necessary and appropriate actions to recover its loss and damages and will keep its shareholders and the public informed of the relevant updates on this matter by way of further announcement(s) as and when appropriate.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company considers that the Subscriber’s repudiation of the Subscription Agreement and failure to proceed with the subscription of the Convertible Bonds will not have any material adverse impact on the Company’s financial position and business operation. Subject to market conditions, the Board intends to explore alternative ways to raise funds for the Company’s business development plans. Further announcement(s) in this regard will be made by the Company as and when appropriate.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 August 2015

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. Hu Yunlin and Mr. Wang Chen.