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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)

TERMINATION OF THE MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED SUBSCRIPTION OF NEW SHARES

Reference is made to the announcements of the Company dated 10 October 2014 and 10 April 2015 in relation to the Proposed Subscription (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise stated.

On 10 October 2014, the Company and Mr. Wong entered into the MOU (which is legally binding) with the Investor, pursuant to which the Company intended to allot and issue, and the Investor intended to subscribe new Shares (which shall not be more than 6% of the issued share capital of the Company as enlarged by the Proposed Subscription) at the Subscription Price of HK\$0.6779 per Subscription Share to be satisfied in cash. Completion of the Proposed Subscription is conditional upon the Investor being satisfied, within 240 days after the date of MOU, at the Investor’s sole discretion, with the results of its due diligence review on the Company.

As the Due Diligence Period was expired on 6 June 2015 and the Company and the Investor have not reached an agreement for further extension, the MOU was terminated on 6 June 2015.

The Board considers that the termination of the MOU would not have any material adverse effect on the existing business operation and financial position of the Group.

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

Shenzhen, the People’s Republic of China
8 June 2015

As at the date hereof, 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. Cai Youliang.