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SYNERTONE
SYNERTONE COMMUNICATION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1613)

CLARIFICATION ANNOUNCEMENT
AND
RESUMPTION OF TRADING

Reference is made to the announcement dated 10 November 2013 made by the Company (the “Announcement”) in respect of the conditional subscription agreement concerning subscription for the Convertible Bonds in the principal amount of HK\$500,000,000 in tranches (the “Subscription Agreement”).

Capitalized terms used in this announcement shall have the same meanings as those used and defined in the Announcement, unless otherwise defined herein.

It is mentioned in the Announcement that in the event the General Mandate shall become insufficient, an EGM shall be convened to pass the necessary resolution(s) approving the refreshment of the General Mandate or the grant of a specific mandate to the Board for the issue and allotment of the Conversion Shares.

The General Mandate was granted by the Company at the annual general meeting of the Company held on 22 August 2013, which granted to the Directors power to issue securities up to 20% of the Company’s issued share capital as at the date of the said annual general meeting. As the General Mandate shall not be sufficient, the Company would like to clarify that it will seek for a specific mandate from the Shareholders and convene an EGM to pass the necessary resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder including the issue of the Convertible Bonds and the Conversion Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no Shareholder had an interest in the Subscription Agreement that was materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting on the necessary resolution(s) to be proposed at the EGM to approve the transactions contemplated under the Subscription Agreement.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder including the grant of a specific mandate; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 am on Monday, 11 November 2013 pending the release of an announcement to clarify some issues on the subscription of the Convertible Bonds.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 am on 12 November 2013 following the publication of this announcement.

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares.

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ISSUE TO BE CLARIFIED

As disclosed in the Announcement, the Company and the Subscriber entered into the Subscription Agreement which is subject to and conditional upon a number of conditions precedent including, if required, the passing by the Shareholders at an EGM of the necessary resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the Conversion Shares). Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue and

the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$500,000,000 in tranches in accordance with the written demand(s) by the Company to be made within 2 years from the Completion Date. Upon exercise of the conversion rights under the Convertible Bonds in full prior to the maturity date, i.e. 5 years from the date of issue, a total of 250,000,000 Conversion Shares will be issued, representing approximately 19.78% of the existing issued share capital of the Company and approximately 16.51% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

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The General Mandate was granted by the Company at the annual general meeting of the Company held on 22 August 2013, which granted to the Directors power to issue securities up to 20% of the Company's issued share capital as at the date of the said annual general meeting. As the General Mandate shall not be sufficient, the Company would like to clarify that it will seek for a specific mandate from the Shareholders and convene an EGM to pass the necessary resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder including the issue of the Convertible Bonds and the Conversion Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no Shareholder had an interest in the Subscription Agreement that was materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting on the necessary resolution(s) to be proposed at the EGM to approve the transactions contemplated under the Subscription Agreement.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder including the grant of a specific mandate; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

GENERAL

Completion of the subscription of the Convertible Bonds is subject to the satisfaction and/or waiver of the conditions precedent in the Subscription Agreement.

Except as stated above, all the information in the Announcement remains unchanged.

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares

By Order of the Board of
Synertone Communication Corporation
Lam Mei Shan
Company Secretary

Hong Kong, 11 November 2013

As at the date of this announcement, the executive directors are Mr. Wong Chit On, Mr. Lu Zhijie, Mr. Han Weining and Mr. Zhang Jinbing, and the independent non-executive directors are Mr. Lam Ying Hung Andy, Mr. Hu Yunlin and Mr. Cai Youliang.