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**SYNERTONE**

**SYNERTONE COMMUNICATION CORPORATION**

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

**(Stock Code: 01613)**

**CONVERSION OF CONVERTIBLE BONDS**

On 3 December 2014, the Company received a notice from the Subscriber in respect of the exercise of the conversion rights attached to the Convertible Bonds to convert an aggregate of HK\$50,000,000 of the principal amount of the Convertible Bonds. Accordingly, the Company has allotted and issued a total of 125,000,000 Conversion Shares to the Subscriber on 5 December 2014 at the Conversion Price of HK\$0.40 per Conversion Share.

References are made to the announcements of Synertone Communication Corporation (the “**Company**”) dated 10 November 2013, 11 November 2013, 15 January 2014, 21 February 2014 and 5 November 2014 respectively (the “**Announcements**”) and the circular of the Company dated 19 December 2013 (the “**Circular**”) in relation to, inter alia, the issuance of the Convertible Bonds. Capitalized terms used in this announcement shall have the same meanings as those used and defined in the Circular unless otherwise defined herein.

**CONVERSION OF CONVERTIBLE BONDS**

Details of the Convertible Bonds have been disclosed in the Announcements and the Circular.

On 3 December 2014, the Company received a notice from the Subscriber in respect of the exercise of the conversion rights attached to the Convertible Bonds to convert an aggregate of HK\$50,000,000 of the principal amount of the Convertible Bonds. Accordingly, the Company has allotted and issued a total of 125,000,000 Conversion Shares to the Subscriber on 5 December 2014 at the Conversion Price of HK\$0.40 per Conversion Share. The issued share capital of the Company has been increased to 6,445,000,000 Shares upon allotment and issue of the 125,000,000 Conversion Shares.

The 125,000,000 Conversion Shares represent approximately 1.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the allotment and issue of the 125,000,000 Conversion Shares; and (ii) immediately after the allotment and issue of the 125,000,000 Conversion Shares is set out below:

	Immediately before the allotment and issue of the 125,000,000 Conversion Shares		Immediately after the allotment and issue of the 125,000,000 Conversion Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Non-public Shareholders</b>				
Mr. Wong Chit On and Excel Time Investments Limited ("Excel Time") (Note 1)	2,483,000,000	39.29	2,483,000,000	38.52
Mr. Zhang Xuebin (Note 2)	5,000,000	0.08	5,000,000	0.08
Mr. Hu Yunlin (Note 3)	<u>20,000,000</u>	<u>0.32</u>	<u>20,000,000</u>	<u>0.31</u>
Sub-total	<u>2,508,000,000</u>	<u>39.69</u>	<u>2,508,000,000</u>	<u>38.91</u>
<b>Public Shareholders</b>				
The Subscriber	—	—	125,000,000	1.94
Other public Shareholders	<u>3,812,000,000</u>	<u>60.31</u>	<u>3,812,000,000</u>	<u>59.15</u>
Sub-total	<u>3,812,000,000</u>	<u>60.31</u>	<u>3,937,000,000</u>	<u>61.09</u>
Total	<u><u>6,320,000,000</u></u>	<u><u>100.00</u></u>	<u><u>6,445,000,000</u></u>	<u><u>100.00</u></u>

Notes:

- (1) Mr. Wong Chit On ("Mr. Wong") is an executive Director and is the beneficial owner of all the issued share capital of Excel Time which holds 2,483,000,000 Shares as at the date of this announcement. Therefore, Mr. Wong is deemed, or taken to be, interested in all the Shares which are beneficially owned by Excel Time for the purposes of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO"). Being the spouse of Mr. Wong, Ms. Ni Yun Zi is also deemed to be interested in all the Shares which are beneficially owned by Excel Time for the purposes of the SFO.
- (2) Mr. Zhang Xuebin is a non-executive Director.
- (3) Mr. Hu Yunlin is an independent non-executive Director.

For and on behalf of the Board  
Synertone Communication Corporation  
**Wong Chit On**  
*Chairman and Executive Director*

Hong Kong, 5 December 2014

*As at the date of this announcement, the executive directors are Mr. Wong Chit On, Mr. Xia Liangbing, Mr. Han Weining, and Dr. Wang Shaodong; the non-executive director is Mr. Zhang Xuebin and the independent non-executive directors are Mr. Lam Ying Hung Andy, Mr. Hu Yunlin, and Mr. Cai Youliang.*