

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Synertone Communication Corporation, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**SYNERTONE**

**SYNERTONE COMMUNICATION CORPORATION**

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

**(Stock Code: 1613)**

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2014 AGM to be held at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 21 August 2014 at 3:00 p.m. (or any adjournment thereof), is set out on pages 15 to 18 of this circular. A form of proxy for use at 2014 AGM is enclosed with this circular.

Whether or not you intend to attend the 2014 AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2014 AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

23 July 2014

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“2014 AGM”	the annual general meeting of the Company for the year ended 31 March 2014 to be held at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 21 August 2014 at 3:00 p.m., notice of which is set out on pages 15 to 18 of this circular
“Articles of Association”	the articles of association of the Company adopted on 22 March 2012 as amended from time to time
“Company”	Synertone Communication Corporation, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and all of its subsidiaries
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in the ordinary resolution number 6B of the notice of 2014 AGM set out in pages 15 to 18 of this circular
“Latest Practicable Date”	18 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing The Listing of Securities on the Stock Exchange
“Option(s)”	any options granted under the Share Option Scheme
“Record Date”	4:30 p.m. on Friday, 29 August 2014, being the record date for determining entitlements of the Shareholders to the final dividend of HK0.16 cents as referred to in the paragraph headed “Final dividend” in the letter from the board of Directors which is set out on pages 3 to 7 of this circular
“Register”	the register of members of the Company

## DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase up to 10% of the aggregate nominal amount of issued share capital of the Company as at the date of granting the Repurchase Mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company
“Share Registrar”	Tricor Investor Services Limited, being the Hong Kong share registrar and transfer office of the Company at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	at any time means the holder(s) of Shares at that time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Code on Takeovers and Mergers of the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of the Hong Kong Special Administrative Region
“%”	per cent

LETTER FROM THE BOARD OF DIRECTORS



**SYNERTONE**  
**SYNERTONE COMMUNICATION CORPORATION**

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

**(Stock Code: 1613)**

*Directors:*

Wong Chit On  
Han Weining  
Wang Shaodong  
Zhang Xuebin<sup>φ</sup>  
Lam Ying Hung Andy\*  
Hu Yunlin\*  
Cai Youliang\*

*(<sup>φ</sup> Non-executive Director)*

*(\* Independent non-executive Directors)*

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of*

*Business in Hong Kong:*

Unit 4, 16/F  
Emperor Group Centre  
288 Hennessy Road  
Wan Chai  
Hong Kong

23 July 2014

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with the notice of 2014 AGM and more information regarding certain resolutions to be proposed at 2014 AGM, including but not limited to (a) the proposed grant of general mandates to the Directors for the issue and repurchase of Shares; and (b) the proposed re-election of Directors in accordance with the Articles of Association.

## LETTER FROM THE BOARD OF DIRECTORS

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the 2014 AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the Issue Mandate and the Repurchase Mandate.

#### **Issue Mandate**

An ordinary resolution will be proposed at the 2014 AGM to grant a general mandate to the Directors to allot, issue and otherwise deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for the Directors and employees of the Company and/or its subsidiaries or pursuant to any scrip dividend scheme or similar arrangement) up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of granting the Issue Mandate. In addition, a separate ordinary resolution will further be proposed to approve the addition to the Issue Mandate so granted to the Directors any Shares with a nominal amount equal to the Shares repurchased by the Company pursuant to the Repurchase Mandate. The Issue Mandate (if granted) shall continue in force until the next annual general meeting of the Company or any earlier date as referred to in the relevant resolution in the notice of 2014 AGM. The Board would like to state that it has no present intention to issue any new Shares pursuant to the Issue Mandate.

#### **Repurchase Mandate**

An ordinary resolution will be proposed at the 2014 AGM to grant a general mandate to the Directors to repurchase Shares on the Stock Exchange, provided that the aggregate nominal amount of Shares to be purchased shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of granting the Repurchase Mandate. The Repurchase Mandate (if granted) shall continue in force until the next annual general meeting of the Company or any earlier date as referred to in the relevant resolution in the notice of 2014 AGM. The Board would like to state that it has no present intention to purchase any Shares pursuant to the Repurchase Mandate.

An explanatory statement to provide relevant information in respect of the Repurchase Mandate is set out in Appendix I to this circular.

As at the Latest Practicable Date, the aggregate number of Shares in issue was 6,320,000,000. Accordingly, subject to the passing of the resolutions for the approval of the Issue Mandate and Repurchase Mandate and assuming no repurchase or issue of Shares prior to the 2014 AGM, the exercise of the Repurchase Mandate in full would enable the Company to repurchase up to 632,000,000 Shares and the exercise of the Issue Mandate in full would enable the Company to allot, issue and deal with up to 1,264,000,000 Shares.

## LETTER FROM THE BOARD OF DIRECTORS

### RE-ELECTION OF DIRECTORS

According to Article 84 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election. In accordance with the said Article 84, Mr. Wong Chit On, Dr. Wang Shaodong, Mr. Zhang Xuebin and Mr. Lam Ying Hung Andy shall retire from office by rotation at the 2014 AGM. All the retiring Directors, being eligible, will respectively offer themselves for re-election as executive Directors or non-executive Director or independent non-executive Director.

An ordinary resolution will be proposed at the 2014 AGM to re-elect each of Mr. Wong Chit On and Dr. Wang Shaodong as executive Directors, Mr. Zhang Xuebin as non-executive Director and Mr. Lam Ying Hung Andy as independent non-executive Director.

Particulars of each of Mr. Wong Chit On, Dr. Wang Shaodong, Mr. Zhang Xuebin and Mr. Lam Ying Hung Andy required to be disclosed pursuant to Rule 13.74 of the Listing Rules are set out in Appendix II to this circular.

### FINAL DIVIDEND

As stated in the announcement issued by the Company dated 30 June 2014 relating to the annual results of the Group for the year ended 31 March 2014, the Board recommends the payment of final dividend of HK 0.16 cents per Share for the year ended 31 March 2014 to Shareholders whose names appear on the Register on the Record Date. The final dividend is subject to approval by the Shareholders at the 2014 AGM and an ordinary resolution will be proposed to the Shareholders for voting at the 2014 AGM.

### Closure of register of members of the Company

The Register will be closed from Thursday, 28 August 2014 to Friday, 29 August 2014 (both dates inclusive) in order to determine the Shareholders' entitlements to the final dividend, during which no transfer of Shares will be registered.

To qualify for the final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Wednesday, 27 August 2014.

Shareholders whose names appear on the Register on the Record Date, i.e. 4:30 p.m. on Friday, 29 August 2014 will be entitled to the final dividend.

## LETTER FROM THE BOARD OF DIRECTORS

The expected timetable for the final dividend is as follows:

<b>Events</b>	<b>Date</b>
Final dividend ex-entitlement date	Tuesday, 26 August 2014
Latest time for the Shareholders to lodge transfer documents to the Share Registrar in order to qualify for receiving the final dividend	4:30 p.m. on Wednesday, 27 August 2014 (All transfer of Shares accompanied by the relevant Share certificates and transfer form must be lodged with the Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration)
Closure of the Register (to qualify for receiving the final dividend)	Thursday, 28 August 2014 to Friday, 29 August 2014
Record date for final dividend	4:30 p.m. on Friday, 29 August 2014
Upon the Shareholders' approval of the payment of the final dividend at the 2014 AGM, the expected payment date of the final dividend	Thursday, 11 September 2014

### **2014 AGM AND PROXY PROCEDURE**

A notice convening the 2014 AGM for the purpose of considering and, if thought fit, passing the abovementioned ordinary resolutions is set out on pages 15 to 18 of this circular. A form of proxy is enclosed for your use at the 2014 AGM. Shareholders are requested to complete and return the form of proxy to the Share Registrar as soon as possible, but in any event not later than 48 hours before the time appointed for the holding the 2014 AGM or any adjournment thereof. The lodging of a form of proxy will not preclude you from attending the 2014 AGM and voting in person should you so wish.

The 2014 AGM is scheduled to be held at 3:00 p.m. on Thursday, 21 August 2014. Shareholders whose names appear on the Register at the close of business on Wednesday, 20 August 2014 shall have the right to attend and vote at the 2014 AGM. In order for a Shareholder to be eligible to attend and vote at the 2014 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar not later than 4:30 pm on Monday, 18 August 2014.

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided by poll and an announcement will be made by the Company after the 2014 AGM on the results of the 2014 AGM.



## LETTER FROM THE BOARD OF DIRECTORS

### RECOMMENDATIONS

The Directors believe that the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate and the proposed re-election of Directors are in the best interests of the Company. Accordingly, the Directors recommend that you vote in favour of the resolutions to be proposed at the 2014 AGM.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein or this circular as a whole misleading.

### MISCELLANEOUS

In case of any inconsistency between the English version and the Chinese translation of this Circular, the English version shall prevail.

Yours faithfully,  
For and on behalf of the Board of  
**Synertone Communication Corporation**  
**WONG CHIT ON**  
*Chairman and Executive Director*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.*

## **1. LISTING RULES RELATING TO THE REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their securities subject to certain restrictions. All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up. A maximum of 10% of the issued share capital as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,320,000,000 Shares. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the 2014 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 632,000,000 Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing of the relevant resolution.

## **3. REASONS FOR REPURCHASES**

Whilst the Directors do not presently intend to repurchase any Shares immediately, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and the Shareholders as a whole.

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

## **4. FUNDING OF REPURCHASES**

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum of the Company and the Articles of Association, the Listing Rules and the respective applicable laws and regulations of Hong Kong and the Cayman Islands.

## **5. IMPACT OF REPURCHASES**

Based on the audited consolidated financial statements for the year ended 31 March 2014, there might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the

circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **6. DISCLOSURE OF INTERESTS**

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is approved and subsequently exercised, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, nor have any of them undertaken not to do so, if the Repurchase Mandate is approved and subsequently exercised.

## **7. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the respective applicable laws and regulations of Hong Kong and the Cayman Islands.

## **8. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

## **9. TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares by the Company, Shareholders' proportionate interest in the voting rights of the Company increases, such increases will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of its or their shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who will become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Codes.

The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in the amount of Shares held by the public to fall below 25% of the total issued share capital of the Company.

**10. MARKET PRICES**

The highest and lowest closing prices at which the Shares had traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Traded market price per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
August 2013	0.530	0.500
September 2013	1.740	0.500
October 2013	2.640	1.960
November 2013	2.520	2.200
December 2013	2.670	2.350
January 2014	3.600	2.700
February 2014*	0.910	0.640
March 2014	0.800	0.495
April 2014	0.590	0.395
May 2014	0.630	0.530
June 2014	0.550	0.465
July 2014 (up to the Latest Practicable Date)	0.530	0.500

\* 12 February 2014 was the first day of dealings in Shares on an ex-entitlement basis in accordance with the timetable for the bonus issue of as detailed in the Company's circular dated 20 January 2014.

**11. EXTENSION OF ISSUE MANDATE**

A resolution will also be proposed at the 2014 AGM authorising the Directors to increase the maximum number of new Shares which may be issued under the Issue Mandate for the issuance and allotment of additional Shares by adding to it the nominal amount of any Shares repurchased pursuant to the Repurchase Mandate.

The following are the biographical details of the four Directors proposed to be re-elected at the 2014 AGM. Save for the information set out below, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of the following Directors who stand for re-election at the 2014 AGM.

## EXECUTIVE DIRECTORS

### Mr. Wong Chit On (“Mr. Wong”)

Wong Chit On (王浙安), (formerly known as Wang Gang Jun (王鋼軍)) aged 55, is an executive Director, the chairman and the chief executive officer of the Group. He is the founder of the Group and was appointed as a Director in October 2006. He is primarily responsible for overall corporate strategy, management and operation of the Group. Mr. Wong founded the Group in 2001 and has over 14 years of experience in the specialised communication industry. He was an executive director and the chairman of China Public Healthcare (Holding) Limited (中國公共醫療(控股)有限公司) (formerly known as Neolink Cyber Technology (Holding) Limited and Global Resources Development (Holding) Limited (大地資源發展(控股)有限公司)) from 1999 to 2001, a company listed on the Growth Enterprise Market board of the Stock Exchange (Stock Code: 8116). In 2004, Mr. Wong was appointed as an adjunct professor of Harbin Institute of Technology Shenzhen Graduate School (哈爾濱工業大學深圳研究生院). From 2005 to 2009, Mr. Wong served as a committee member of electronics and communications specialist working committee of Shenzhen City Specialist Working Association (深圳市專家工作聯合會). In 2009, Mr. Wong was recognized as one of the “2009 Outstanding and Innovation Entrepreneur in China” (2009中國優秀創新企業家). Mr. Wong was nominated as the standing supervisor of the China Users Association for Communications Broadcasting & Television in December 2010.

Save as disclosed herein, Mr. Wong did not hold any directorship in any other listed companies in the past three years.

Mr. Wong is beneficially interested in 2,450,000,000 shares of the Company held under Excel Time Investments Limited, a company controlled by him, representing approximately 38.8 per cent (%) of the total issued share capital of the Company and is interested in 6,000,000 Options, which carrying right to subscribe for 6,000,000 Shares at the exercise price of HK\$0.5 per Share during the exercise period from 24 December 2015 to 23 December 2018 under the Share Option Scheme as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Mr. Wong was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wong has entered into a service contract with the Company as chairman and executive Director for a term of three years commencing from 18 April 2012. Pursuant to the said service agreement, the current annual salary (inclusive of Director’s fee) payable to Mr.

Wong is HK\$3,100,000 per year and discretionary bonus as may be determined by the Board. The remuneration package of Mr. Wong is determined by his duties and responsibilities within the Group and the remuneration policy of the Company.

**Dr. Wang Shaodong (“Dr. Wang”)**

Dr. Wang Shaodong (王紹東), aged 51, was appointed as an executive Director in December 2013. From 2004 to 2013, Dr. Wang was the chief executive officer of Shenzhen Xinyong Fanglue Investment Management Company Limited (深圳市信永方略投資管理有限公司) mainly responsible for identifying projects for private equity investments and execution of merger and acquisition projects. Since May 2013, Dr. Wang worked as the chief executive officer for China Bright Stone Investment Management Group Limited (中國明石投資管理集團) which is a top leading investment company specialized in fund management, financial advisory and direct investment in listed or non-listed companies in PRC. From 1991 to 1994, Dr. Wang worked as an associate professor and professor in the Chongqing University of PRC (重慶大學). From 2001 to 2004, Mr. Wang was a doctorate supervisor (instructing professor) at Economics at Shandong University of the PRC (山東大學). Dr. Wang obtained his Bachelor of Science Degree from Wuhan University of Technology and Master of Science Degree from Chongqing University in 1982 and 1987 respectively, and the Degree of Doctor of Philosophy from Imperial College of Science, Technology and Medicine, University of London in 1995.

Dr. Wang did not hold any directorship in any other listed companies in the past three years.

Dr. Wang is interested in 6,000,000 Options, which carrying right to subscribe for 6,000,000 Shares at the exercise price of HK\$0.5 per Share during the exercise period from 24 December 2015 to 23 December 2018 under the Share Option Scheme as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Dr. Wang was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Dr. Wang has entered into a service contract with the Company as an executive Director for a term of three years commencing from 20 December 2013. Pursuant to the said service agreement, the current annual salary (inclusive of Director’s fee) payable to Dr. Wang is HK\$340,000 per year and discretionary bonus as may be determined by the Board. The remuneration package of Dr. Wang is determined by his duties and responsibilities within the Group and the remuneration policy of the Company.

**Mr. Zhang Xuebin (“Mr. Zhang”)**

Mr. Zhang Xuebin (張學斌), aged 51, was appointed as an non-executive Director in March 2014. Mr. Zhang was an executive director of Skyworth Digital Holdings Limited (創維數碼控股有限公司), a company listed on the main board of The Stock Exchange of Hong Kong Limited (Stock code: 0751) (“Skyworth”), from January 2005 to March 2013, and acted as the chairman of the board of directors of Skyworth from April 2007 to March 2013. Mr. Zhang was also the chief executive officer of Skyworth from June 2005 to December 2012, and

was the president of the television business unit of Shenzhen Chuangwei-RGB Electronics Co., Ltd. (深圳創維-RGB電子有限公司), a 95% owned subsidiary of Skyworth, from March 2001 to January 2005. During his tenure as the chairman of the board of directors of Skyworth, he was mainly responsible for overseeing the business operations of the Skyworth group and implementing strategies and policies as determined by the board of directors of Skyworth. Before joining Skyworth, Mr. Zhang worked as the general manager for Hainan Coconut Palm Group Company Limited (中國海南椰樹集團有限公司) from March 1991 to February 2001. Prior to working in the financial industry, Mr. Zhang worked in the academic field as a lecturer from July 1986 to February 1991 at Zhongnan University of Economics and Law of the PRC (中南財經大學). Mr. Zhang obtained a bachelor degree in accountancy and a master degree in economics from Zhongnan University of Economics and Law in 1984 and 1986 respectively.

Save as disclosed herein, Mr. Zhang did not hold any directorship in any other listed companies in the past three years.

Mr. Zhang is beneficially interested in 5,000,000 shares of the Company held under the name of a security company, representing approximately 0.08 per cent (%) of the total issued share capital of the Company and is interested in 60,000,000 Options, which carrying right to subscribe for 60,000,000 Shares at the exercise price of HK\$0.5 per Share during the exercise period from 24 December 2015 to 23 December 2018 under the Share Option Scheme as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Mr. Zhang was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Zhang has entered into a letter of appointment with the Company as non-executive Director for a term of three years commencing from 6 March 2014. Mr. Zhang is entitled to a Director's remuneration of HK\$100,000 per year, which is based on the Company's remuneration policy adopted for non-executive Directors.

#### **Mr. Lam Ying Hung Andy (“Mr. Lam”)**

Lam Ying Hung Andy (林英鴻), aged 49, was appointed as an independent non-executive Director in February 2011. Mr. Lam has over 25 years of experience in logistics, accounting, banking and finance industry. Mr. Lam is a fellow of the Association of Chartered Certified Accountants (United Kingdom), a member of the Hong Kong Institute of Company Secretaries, the Institute of Chartered Secretaries and Administrators (United Kingdom) and the Chartered Institute of Bankers. Mr. Lam obtained his postgraduate diploma in corporate administration, master degree of professional accounting and master degree in E-commerce for executives from the Hong Kong Polytechnic University in 1997, 1999 and 2004 respectively. Mr. Lam is currently the managing consultant of Lontreprise Consulting Limited, and has been the finance director and administrative accountant in two logistics companies. Mr. Lam is currently an independent non-executive director of Xingfa Aluminum Holdings Limited (Stock Code: 0098), Sino-Life Group Limited (Stock Code: 8296) and Brilliant Circle Holdings International Limited (Stock Code: 1008), those are companies listed on the Stock Exchange. Mr. Lam was an independent non-executive director of Gamma Logistic Corporation (Stock Code: 8310) for the period from 22 August 2013 to 12 June 2014.



Save as disclosed herein, Mr. Lam did not hold any directorship in any other listed companies in the past three years.

Mr. Lam does not hold any other position with the Company or any of its subsidiaries. Mr. Lam is interested in 6,000,000 Options, which carrying right to subscribe for 6,000,000 Shares at the exercise price of HK\$0.5 per Share during the exercise period from 24 December 2015 to 23 December 2018 under the Share Option Scheme as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Mr. Lam was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Lam has entered into a letter of appointment with the Company as an independent non-executive Director for a term of 3 years commencing from 18 April 2012. Mr. Lam is entitled to a director's remuneration of HK\$100,000 per annum, which is based on the Company's remuneration policy adopted for independent non-executive Directors.



## NOTICE OF AGM



**SYNERTONE**

### **SYNERTONE COMMUNICATION CORPORATION**

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

**(Stock Code: 1613)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Synertone Communication Corporation (the “Company”) will be held at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 21 August 2014 at 3:00 p.m. to transact the following businesses as ordinary resolutions:

1. To receive and approve the audited consolidated financial statements and the reports of the directors and the auditor of the Company for the year ended 31 March 2014;
2. To approve the recommended final dividend of HK 0.16 cents per ordinary share for the year ended 31 March 2014 to those Shareholders whose names appear on the Register on Friday, 29 August 2014;
3. To authorise the board of Directors to fix the remuneration of the Directors;
4. To re-appoint CCIF CPA Limited as the auditor of the Company and to authorise the board of Directors to fix the remuneration of the auditor;
5.
  - (a) to re-elect Mr. Wong Chit On as executive director of the Company;
  - (b) to re-elect Dr. Wang Shaodong as executive director of the Company;
  - (c) to re-elect Mr. Zhang Xuebin as non-executive director of the Company; and
  - (d) to re-elect Mr. Lam Ying Hung Andy as independent non-executive director of the Company.
6. To, as special business, consider and, if thought fit, pass the following resolutions, with or without modifications, as ordinary resolutions:
  - A. **“THAT:**
    - (a) subject to paragraph (b) below in this resolution number 6A, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company in accordance with all the applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Code on Takeovers and Mergers of the Securities and Futures Commission of Hong Kong be and is hereby generally and unconditionally approved;

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- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above in this resolution number 6A shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this resolution “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
  - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution by the Shareholders in general meeting.”

**B. “THAT:**

- (a) subject to sub-paragraph (c) below in this resolution number 6B, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements, options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above in this resolution number 6B shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries and/or other persons of options to subscribe for, or rights to acquire, shares of the Company, (iii) any scrip dividend scheme or similar arrangement providing for allotment of Shares in lieu of the whole or part of any dividend on shares of the Company in accordance with the articles of association of the Company; (iv) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any other securities which are convertible into shares of the Company, or (v) other similar arrangement pursuant to any specific

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authority granted by the Shareholders in general meeting, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the authority pursuant to paragraph (a) above in this resolution number 6B shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting; and

“Rights Issue” means an offer of shares of the Company or its other securities open for a period fixed by the Directors to the Shareholders whose name appear on the Register on a fixed record date in proportion to their then shareholdings in the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong or the expense and delay that may be incurred in the determination of any such restrictions or obligations).”

7. To, as special business, consider and, if thought fit, pass the following resolution, with or without modification, as ordinary resolution:

“**THAT**, conditional upon the passing of resolution numbers 6A and 6B above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to resolution number 6B referred to above be and is hereby extended by adding thereto an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company pursuant to resolution number 6A referred to above (provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution).”

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

Hong Kong, 23 July 2014

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*Notes:*

- (1) For ascertaining the entitlement to the final dividend (if approved), the Register will be closed from Thursday, 28 August 2014 to Friday, 29 August 2014 (both dates inclusive) during which days no transfer of shares will be registered.
- (2) In order to qualify for the final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 27 August 2014.
- (3) A member entitled to attend and vote at the above meeting is entitled to appoint one or if he is a holder of more than one share of the Company, one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (4) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, must be lodged with the Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting convened.
- (5) Concerning the ordinary resolutions set out in resolution number 6B and in resolution number 7 of the above notice, the approval is being sought from members as a general mandate in compliance with the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company.
- (6) Concerning the resolutions set out in resolution number 6A of the above notice, the Directors would like to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in the circular of which this notice of the annual general meeting forms part.
- (7) Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided by poll.
- (8) Where there are joint holders of shares of the Company, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share will alone be entitled to vote in respect thereof.
- (9) In order for a Shareholder to be eligible to attend and vote at the annual general meeting of the Company to be held at 3:00 pm on Thursday, 21 August 2014, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on Monday, 18 August 2014.