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SYNERTONE

Synertone Communication Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 01613)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by Synertone Communication Corporation (the “**Company**”).

Missioned to create a better satellite communication network through sophisticated application of satellite products, the Company has the advanced capability in the network design, research and development, manufacturing, and the system integration for the satellite ground systems.

To further strengthen the current development of the satellite communication business, the Company is aggressively considering the possibility of the construction of the “Synertone 2” communication satellite (the “**Synertone 2**”). Should the plan works out as anticipated, “Synertone 2” would substantially provide more satellite bandwidth resources to the Group for meeting the growing market in the PRC.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 19 June 2014 (after trading hours), Synertone Communication Limited, a wholly-owned subsidiary of the Company, entered into a co-operative memorandum of understanding (the “**CMOU**”) with China Great Wall Industrial (Hong Kong) Corp. Limited (“**Great Wall HK**”), a wholly-owned subsidiary of China Great Wall Industrial Corporation (“**Great Wall Corporation**”) whereby both parties had agreed, inter alia, the following:-

- (1) In respect of the preliminary study in the technical feasibility analysis, master program planning, and the structural design and construction of the “Synertone 2”, the Company will tend to place an order to Great Wall HK for a basket purchase of its services, including the “Synertone 2” and its related launching services, insurance, ground system, and personnel training;
- (2) the Company, being the initiator, will be responsible for the planning and design of the

ground application system for the “Synertone 2”. Great Wall HK, being the principal contractor, will design, build, and deliver the satellite, and provide services of satellite launching and related orbital delivery to the Company;

- (3) Great Wall HK will comment and advise on the satellite application proposal for the “Synertone 2” outlined by the Company under the market conditions at the time being, and also provide the correlated preliminary plan of satellite design and the benchmarking for principal features and properties. Thereafter, Great Wall HK will render the plan of satellite design and the suggestions on the progress of the project implementation upon the finalization of the said application proposal;
- (4) by the provisions of the necessary technological information, Great Wall HK will assist the Company in the formulation of the relevant commercial plans in accordance with the market demands for the “Synertone 2”;
- (5) the Company is responsible and liable to all disputes for damages or torts arising from the failure of coordination in dissolving the conflicts between the contents of the CMOU and any third party or intellectual property authority; and
- (6) based on the above-mentioned division of tasks and steps of protocol between two parties, both parties agree to further discuss the detailed plan of work and the nodes of time progress. The mutual goal is to enter into a contract for the purchase commitments before 30 November 2014.

Great Wall HK is engaged in the merchandising, contracting, developing, importing/exporting, and technological development of relevant electronic products in the commercial satellite industry.

To the best knowledge of the directors of the Company, both Great Wall Corporation and Great Wall HK are independent third parties to the Company and its connected persons. Prior to the date of signing the CMOU, the Company and Great Wall Corporation or Great Wall HK had no relationship in all respects.

The Board will make further voluntary announcement(s) about the updated progress of the CMOU as and when it deems necessary to keep the public informed of the Company’s development into this new area of business.

For and on behalf of the Board
Synertone Communication Corporation
Wong Chit On
Chairman and executive director

Hong Kong, 19 June 2014

As at the date of this announcement, the executive directors are Mr. Wong Chit On, 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.