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SYNERTONE
SYNERTONE COMMUNICATION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1613)

**COMPLETION OF THE SUBSCRIPTION AGREEMENT IN RELATION TO
THE ISSUE OF CONVERTIBLE BONDS**

References are made to the announcements of Synertone Communication Corporation (the “**Company**”) dated 10 November 2013, 11 November 2013, 17 December 2013 and 9 January 2014 respectively and the circular of the Company dated 19 December 2013 (the “**Circular**”) concerning subscription for the Convertible Bonds in the principal amount of HK\$500,000,000 in tranches. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless defined otherwise.

The Board is pleased to announce that all the conditions precedent for the issue of the Convertible Bonds under the Subscription Agreement have been fulfilled and completion of the Subscription Agreement took place on 15 January 2014 (the “**Completion Date**”).

Pursuant to the Subscription Agreement, the Company shall issue and the Subscriber shall 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 two years after the Completion Date.

As at the date of this announcement, no written demand has been made by the Company to the Subscriber for the subscription of Convertible Bonds and hence no Convertible Bonds have been issued yet. Assuming that the Convertible Bonds shall be fully subscribed and based on the initial Conversion Price of HK\$2.00 per Conversion Share, a total of 250,000,000 Conversion Shares will be issued and allotted if the conversion rights attaching to the Convertible Bonds are exercised in full, representing approximately 19.78% of the issued share capital of the Company as at the date of this announcement and approximately

16.51% of the Company's issued share capital as enlarged by the issue and allotment of the Conversion Shares (assuming there is no change in the issued share capital of the Company between the date of this announcement and the date of issue and allotment of the Conversion Shares).

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

Hong Kong, 15 January 2014

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