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SYNERTONE

協同通信集團有限公司

Synertone Communication Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1613)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2017**

Reference is made to the (i) annual report (the “**Annual Report**”) of Synertone Communication Corporation (the “**Company**”) for the year ended 31 March 2017; and (ii) circular of the Company dated 7 March 2016 (the “**Circular**”) and the prospectus of the Company dated 7 April 2016 (the “**Prospectus**”) in relation to the rights issue of 1,674,400,000 rights shares on the basis of one rights share for every one Share held on 6 April 2016 at the subscription price of HK\$0.125 each (the “**Rights Issue**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Annual Report and the Prospectus.

In addition to the information provided in the Annual Report, the Board would like to provide additional information in relation to the use of net proceeds from the Rights Issue as follows:

Intended use	Intended amount allocated as stated in the Prospectus and the Circular	Actual use of proceeds
Proposed acquisition of further equity stakes in the SF Group	HK\$160 million	HK\$117 million was paid as the consideration for further acquisition of 36% equity interest in Sense Field (the “ Acquisition ”). The Acquisition was completed on 30 March 2017 and the total consideration was ultimately lower than the amount allocated for that purpose at HK\$43 million, which was re-allocated for general working capital of the Group, due to (i)

unanticipated foreign exchange rate movement between HK\$ and RMB for the purpose of translating the total consideration from RMB to HK\$; (ii) adjustment to the total consideration following arm's length negotiation between the Group and the Vendors with reference to unaudited management accounts of the SF Group, which were available to the Company after the issue of the Circular; and (iii) the non-fulfilment of profit guarantee in relation to the Acquisition and therefore the Company was not required to pay the Retention Funds of HK\$13 million to the Vendors.

General working capital of the Group HK\$47 million

HK\$90 million (including net proceeds of HK\$43 million originally allocated for the Acquisition), for payment of staff salaries, operating expenses and purchase of raw materials.

The supplementary information provided in this announcement does not affect other information contained in the Annual Report and, save as disclosed above, the contents of the Annual Report remain unchanged.

By order of the Board
Synertone Communication Corporation
Wong Chit On
Chairman and Executive Director

Hong Kong, 19 July 2019

As at the date of this announcement, the executive Directors are Mr. Wong Chit On and Mr. Han Weining; and the independent non-executive Directors are Mr. Lam Ying Hung Andy, Mr. Wang Chen and Ms. Li Mingqi.