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

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**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 in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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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)**

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial Adviser to the Company**



**Diligent Capital Limited**

**Placing Agent**



**Arta Asset Management Limited**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 21 of this circular.

A notice convening the EGM to be held at 5th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 8 May 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. Wednesday, 6 May 2026 at 11:00 a.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

14 April 2026

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## DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 5 March 2026 in relation to, among other things, the Placing
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Director(s)
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“Company”	Synertone Communication Corporation, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1613)
“Completion”	completion of the Placing in accordance with the Placing Agreement
“Completion Date”	the date of Completion
“Conditions Precedent”	condition(s) precedent to Completion as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company to consider, and if thought fit, approve, among other things, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons
“Latest Practicable Date”	Friday, 10 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026 (or such other date as the Company and the Placing Agent may mutually agree in writing)
“Net Proceeds”	net proceeds from the Placing
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the record date of the Rights Issue and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations thereunder, subject to compliance
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement

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## DEFINITIONS

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“Placing Agent”	Arta Asset Management Limited, a licensed corporation (CE No.: AQW828) to carry out Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	placing agreement dated 5 March 2026 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.108 per Placing Share
“Placing Share(s)”	up to 1,000,000,000 new Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement, which will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”
“Previous Announcements”	with respect to all announcements, circulars, quarterly, interim and annual reports issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the announcement of the Company relating to the interim results of the Company for the six months ended 30 September 2025
“Prospectus”	the prospectus dated 30 December 2025 despatched to the Shareholders by the Company containing details of the Rights Issue
“Public Float Requirements”	the public float requirement under Rule 13.32B of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on 30 December 2025 (being the record date of the Rights Issue), other than the Non-Qualifying Shareholder(s)
“Rights Issue”	the proposed issue of the Rights Shares on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the terms and subject to the conditions set out in the Prospectus
“Rights Shares”	Shares intended for issuance and allocation under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be granted by shareholders of the Company at the EGM to allot and issue up to 1,000,000,000 Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as may be amended and supplemented from time to time
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Han Weining  
Mr. You Yiyang

*Non-executive Director:*

Ms. Woodham Mostovaya Ekaterina

*Independent Non-executive Directors:*

Ms. Li Mingqi  
Mr. Xu Wei  
Mr. Xu Dongsen

*Registered office:*

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

*Headquarters, head office and  
principal place of business  
in Hong Kong:*

Room 1012, 10/F  
Tsim Sha Tsui Centre  
66 Mody Road  
Kowloon  
Hong Kong

14 April 2026

*To the Shareholders*

Dear Sir or Madam,

### **PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Placing Agreement and the transactions contemplated thereunder; and (ii) a notice convening the EGM.

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# LETTER FROM THE BOARD

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## THE PLACING

The Board announces that, on 5 March 2026, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 1,000,000,000 Placing Shares to not less than six Placees at the Placing Price of HK\$0.108 per Placing Share on a best effort basis.

### The Placing Agreement

The principal terms and conditions of the Placing Agreement are summarised as follows:

- Date: 5 March 2026
- Parties: (i) the Company; and  
(ii) the Placing Agent.

To the best of the Directors' knowledge, information, and belief, after making all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owner(s) are Independent Third Parties.

### The Placing Agent

The Company appoints the Placing Agent, upon and subject to the terms and conditions of the Placing Agreement, as its placing agent to procure not less than six Placee(s) on a best-effort basis at the Placing Price for the Placing Shares on a best effort basis.

As the agent of the Company, on a best-effort basis, the Placing Agent shall procure Placees, who shall be independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates, during the period from the date of the Placing Agreement up to the Completion Date.

The Placing Agent will take reasonable measures in procuring the Placees during the Placing such that the Company will not fall below the Public Float Requirements immediately after the Placing. Additionally, the Placing Agent will take measures to prevent any Placee from being obliged to make a mandatory general offer to other Shareholders under the Takeovers Code.

### Number of the Placing Shares

Assuming that there are no changes in the total issued share capital of the Company between the Latest Practicable Date and the Completion Date, and that all 1,000,000,000 Placing Shares are successfully placed, the Placing Shares will represent (i) 186.61% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 65.11% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately following the Completion.

The aggregate nominal value of all the Placing Shares will be HK\$100,000,000.

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## LETTER FROM THE BOARD

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### Specific Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the Specific Mandate to be approved by way of ordinary resolution(s) by the Shareholders at the EGM.

### Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will be free of all encumbrance and rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### Placing Price

The Placing Price of HK\$0.108 per Placing Share represents:

- (a) a discount of approximately 31.2% to the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 20.0% to the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on 5 March 2026, being the date of the Placing Agreement;
- (c) a discount of approximately 20.0% to the average closing price of HK\$0.135 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement;
- (d) a discount of approximately 42.6% to the Group's unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$0.188 as at 30 September 2025 (based on a total of 535,864,491 Shares as at the Latest Practicable Date and the Group's unaudited consolidated net asset value of approximately HK\$100,822,000 as at 30 September 2025; and
- (e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 15.05%, which is calculated based on a theoretical diluted price of approximately HK\$0.178 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares quoted on the Stock Exchange on the date of the Placing Agreement of HK\$0.135 per Share; and (ii) the average closing prices of the Shares quoted on the Stock Exchange for the five consecutive trading days preceding the date of the Placing Agreement of HK\$0.135 per Share).

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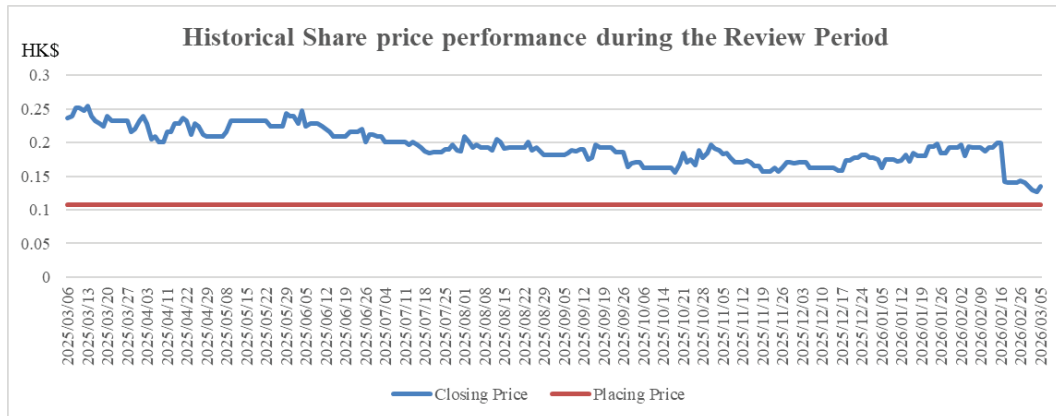
## LETTER FROM THE BOARD

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The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing market price and the recent trading volume of the Shares. When determining the Placing Price, the Directors have considered the following factors:

- (i) the Directors conducted a comprehensive review of the closing price movements of the Shares listed on the Stock Exchange, covering the period from 6 March 2025 to 5 March 2026 (the “**Review Period**”), which is one year before the date of Placing Agreement. The Directors believe that this one-year timeframe effectively captures the prevailing market sentiment and it captures sufficient market data to reflect both stable and volatile periods, ensuring that the Placing Price is determined based on a comprehensive analysis rather than short-term fluctuations. This duration aligns with recent market trends and price fluctuations, providing a reliable representation of market attitudes toward the Shares. The chart below shows the movement of the closing Share Price during the Review Period.

During the Review Period, the Shares listed on the Stock Exchange reached a peak closing price of HK\$0.255 on 13 March 2025, while the lowest closing price was recorded at HK\$0.127 on 4 March 2026. The Directors observed a continuous downward trend in the closing share price beginning in June 2025. The Directors do not identify any specific reasons for the fluctuations observed during the Review Period.



Furthermore, the Directors considered that the significant fluctuations in Share price since 16 February 2025, being the trading day immediately after the issuance of results announcement of the Rights Issue creates considerable uncertainty in pricing, complicating efforts for Shareholders to accurately assess the fair value of their Shares through fundamental analysis.

In these situations, Shareholders may expect higher returns as compensation for the increased risks involved. The Directors understand that this volatility creates significant challenges in determining the fair value of shares, which in turn leads to a discount in the Placing Price. This strategy aims to encourage the Placees to subscribe the Placing Shares.

## LETTER FROM THE BOARD

- (ii) the Directors conducted a review of the trading volume and liquidity of the Shares during the Review Period. Set out below is the table showing (i) the monthly trading volume of the Shares; (ii) the number of trading days of each month; (iii) the average daily trading volume of the Shares; and (iv) the percentage of the average daily trading volume of the Shares to the total issued Shares at the end of each month during the Review Period:

Month	Monthly trading volume of the Shares (Shares)	Number of trading days in the month (days)	Average daily trading volume of the Shares in the month (Shares) (Note 1)	Approximate percentage of average daily trading volume of the Shares to total number of Shares (Note 2)
From 6 March 2025 to				
31 March 2025	30,641,781	18	1,702,321.17	0.38%
April 2025	3,586,897	19	188,784.05	0.04%
May 2025	11,168,404	20	558,420.20	0.12%
June 2025	1,884,637	21	89,744.62	0.02%
July 2025	7,912,765	22	359,671.14	0.08%
August 2025	6,831,818	21	325,324.67	0.07%
September 2025	9,700,052	22	440,911.45	0.10%
October 2025	24,170,760	20	1,208,538.00	0.27%
November 2025	3,482,903	20	174,145.15	0.04%
December 2025	1,365,404	21	65,019.24	0.01%
January 2026	15,068,352	21	717,540.57	0.16%
February 2026	86,152,937	17	5,067,819.82	0.95%
From 1 March 2026 to				
5 March 2026	3,469,248	4	867,312.00	0.16%

Source: Website of the Stock Exchange

Notes:

- Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/ period.
- Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

During the Review Period, the monthly trading volume of the Shares varied significantly. It ranged from a low of 1,365,404 Shares traded in December 2025 to a peak of 86,152,937 Shares traded in February 2026. This represents approximately 0.01% of the total issued Shares for the lowest volume and approximately 0.95% for the highest volume.

## LETTER FROM THE BOARD

Based on the observations presented, the Directors have determined that the low trading volume may pose challenges for Shareholders in selling their Shares on time and at a more favourable price. Furthermore, the Company may encounter difficulties in raising equity funds from external parties without necessitating a discount to the current Share price. As a result, the Directors believe that the limited liquidity of the Shares observed during the Review Period suggests the potential for a discount to the current Share price to encourage the Placees to subscribe the Placing Shares.

- (iii) the Directors identified an exhaustive list of 9 cases of placing under specific mandate conducted by companies listed on the Stock Exchange (the “**Comparables**”) using information available from the Stock Exchange’s website, which was done on a best-effort basis. The criteria for selecting these Comparables were as follows:
- (a) the companies must be listed on the Stock Exchange; and
  - (b) the proposed placing under specific mandate must have been announced during the Review Period.

The Directors believe that these Comparables serve as a reliable reference for recent placing under specific mandate because a sufficient number of cases occurred within this timeframe, resulting in a reasonable sample size. The table below presents the findings from this analysis.

Date of initial announcement	Company name	Stock code	Premium/(Discount) of placing price over/to the closing share price on the last trading day	Premium/(Discount) of placing price over/to the closing price for the five consecutive trading days immediately preceding the date of the placing agreement (last trading day)	Market Capitalisation (HK\$ million)	Fundraising Scale (HK\$ million)
26/08/2025	Renze Harvest International Limited	1282	(15.80%)	(19.50%)	407.36	296.96
05/09/2025	Prosperity Investment Holdings Limited	310	(10.00%)	(9.09%)	12.11	45.00

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## LETTER FROM THE BOARD

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Date of initial announcement	Company name	Stock code	Premium/(Discount) of placing price over/to the closing share price on the last trading day	Premium/ (Discount) of placing price over/to the closing price for the five consecutive trading days immediately preceding the date of the placing agreement (last trading day)	Market Capitalisation (HK\$ million)	Fundraising Scale (HK\$ million)
09/11/2025	Tai Kam Holdings Limited	8321	(24.53%)	(28.57%)	65.30	26.00
05/12/2025	China Strategic Technology Group Limited	1725	(20.00%)	(20.68%)	422.85	50.40
21/12/2025	Sunshine Oilsands Ltd.	2012	(10.00%)	(17.81%)	228.54	41.14
16/01/2026	China Youran Dairy Group Limited	9858	(8.84%)	(17.89%)	16,738.73	1,173.06
20/01/2026	Virtual Mind Holding Company Limited	1520	(8.60%)	(11.64%)	885.21	51.00
22/01/2026	Smart Fish Wealthlink Holdings Limited	139	(8.57%)	(13.04%)	214.99	39.31

## LETTER FROM THE BOARD

Date of initial announcement	Company name	Stock code	Premium/(Discount) of placing price over/to the closing share price on the last trading day	Premium/(Discount) of placing price over/to the closing price for the five consecutive trading days immediately preceding the date of the placing agreement (last trading day)	Market Capitalisation (HK\$ million)	Fundraising Scale (HK\$ million)
10/02/2026	Prosperity Investment Holdings Limited	310	(16.67%)	(19.79%)	89.44	30.00
		<b>maximum</b>	(8.57%)	(9.09%)		
		<b>average</b>	(13.67%)	(17.56%)		
		<b>median</b>	(10.00%)	(17.89%)		
		<b>minimum</b>	(24.53%)	(28.57%)		
05/03/2026	Synertone Communication Corporation	1613	(20.00%)	(20.00%)	72.34	108.00

The table above presents a detailed overview of the placing prices of the Comparables in relation to their respective closing prices on or before the dates of the last trading day. These prices varied, showing a discount of approximately 24.53% to a discount of approximately 8.57%.

In further examining the placing prices in comparison to the average closing prices over the five trading days before the date of the last trading day, the Directors found that the results showed a comparable range, with the prices varying from a discount of approximately 28.57% to a discount of approximately 9.09%.

As a result, the discount of approximately 20.00% to the closing Share price of HK\$0.135 per Share as quoted on the Stock Exchange on the the date of the Placing Agreement, and the discount of approximately 20.00% to the average closing Share price of HK\$0.135 per Share for the five consecutive trading days immediately preceding the date of the Placing Agreement, fall within the established range of the Comparables.

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## LETTER FROM THE BOARD

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After a thorough review of the Comparables, the Directors determined that the Placing Price was set within an acceptable range. However, although the Placing Price is lower than all closing Share Prices during the Review Period, and the discount used to determine the Placing Price is almost equal to the maximum discount observed among the Comparables, the Directors considered the following additional factors to ensure that the Placing Price remains fair and reasonable:

- (i) the observed high volatility in the closing prices of the Shares, coupled with the limited liquidity during the Review Period, indicates the potential for a discount to the Placing Price. This adjustment could serve to encourage participations from the Placees in the Placing; and
- (ii) the insights provided in the section titled “REASONS FOR THE PLACING AND USE OF PROCEEDS” outlined in this letter.

Considering the factors mentioned above, the Directors believe that the benefits associated with them outweigh the discount applied to the Placing Price. To strike a balance between the Company’s cash flow needs and the interests of its Shareholders, the Company has set a discount to encourage participations in the Placing. As a result, the Directors consider the discount to be fair and reasonable.

Taking into account the estimated expenses for the Placing of approximately HK\$1,400,000, comprising fees, costs, charges, and other related expenses, and assuming the successful placement of all 1,000,000,000 Placing Shares, the net price of each Placing Share will be approximately HK\$0.107 per Placing Share.

### **Placing fee**

In consideration of the services provided by the Placing Agent in relation to the Placing, and provided that the Completion occurs, the Company shall pay the Placing Agent a commission of one (1)% of the aggregate Placing Price for the Placing Shares which the Placing Agent is authorised to deduct from the payment to be made by it to the Company at Completion.

Assuming all 1,000,000,000 Placing Shares are placed, the maximum commission payable by the Company to the Placing Agent will be HK\$1,080,000.

The placing commission under the Placing Agreement was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

### **Conditions Precedent**

The obligations of the Placing Agent and the obligations of the Company are upon the fulfillment of the following conditions:

- (a) the grant by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares being obtained and not subsequently revoked;

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## LETTER FROM THE BOARD

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- (b) the passing of the resolution(s) by the Shareholders of the Company who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate, at the EGM;
- (c) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (d) the Placing Agreement not being terminated pursuant to the terms thereof.

The above Conditions Precedent cannot be waived by any party.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the Conditions Precedent on 30 June 2026 (or such other date as the parties hereto may agree in writing) (“**Long Stop Date**”), but if the Conditions Precedent or any of them shall not be so satisfied by the Long Stop Date, all obligations of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto (save in respect of any antecedent breach of any obligation under the Placing Agreement).

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

### **Completion**

Subject to the fulfilment of all the Conditions Precedent, Completion shall take place on a date falling within five Business Days after the fulfilment of all the Conditions Precedent or such other date as the Company and the Placing Agent may agree in writing.

### **Termination**

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company on the Completion Date upon the occurrence of any of the following events if, in the reasonable opinion of the Placing Agent, the success of the Placing would or might be materially and adversely affected and making it impracticable to proceed:

- (1) there is any change in national, international, financial, exchange control, political, or economic conditions in Hong Kong which, in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations, and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or

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## LETTER FROM THE BOARD

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- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent, would materially and prejudicially affect the Placing or make it inadvisable or inexpedient for the Placing to proceed; or
- (4) the imposition of any moratorium, suspension (for more than seven trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or
- (5) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect, or misleading in any material respect which, in the reasonable opinion of the Placing Agent, would be materially adverse in the consummation of the Placing.

Upon termination of the Placing Agreement, all liabilities of the parties thereto thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

### INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange. Through its subsidiaries, the Group primarily focuses on two areas: (i) providing customers with automation control systems and solutions, and (ii) selling intelligent systems and related products, including video intercoms and surveillance systems designed for residential properties and buildings (the “**Building Intelligence Business**”).

### INFORMATION ON THE PLACING AGENT

The Placing Agent is duly incorporated in Hong Kong and is a licensed corporation (CE No.: AQW828) to carry out Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### REASONS FOR THE PLACING AND USE OF PROCEEDS

Assuming all 1,000,000,000 Placing Shares are successfully placed, the gross proceeds from the Placing will be approximately HK108.0 million. After deducting the estimated expenses associated with the Placing, the net proceeds from the Placing are expected to be approximately HK\$106.6 million (the “**Net Proceeds**”). The Company plans to use the Net Proceeds as follows:

- (i) approximately 83.8% of the Net Proceeds, or approximately HK\$89.3 million, will be allocated to meet the genuine needs identified for the expansion of the Group’s Building Intelligence Business; and
- (ii) approximately 16.2% of the Net Proceeds, or approximately HK\$17.3 million, will be allocated for general working capital and general corporate purposes.

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## LETTER FROM THE BOARD

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### Expansion of the Building Intelligence Business

The Board would like to refer to the Company's announcement dated 13 February 2026, regarding the outcome of the Rights Issue. The Board emphasises that the Company secured approximately HK\$10.8 million in net proceeds from the Rights Issue, which will be used for general working capital. However, it is important to note that the Rights Issue experienced undersubscription, and the Unsubscribed Rights Shares were not fully placed. Consequently, the Company was unable to raise the anticipated funds needed to support its business expansion initiatives.

In response to this situation, the Directors have engaged in discussions with the Placing Agent. Following a thorough review of prevailing market conditions, the Group's financial position, and its funding needs for business development, the Directors have decided to proceed with the Placing. This decision includes an adjustment to the Placing Price to attract potential investors and secure the necessary funds for the Company's expansion plans, as outlined in the Prospectus, regarding the Building Intelligence Business.

As disclosed in the Prospectus, the Group plans to relocate production from China to Australia. Currently, production occurs in China with all components sourced from Chinese suppliers, resulting in products labeled "Made in China." However, geopolitical tensions and market access restrictions have created challenges for global sales. To overcome these issues, the Company will leverage its industry expertise and established supply chains to set up production facilities in Australia, ensuring international standards are met.

The Board emphasises that the existing business model will remain largely unchanged, relying on the knowledge gained during operations. The Group has secured a memorandum of understanding with its Chinese supplier for continued support and has collaborated with three Australian companies that will assist with sales and exports.

The Company plans to allocate approximately HK\$89.3 million from Net Proceeds to develop its Building Intelligence Business, with funds distributed as follows:

- (i) approximately HK\$61.9 million for leasing and setting up a new production plant in Australia;
- (ii) approximately HK\$24.5 million for recruiting qualified personnel, including factory workers and engineers; and
- (iii) approximately HK\$2.9 million for expanding the sales and marketing network.

Due to the postponement of development caused by funding shortages, a suitable site for the new facility is expected to be secured by the second quarter of 2026, with production set to commence in the fourth quarter. The funding is projected to be fully utilized within 12 months, and the plan aims for product launch and sales by first half of 2027.

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## LETTER FROM THE BOARD

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### **General working capital and general corporate purposes**

After reviewing the above business expansion plan and considering the potential increase in operating expenses, as well as the Group's financial information for the six months ended 30 September 2025, the Directors have decided to allocate HK\$17.3 million from the Net Proceeds to cover these operating costs, which includes approximately HK\$10.4 million for employee salaries and related expenses, around HK\$1.3 million for legal and professional fees, HK\$2.4 million for rental payments, and approximately HK\$3.2 million for other administrative costs. It is anticipated that this budget will be fully utilised within 12 months following Completion.

### **Other fund-raising alternatives**

Following a thorough evaluation of the Rights Issue, the Board has carefully considered various alternative fundraising methods, including the subscription of new shares, a rights issue, an open offer, bank borrowing, and convertible bonds. After this assessment, the Board has concluded that a Placing represents the most suitable approach for raising additional capital for several key reasons:

- (i) the timing required for placement is generally less than that required for a rights issue or an open offer. In particular, the Board has determined that executing a rights issue or an open offer will take at least two to three months to complete. This time frame is attributed to several important processes, which include but are not limited to (a) preparing and obtaining approval for the circular and listing document as required by the Listing Rules; (b) organising a shareholders' meeting to obtain the necessary shareholders' approvals; (c) facilitating qualifying shareholders participation in the rights issue or open offer; or/and (d) placing any unsubscribed rights shares if the rights issue or open offer is conducted on a non-underwritten basis. As a result, it is evident that the procedures for rights issues or open offers are more time-consuming and resource-intensive than those for a placement. In addition, the financing expenses associated with rights issues or open offers, such as underwriting commission or/and placing commission, prospectus preparation costs, and a range of professional service fees (including legal and financial advisory fees), would likely be incurred, thereby further increasing the overall cost and complexity of such transactions;
- (ii) the Company faces challenges in securing underwriters and/or potential investors, primarily due to the volatility in the closing Share price and low trading volumes, which may create difficulties for investors wishing to sell their shares promptly and at favorable prices;
- (iii) engaging in debt financing may result in increased financial costs and a higher level of gearing, which could place additional financial pressure on the Group;
- (iv) debt financing typically requires the pledge of assets or securities, which may limit the Group's ability to manage and deploy its assets effectively, ultimately reducing operational flexibility; and
- (v) the processes associated with debt financing or approaching potential investors for subscriptions often entail extensive due diligence and negotiations, which can render it uncertain and time-consuming to secure financing at acceptable costs or under favorable terms and conditions.

## LETTER FROM THE BOARD

In light of these considerations, the Board believes that pursuing a Placing is the most advantageous course of action for the Company.

### EFFECTS OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 1,000,000,000 Shares in issue. The table below sets out, for illustration only, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion, assuming that the Placing Agent has placed all the Placing Shares and there are no changes to the total issued share capital of the Company between the Latest Practicable Date and the Completion Date:

	As at the Latest Practicable Date		Immediately after the Completion (Note 3)	
	Number of Shares	Approximately Shareholding percentage	Number of Shares	Approximately Shareholding percentage
Infinity Holding Resources Limited (Note 1)	74,176,000	13.84%	74,176,000	4.83%
Mr. Han Weining and his associated companies	43,414,331	8.10%	43,414,331	2.82%
– Excel Time Investments Limited (Note 2)	11,800,000	2.20%	11,800,000	0.77%
– Hong Kong Able Trillion Enterprise Limited (Note 2)	1,632,000	0.30%	1,632,000	0.11%
Sub-total	56,846,331	10.60%	56,846,331	3.70%
The Placee	–	–	1,000,000,000	65.11%
Public Shareholders	404,842,160	75.56%	404,842,160	26.36%
<b>Total</b>	<b>535,864,491</b>	<b>100.00%</b>	<b>1,535,864,491</b>	<b>100.00%</b>

*Notes:*

- Infinity Holding Resources Limited is a company wholly-owned by Mr. Nan Yu, an Independent Third Party.
- Excel Time Investments Limited (“**Excel Time**”) and Hong Kong Able Trillion Enterprise Limited (“**Able Trillion**”) are both companies that are wholly and beneficially owned by Mr. Han Weining, who serves as an executive Director. By virtue of the SFO, Mr. Han Weining is deemed to be interested in 43,414,331 Shares and 11,800,000 Shares held by Excel Time and Able Trillion, respectively.
- The Placing Shares are anticipated to be allocated to independent third-party Placees who are not acting in concert with, nor are they connected to, any directors, substantial shareholders of the Company, its subsidiaries, or their respective associates. Additionally, none of the Placees will be obliged to make a mandatory general offer to other Shareholders under the Takeovers Code.

The Company and the Placing Agent will take all appropriate measures to ensure that sufficient public float is maintained in compliance with the Public Float Requirements during the Placing and upon the Completion. If the Placing results in a public float that could not be maintained, the Company and/or the Placing Agent will take necessary action to place down the Shares such that sufficient public float could be maintained in compliance with the Public Float Requirements.

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## LETTER FROM THE BOARD

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### EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activities in the past 12 months immediately prior to the Latest Practicable Date:

<b>Date of relevant announcements, circular, and prospectus</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the Latest Practicable Date</b>
30 December 2025, 22 January 2026, and 13 February 2026	Rights Issue	HK\$10.8 million	For general working capital and general corporate purposes	Approximately HK\$612,000

The Directors would like to clarify the Rights Issue detailed in the Prospectus. Initially, the maximum anticipated net proceeds were estimated at approximately HK\$119.3 million. According to the original budget, approximately 74.9% of the net proceeds, totaling approximately HK\$89.3 million, was intended to support the Group's expansion plan, while the remaining approximately 25.1%, totaling approximately HK\$30.0 million, was designated for general working capital and corporate purposes.

The Prospectus also stated that in the event of an undersubscription of the Rights Issue, net proceeds would be allocated proportionately among the specified uses. Unfortunately, due to undersubscription, the actual net proceeds from the Rights Issue were reduced to approximately HK\$10.8 million. As a result of this shortfall, the Directors determined that the Company would be unable to proceed with the aforementioned planned expansion unless additional financing is secured.

As a result, it was decided that the actual net proceeds from the Rights Issue will be allocated to general working capital and corporate purposes. The Company remains committed to exploring alternative financing options to support its expansion objectives. In light of this, on 13 February 2026, the Company formally announced the modification of the intended use of the net proceeds from the Rights Issue. For further details, please refer to the Company's announcement dated 13 February 2026.

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## LETTER FROM THE BOARD

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Below is a table that provides a detailed allocation of the net proceeds from the Rights Issue, including actual utilisation and the remaining unutilised portion, as of the Latest Practicable Date:

<b>Planned use of proceeds from the Rights Issue</b>	<b>Allocation of proceeds from the Rights Issue</b> <i>HK\$'000</i>	<b>Actual use of proceeds from the Rights Issue up to the Latest Practicable Date</b> <i>HK\$'000</i>	<b>Unutilised proceeds from the Rights Issue as of the Latest Practicable Date</b> <i>HK\$'000</i>
Employee salaries and related cost	6,120	467	5,653
Legal and professional fees	2,160	5	2,155
Rental expenses	720	120	600
Other administrative costs	1,800	20	1,780
<b>Total</b>	<b>10,800</b>	<b>612</b>	<b>10,188</b>

Save as the information provided above, the Company has not engaged in any fundraising activities during the 12 months preceding the Latest Practicable Date.

### GENERAL

None of the Directors has a material interest in the Placing Agreement and hence no Director was required to abstain from voting on the Board resolution approving the Placing Agreement.

The Placing is subject to the Shareholders' approval at the EGM. The Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the EGM. No Shareholder was required to abstain from voting on the proposed resolution to approve the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares, at the EGM.

### EGM

The EGM will be held at 5th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong, on Friday, 8 May 2026 at 11:00 a.m. for the purpose of approving, the Placing Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to pages EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith.

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

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## LETTER FROM THE BOARD

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The register of members of the Company will be closed from Tuesday, 5 May 2026 to Friday, 8 May 2026 (both days inclusive) for determine the eligibility of the Shareholders to attend and vote at the EGM. In order to qualify for attendance and voting at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 May 2026. The record date for the purpose of ascertaining Shareholders' right to attend and vote at the EGM will be Friday, 8 May 2026.

In compliance with the Listing Rules, all the resolution to be proposed at the EGM will be voted on by way of poll at the EGM.

### **TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS**

If typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on its website ([www.synertone.net](http://www.synertone.net)) and designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the rescheduled meeting.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm 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 matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

The Directors (including the independent non-executive Directors) consider that the Placing, the Placing Agreement, the allotment and issue of the Placing Shares pursuant to the Specific Mandate and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole and so recommend all Shareholders to vote in favour of the resolution to be proposed at the EGM.

By Order of the Board  
**Synertone Communication Corporation**  
**Han Weining**  
*Executive Director*

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# NOTICE OF EGM

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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)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Synertone Communication Corporation (the “**Company**”) will be held at 5th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 8 May 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

### **ORDINARY RESOLUTION**

1. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

**“THAT:**

- (a) the conditional placing agreement (the “**Placing Agreement**”) dated 5 March 2026 and entered into between the Company as issuer and Arta Asset Management Limited as the placing agent in relation to the placing of up to 1,000,000,000 shares of the Company (the “**Placing Shares**”) at the placing price of HK\$0.108 per Placing Share (a copy of the Placing Agreement) having been produced to the EGM and marked “A” and initialed by the chairman of the EGM for the purpose of identification), and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) be and are hereby approved, confirmed and ratified;
- (b) the board of directors of the Company be and is hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Placing Shares, subject to and in accordance with the terms and conditions of the Placing Agreement; and

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## NOTICE OF EGM

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- (c) any one or more director(s) of the Company (the “**Director(s)**”) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal, where applicable) which he/she/they consider(s) necessary, desirable or expedient to give effect to the Placing Agreement, and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

By Order of the Board  
**Synertone Communication Corporation**  
**Han Weining**  
*Executive Director*

Hong Kong, 14 April 2026

*Registered office:*

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

*Head office and*

*principal place of business*  
*in Hong Kong:*  
Room 1012, 10/F  
Tsim Sha Tsui Centre  
66 Mody Road  
Kowloon, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares of the Company, more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or person authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM or any adjournment thereof.
4. For the purpose of determining members who are qualified for attending and voting at the EGM, the register of members of the Company will be closed from Tuesday, 5 May 2026 to Friday, 8 May 2026, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Registrar at the address stated in note 3 above not later than 4:30 p.m. on Monday, 4 May 2026 for registration. The record date for the purpose of ascertaining Shareholders' right to attend and vote at the EGM will be Friday, 8 May 2026.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the proposed resolution set out in this notice will be taken by a poll.

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## NOTICE OF EGM

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7. If a tropical cyclone warning signal no. 8 or above or “extreme conditions” (in the event of, for example, other natural disasters of a substantial scale seriously affects the working public to resume work or bring safety concern for a prolonged period, such as large-scale power outage, extensive fallen windows from high-rises leading to dangerous streetscape, major landslides, extensive flooding, widespread serious obstruction of public transport services) as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning is in force at or at any time after 7:30 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the Company’s website at [www.synertone.net](http://www.synertone.net) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) to notify members of the date, time and place of the rescheduled meeting.
8. All times and dates specified herein refer to Hong Kong local times and dates.

*As at the date hereof, the board of Directors comprises Mr. Han Weining, and Mr. You Yiyang as executive Directors, Ms. Woodham Mostovaya Ekaterina as non-executive Director; and Ms. Li Mingqi, Mr. Xu Wei and Mr. Xu Dongsen as independent non-executive Directors.*