



17 October 2013

**High Concentration of Shareholding
In
Synertone Communication Corporation (Stock Code: 1613)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Synertone Communication Corporation (“the Company”) in the hands of a limited number of shareholders as at 2 October 2013.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 2 October 2013, 15 shareholders held an aggregate of 220,480,000 Shares, representing 18.38% of the issued Shares. Such shareholding, together with 810,000,000 Shares (representing 67.5% of the issued Shares) held by a substantial shareholder and 52,000,000 Shares (representing 4.33% of the issued Shares) held by two directors of the Company, represented 90.21% of the issued Shares. Therefore, only 117,520,000 Shares (representing 9.79% of the issued Shares) were held by other shareholders.

As at 2 October 2013, the shareholding structure of the Company was as follows:

	Number of Shares held (shares)	% of total number of issued Shares (%)
Excel Time Investments Limited (<i>Note 1</i>)	810,000,000	67.50
Mr. Zhang Jinbing (<i>Note 2</i>)	40,000,000	3.33
Mr. Han Weining (<i>Note 3</i>)	12,000,000	1.00
A group of 15 shareholders	220,480,000	18.38
Other shareholders	117,520,000	9.79
	1,200,000,000	100.00

Note 1: Excel Time Investments Limited is wholly and beneficially owned by Mr. Wong Chit On, Chairman and Executive Director of the Company.

Note 2: Mr. Zhang Jinbing is an Executive Director of the Company.

Note 3: Mr. Han Weining is an Executive Director of the Company.

The Shares traded between HK\$0.49 and HK\$0.55 during the period from 2 July 2013 to 6 September 2013. Since 9 September 2013, the share price of the Company began to surge and rose 279% from the closing price of HK\$0.52 on 6 September to HK\$1.97 on 2 October



2013. During this period, the Company announced on 12 September 2013 that, save for a very substantial acquisition announced on 15 April 2013, it was not aware of any reason for the increase in share price. On 2 October 2013, it also announced a conditional issuance of 120,000,000 unlisted warrants at the issue price of HK\$0.01 per warrant to CITIC Merchants Co. Limited. Each warrant carries the right to subscribe at any time during the subscription period for one warrant share at the price of HK\$2.00 per warrant share. The long stop date for the warrant issue is 30 October 2013.

On 10 October 2013, the Company announced a positive profit alert, expecting a 51% increase in the unaudited consolidated net profit of the Group for the six months ended 30 September 2013 when compared with the same period of last year.

On 16 October 2013, the share price closed at HK\$2.46, off a high of HK\$2.64 on 11 October 2013, representing an increase of 373% from the closing price of HK\$0.52 on 6 September 2013.

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