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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 GRANT OF SHARE OPTIONS**

Reference is made to the announcement (the “**Announcement**”) made by Synertone Communication Corporation (the “**Company**”) dated 26 April 2024 in relation to the grant of Share Options. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following additional information regarding the Announcement:

### **INFORMATION ON THE GRANTEES**

Among the Share Options, 3,596,800 Share Options were granted to Mr. You Yiyang, an executive Director, and the remaining 21,446,400 Share Options were granted to six employees of the Group. These individuals have participated in the Group’s development in financial and business areas. All the Grantees are eligible participants in the Share Option Scheme.

As stated in the Announcement, the Share Options granted to the Grantees are exercisable during the Option Period. This represents a shorter vesting period in accordance with Rule 17.03F of the Listing Rules (i.e., a period of less than twelve months). The primary aim of granting these Share Options is to incentivize the Grantees to contribute to the sustainable growth of the Group. The Directors believe that the economic benefit of the Share Options is directly linked to the Group's improved performance. As the Share Options do not result in any net cash outflow from the Company, they motivate the Grantees to excel in achieving the Group's goals. Additionally, the Group can receive subscription funds when the Grantees exercise the relevant Share Options, which would provide additional working capital to the Group. In light of these considerations, the remuneration committee of the Board (the "**Remuneration Committee**") concluded that the grant of Share Options to the Grantees with no vesting period aligns with the purpose of the Share Option Scheme.

To the best knowledge of the Directors, as of the date of this announcement, save for Mr. You Yiyang, who is an executive Director, each of the Grantees is not (i) a director, chief executive, or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. Such grant of options would not result in the Shares issued and to be issued in respect of all options and awards granted to such grantee in the 12-month period up to and including the date of such grant in the aggregate to be over 1% of the Shares in issue.

## **PERFORMANCE TARGET AND CLAWBACK MECHANISM**

The grant of the Share Options is not subject to any performance target but to a clawback mechanism to recover or withhold any options granted. If the Grantee ceases to be an employee of the Group or hold office as a director of the Group on any one or more of the following grounds, the Share Options shall lapse automatically (to the extent not already exercised): (i) the Grantee has been guilty of serious misconduct or has committed an act of bankruptcy or has become insolvent, etc.; (ii) the Grantee has been convicted of any criminal offense involving his integrity or honesty; and (iii) on any other grounds on which the Group would be entitled to terminate the Grantee's employment with immediate effect in accordance with applicable laws and regulations or the service contract.

The Remuneration Committee noted that the Share Option Scheme aims to (i) give eligible individuals the chance to obtain ownership interests in the Company and (ii) encourage these individuals to work towards improving the Company's value and the value of its Shares for the benefit of the Company and its Shareholders as a whole. Based on this, the Remuneration Committee considered that the performance target is not necessary. Granting of the Share Options is in line with the Share Option Scheme's purpose, as it aligns with the aforementioned objectives, after considering, among others,

- (a) the Share Options are subject to a clawback mechanism. The value of these Share Options is tied to the Company's future performance and Share price. Thus, granting these Share Options can align the interests of the Grantees with those of the Group;
- (b) the Grantees are individuals who are either Directors or other employees of the Group. They have been involved in the Group's development. The aim of granting the Share Options is to give the Grantees the ability to share in the Group's accomplishments and be motivated to work towards its future development; and
- (c) the number of Share Options granted to each Grantee has been determined based on their work performance and potential contributions to the Group.

#### **FINANCIAL ASSISTANCE**

The Group did not provide any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

#### **NUMBER OF SHARES AVAILABLE FOR FUTURE GRANTS UNDER THE SCHEME MANDATE AND THE SERVICE PROVIDER SUBLIMIT UNDER THE SHARE OPTION SCHEME**

Following the grant of the Share Options, 4,064 Shares will be available for future grant under the scheme mandate limit of the Share Option Scheme. The service provider sublimit is not specified under the Share Option Scheme.

This announcement is supplemental to and should be read in conjunction with the Announcement.

Save as disclosed above, the Board confirms that the above supplemental information does not affect other information contained in the Announcement and the content of the Announcement remains correct and unchanged.

By order of the Board  
**Synertone Communication Corporation**  
**Han Weining**  
*Executive Director and Chief Executive Officer*

Hong Kong, 7 May 2024

*As at the date of this announcement, the executive Directors are Mr. Han Weining and Mr. You Yiyang; and the independent non-executive Directors are Mr. Lam Ying Hung Andy, Ms. Li Mingqi, Mr. Cheng Nicholas Tat Hei and Mr. Xu Wei.*