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)

SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF SUBSIDIARIES

Reference is made to the announcement dated 25 July 2025 issued by the Company (the "**Announcement**"). Unless otherwise stated, capitalized terms herein shall bear the same meanings as defined in the Announcement.

THE INDEPENDENT PROFESSIONAL VALUER

The valuation report concerning the appraisal of the value of the Right-of-use assets and the Property as at 30 June 2025 (the "**Report**") was prepared by an independent professional valuer, namely Jiaxing Changxin Asset Appraisal Limited* 嘉興昌信資產評估事務所有限公司 (the "**Valuer**"). The Valuer is a member of the China Appraisal Society and is authorised to provide asset appraisal services in China with 10 registered professional valuers. The individual valuers who are responsible for preparation and sign-off of the Report are practicing members of the China Appraisal Society.

VALUATION OF THE RIGHT-OF-USE ASSETS AND THE PROPERTY

Based on the Report, the Valuer considered market approach to be the most appropriate valuation method for the Right-of-use assets, given that a relatively matured market was available for land transactions in the surrounding area and a number of land transactions occurred. The Valuer made reference to the recent land sale transactions in Jiaxing City, including several parcels of land located near the district of the Right-of-use assets, adjusted by taking into account factors including the tenures of land use rights, transaction dates, locations of the comparable land and marketability. Due to significant fluctuations in land prices in Jiaxing City over the past few years, the cost approach was not applicable for valuation of the Right-of-use asset. Furthermore, there was no comparable leasing information available in the surrounding area, the income approach was also considered not applicable. As the Property on the Right-of-use assets had already been completed and put into production, the hypothetical development approach was also not appropriate.

The estimated value of the Right-of-use assets of approximately RMB10,710,000 was calculated by applying the average gross unit rate of approximately RMB665 per square meter, on the gross area of the Land Use Right of approximately 16,107 square meters, after taken into the above factors.

Based on the Report, the Valuer considered cost approach was the commonly adopted methodology and the most appropriate valuation method for production plants, given that information for replacement cost of the Property was more reliable, and in the absence of sufficient market data to arrive at the market value of the Property by means of market-based evidence. Based on the existing conditions of the Property, the Valuer considered there was not much redevelopment potential, thus the hypothetical development method was considered not appropriate as well. Moreover, the Valuer considered unreasonable to use the rental and transaction prices in the surrounding area when it could not accurately reflect the fair market price, income approach was also considered not appropriate.

Cost method is based on the current cost of replacement of the Property adjusted by depreciation rate. The estimated value of the Property of approximately RMB14,790,000 was calculated by applying the unit replacement cost of approximately RMB819 per square meter, on the gross floor area of the Property of approximately 18,059 square meter, adjusted by factors including the physical condition, age of the Property and the remaining tenures of the Right-of-use assets.

BOARD'S ASSESSMENT ON THE BUILDING INTELLIGENCE BUSINESS FOLLOWING THE DISPOSAL

The Company will continue to operate the building intelligence business following the Disposal. After the management's assessment, the Board is aware that the revenue from external customers for the building intelligence business (being provision of video intercom system and security alarm solutions for residential complexes; smart home automation systems for new and existing households and other related products) had decreased significantly for the year ended 31 March 2025 compared to the years ended 31 March 2024 and 31 March 2023, for over 90%.

In view of the recent downturn of the property market in China, the Board critically assessed that it is unlikely that the demands of building intelligence products to be returned to historical level. As stated in the annual report for the financial year ended 31 March 2025, whereas the building intelligence business was originated in Australia, the Board plans to re-establish new production lines for the building intelligence products in Australia using the Group's brand "MOX" and to distribute the Group's product to the international market for better margin, while some products may still be distributed and sold in China depending on the actual demands, through Zhejiang Aowan Information Technology Co., Ltd.* 浙江澳萬信息技術有限公司 (an indirect non wholly-owned subsidiary of the Company). On the other hand, the Company is also exploring new business opportunities which can expand or diversify our business and bring long-term benefits to the Group.

Saved as disclosed above, the Board confirms that all other information in the Announcement remains unchanged.

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

Hong Kong, 31 July 2025

As at the date of this announcement, the executive Directors are Mr. Han Weining, Mr. You Yiyang and Mr. He Bianliu; the non-executive Director is Ms. Woodham Mostovaya Ekaterina; and the independent non-executive Directors are Ms. Li Mingqi. Mr. Xu Wei and Mr. Xu Dongsen.

* *For identification purpose only*