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Yunbo Digital Synergy Group Limited

雲博產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

ENTERING INTO AN AGENCY FRAMEWORK COOPERATION AGREEMENT WITH CHINA TELECOM BESTPAY E-COMMERCE LTD, A WHOLLY-OWNED SUBSIDIARY OF CHINA TELECOM CORPORATION LIMITED

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 10 July 2015 (after trading hours), Guangzhou YBDS and CT E-commerce entered into the Framework Cooperation Agreement, pursuant to which Guangzhou YBDS was appointed, on a non-exclusive basis, as CT E-commerce's agent with respect to Agency Business Areas to promote CT E-commerce's BestPay business within the Authorised Areas.

The Framework Cooperation Agreement sets out the framework of cooperation between the Group and CT E-commerce with respect to agency services and the parties may enter into additional agency agreement(s) after negotiating the specific terms of agency services. The entering into of a further agency agreement would constitute as a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules, and the Company will comply with the relevant provisions of the GEM Listing Rules accordingly.

This announcement is made by Yunbo Digital Synergy Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the "**GEM Listing Rules**") on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Framework Cooperation Agreement

The board (the “**Board**”) of directors of the Company is pleased to announce that on 10 July 2015 (after trading hours), 廣州韻博信息科技有限公司 (Guangzhou YBDS IT Co., Ltd.*) (“**Guangzhou YBDS**”), a wholly-owned subsidiary of the Company, entered into an agency framework cooperation agreement (the “**Framework Cooperation Agreement**”) with 天翼電子商務有限公司 (China Telecom BestPay E-commerce Ltd.*) (“**CT E-commerce**”), a wholly-owned subsidiary of China Telecom Corporation Limited (中國電信股份有限公司) (“**China Telecom**”). Principal terms of the Framework Cooperation Agreement are set out below:

Date

10 July 2015 (after trading hours)

Parties

- (i) Guangzhou YBDS, a wholly foreign-owned limited liability company incorporated in the People’s Republic of China (“**PRC**”) and a wholly-owned subsidiary of the Company; and
- (ii) CT E-commerce, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of China Telecom.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, CT E-commerce and China Telecom are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Principal terms

- (i) Pursuant to the Framework Cooperation Agreement, CT E-commerce appoints, on a non-exclusive basis, Guangzhou YBDS as its agent in the areas of gateway, offline POS (Point of Sale), bill settlement, client introduction, transaction fees, online SGW (Signalling Gateway), collection of funds, POS payment acceptance (the “**Agency Business Areas**”) to promote CT E-commerce’s “BestPay” business within the areas authorised by CT E-commerce (the “**Authorised Areas**”). Acting as CT E-commerce’s agent, Guangzhou YBDS shall be entitled to a commission for any successful client referrals.
- (ii) Guangzhou YBDS shall promote CT E-commerce’s BestPay business and solicit new clients within the Authorised Areas. When soliciting new clients, Guangzhou YBDS is only authorised to act as an agent on behalf of CT E-commerce and does not have the right to enter into contracts with clients. Guangzhou YBDS shall accept the management of CT E-commerce regarding the provision of agency services and shall comply with CT E-commerce’s regulations regarding agency management, failure of which shall be regarded as a breach. The right of Guangzhou YBDS as CT E-commerce’s agent is not transferrable nor can Guangzhou YBDS authorise or appoint any other third party to perform its obligations thereunder. Guangzhou

YBDS shall strictly adhere to only operate within the Authorised Areas. In the event under which Guangzhou YBDS, acting as an CT E-commerce's agent, operates outside of the Authorised Areas or viciously competes with other CT E-commerce agents, Guangzhou YBDS shall fully indemnify CT E-commerce for any losses or damages incurred in relation thereto, and CT E-commerce shall have the right to terminate the Framework Cooperation Agreement.

- (iii) CT E-commerce shall provide Guangzhou YBDS with the relevant documents and materials regarding the Authorised Business Areas, and shall provide Guangzhou YBDS's sales and technical staff with necessary trainings regarding technical support, operating procedures, technical knowledge etc. so as to enable Guangzhou YBDS to be equipped with the technical capabilities to promote CT E-commerce's BestPay business.
- (iv) CT E-commerce, in its sole discretion, will decide whether or not to enter into any contractual arrangement with any potential client(s) referred to it by Guangzhou YBDS.

Validity

The Framework Cooperation Agreement shall come into force upon signing by the legal representative(s) or authorised person of both parties and the fixing of company seals and shall remain effective until 30 June 2016. Should the total revenue generated from clients referred by Guangzhou YBDS during the period from the effective date of the Framework Cooperation Agreement to 30 June 2016 is at least RMB500,000, then the Framework Cooperation Agreement shall automatically renew upon its expiry. Should the total revenue generated from clients referred by Guangzhou YBDS is less than the aforementioned amount, the Framework Cooperation Agreement, in principle, will not be renewed.

Termination

Should any party fail to perform its obligation under the Framework Cooperation Agreement, or is in serious breach of the Framework Cooperation Agreement, the non-defaulting party shall have the right to terminate the Framework Cooperation Agreement and reserves its' right to seek damages from the defaulting party through legal process. The Framework Cooperation Agreement may also be terminated prior to expiry by the parties in writing after negotiation.

In addition, CT E-commerce shall have the right to terminate the Framework Cooperation Agreement upon occurrence of the following events:

- (i) Guangzhou YBDS fails to provide CT E-commerce with information of clients referred within the prescribed timeframe or fails to enter into agency agreement(s) with CT E-commerce;
- (ii) excessive promotion of the Framework Cooperation Agreement by Guangzhou YBDS

for the purposes of publicising its cooperation relationship with CT E-commerce;

- (iii) Guangzhou YBDS infringes the rights of CT E-commerce in breach of the Framework Cooperation Agreement; and
- (iv) fraud of a serious nature on the part of Guangzhou YBDS, or mass client complaints or media exposure arising from actions by Guangzhou YBDS and leading to having an adverse social impact.

INFORMATION ON THE PARTIES TO THE FRAMEWORK COOPERATION AGREEMENT

China Telecom is a full services integrated information service operator and the world's largest wireline telecommunications, CDMA mobile network and broadband Internet services provider, providing basic telecommunications services such as wireline telecommunications services and mobile telecommunications services, and value-added telecommunications services such as Internet access services and information services in the PRC. As at the end of 2014, the Company has wireline access lines in service of about 144 million, wireline broadband subscribers of about 107 million and mobile subscribers of about 186 million. China Telecom's H shares and American Depositary Shares (ADRs) are listed on the Stock Exchange and New York Stock Exchange, respectively. CT E-commerce, being a wholly-owned subsidiary of China Telecom, operates a multi-media BestPay business and possesses the professional capabilities to operate businesses such as e-commerce and virtual currency for enterprises.

The Group's core businesses include mobile payment, big data, unified communications, cloud computing, network security SDN, 4G new media, top-level network designs for e-finance platforms, and design, maintenance and operation of back end support systems. The Group also designs, develops, manufactures and operates leading products for mobile networks as well as online and offline payment services. The Company is an innovative company being the first in the world to propose the new concept of providing services to the general public through the four-screen terminal network coverage of convenient cards (便民卡). The Group has strong industry resources and is capable of performing data collection, analysis and consolidation. The Group has also provided cloud sharing and big data analysis services to many enterprises. Guangzhou YBDS, being an indirect wholly-owned subsidiary of the Company, is a company principally engaged in development of hardware and software and system integration, with practical and industrial experience in system development and equipment manufacturing in the areas of payment, card business, clearing and settlement and mobile application.

REASONS FOR AND BENEFIT OF ENTERING INTO OF THE FRAMEWORK COOPERATION AGREEMENT

The directors of the Company believe that mobile phone has become the terminal for consumer applications globally. The entering into of the Framework Cooperation Agreement will enhance the cooperation between the Group and China Telecom to provide consumer-friendly payment services via mobile phone, as the terminal of business, entertainment, work, life related applications, irrespective of the amount, with

an aim to expand the coverage of the online and offline payment services to mobile phone applications, which is in line with the Group's strategy of designing, developing, manufacturing and operating leading products for mobile networks as well as online and offline payment services, and is expected to generate further revenue for the Group. Accordingly, the directors of the Company consider that the entering into of the Framework Cooperation Agreement is in the interest of the Company and its shareholders as a whole.

GENERAL

The Framework Cooperation Agreement sets out the framework of cooperation between the Group and CT E-commerce with respect to the agency services and the parties may enter into further agency agreement(s) after negotiating the specific terms of the agency services. The entering into of a further agency agreement constitutes a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules, the Company will comply with the relevant provisions of the GEM Listing Rules accordingly.

** For identification purposes only*

By Order of the Board
Yunbo Digital Synergy Group Limited
Wang Xiaoqi
Director

Hong Kong, 10 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. Wang Chaoyong, Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard, Dr. Huang Youmin and Mr. Wang Xiaoqi; the non-executive director of the Company is Mr. Hsu Chia-Chun and the independent non-executive directors of the Company are Dr. Chow Ka Ming, Jimmy, Dr. Wong Wing Lit, Mr. Ngan Yu Loong and Mr. Tse Yee Hin, Tony.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.ybds.com.hk.