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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)

LETTER OF INTENT IN RELATION TO THE COLLABORATION WITH CHINASOFT INTERNATIONAL LIMITED

This announcement is made by the Company pursuant to Rule 17.10 of GEM Listing Rules.

The Board is pleased to announce that on 2 August 2012, after trading hours, the Company entered into a non-legally binding Letter of Intent with Chinasoft, pursuant to which the Company and Chinasoft will collaborate with each other on bidding for specific parts of the Wireless City Project.

In the event of any successful bid for any specific parts of the Wireless City Project, the Company (or its nominee) and Chinasoft will enter into a Collaboration Agreement and it may constitute a notifiable transaction under the GEM Listing Rules. **The Board wishes to emphasise that no legally binding agreement in relation to the bidding for the Wireless City Project has been entered into as at the date of this announcement. Since the Letter of Intent is not legally binding, the bidding for the Wireless City Project may or may not succeed and the Collaboration Agreement may or may not proceed, Shareholders and investors of the Company should exercise cautions when dealings in the securities of the Company.** Further announcement(s) will be made by the Company in respect thereof if and when required by the GEM Listing Rules.

This announcement is made by the Company pursuant to Rule 17.10 of GEM Listing Rules.

THE NON-LEGALLY BINDING LETTER OF INTENT

The Board is pleased to announce that on 2 August 2012, after trading hours, the Company entered into a non-legally binding Letter of Intent with Chinasoft, pursuant to which the Company and Chinasoft will collaborate with each other on the bidding for specific parts of the Wireless City Project.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Chinasoft and its ultimate beneficial owners are Independent Third Parties.

Save for the provisions relating to exclusivity, costs, confidentiality, and governing law and jurisdiction, the terms of the Letter of Intent are not legally binding on the parties.

Bidding for the Wireless City Project

Pursuant to the Letter of Intent, each of the Company and Chinasoft shall, on its own costs, collaborate with each other to bid for specific parts of the Wireless City Project (the "**Bidding**"). Chinasoft will be the bidder and both parties together will prepare all of the necessary bidding documents and provide all of the necessary technical support and solutions in the process of Bidding. In particular, the Company will be responsible for project management in the Bidding and assist Chinasoft by providing non-technical services such as market/customer analysis in connection with the Bidding.

Both the Company and Chinasoft agree that from the date of the Letter of Intent until (in case of unsuccessful bid) the date on which the result of the Bidding is announced or (in case of any successful bid) the date of signing of the Collaboration Agreement (or such other date as the parties may mutually agree in writing), without the written consent of the other party, they will not negotiate and/or collaborate with any party other than the parties to the Letter of Intent (or other third party with cooperation agreement with Chinasoft before the date of the Letter of Intent) for or in connection with the Bidding or participate or agree to participate in similar project in respect of the Exclusive Projects.

Collaboration Agreement

In the event of any successful bid for any specific parts of the Wireless City Project, the Company (or its nominee) and Chinasoft will enter into a Collaboration Agreement to set out the definitive terms in the collaboration of their participation in the Wireless City Project. In principle, Chinasoft shall, at its own costs, be responsible for all the necessary technical support, consulting service and assistance in the system and platform (hardware and software) in the development of the infrastructure for the Wireless City Project; whereas the Company shall, at its own costs, assist Chinasoft by providing non-technical services such as project management, market/customer analysis, marketing, training in connection therewith.

It is tentatively agreed that the Company shall be entitled to at least 50% of the profits generated from participating in the Wireless City Project.

REASONS FOR AND BENEFIT OF ENTERING INTO THE NON-LEGALLY BINDING LETTER OF INTENT

The Group is principally engaged in provision of system integration services and other value-added technical consultation services and hardware-related business.

The Directors believe that the participation in the Wireless City Project presents a good opportunity for the Group to participate in sizeable projects, which is in the interest of the Company and the Shareholders as a whole. The tie-up with Chinasoft is in line with the Company's adopted corporate strategy to broaden the Company's income base and enhance the growth potential of the Group by venturing into the China market particularly in the areas of computer software or hardware system integration, external equipment, financial and electronic equipment, automated control systems and related equipment, smart modems, research and development of educational software and hardware; sale of computer software, hardware and ancillary equipment, electronic products, general machinery, specialized equipment, and procurement of technical services and support. The Directors consider that the collaboration with Chinasoft will bring synergy benefits to both companies in bidding and participating in the Wireless City Project through the utilisation of the project management skills and know-how of the Company and the strong technical expertise of Chinasoft.

INFORMATION ON CHINASOFT

Chinasoft group is principally engaged in the provision of consulting-powered solutions, professional information technology outsourcing (ITO) and business process outsourcing (BPO), and human resources supply chain oriented training services, including information technology consulting, software development, application integration, software testing, software localization, construction and maintenance of business application platforms, IT outsourcing and operational process outsourcing.

IT outsourcing is a practice of seeking resources outside of an organization for all or part of an information technology function. It is a contractual arrangement between the two companies and that can be for any period of time whether it is month-to-month or yearly, etc.

GENERAL

In the event of any successful bid for any specific parts of the Wireless City Project, the Company (or its nominee) and Chinasoft will enter into a Collaboration Agreement and it may constitute a notifiable transaction under the GEM Listing Rules. **The Board wishes to emphasise that no legally binding agreement in relation to the bidding for the Wireless City Project has been entered into as at the date of this announcement. Since the Letter of Intent is not legally binding, the bidding for the Wireless City Project may or may not succeed and the Collaboration Agreement may or may not proceed, Shareholders and investors of the Company should exercise cautions when dealings in the securities of the Company.** Further announcement(s) will be made by the Company in respect thereof if and when required by the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company
“Chinasoft”	Chinasoft International Limited (中軟國際有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 354)
“Collaboration Agreement”	the collaboration agreement to be entered into between the Company (or its nominee) and Chinasoft in the event that Chinasoft has made any successful bid for any specific parts of the Wireless City Project
“Company”	Yunbo Digital Synergy Group Limited (雲博產業集團有限公司), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Exclusive Projects”	the list of projects to be determined by both the Company and Chinasoft within 30 days from the date of the Letter of Intent
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Letter of Intent”	the non-legally binding letter of intent dated 2 August 2012 entered into by the Company and Chinasoft in respect of the collaboration on the bidding for the Wireless City Project

“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wireless City Project”	the project to be implemented by the telecommunication operators in the PRC for the construction of a wireless city infrastructure in the PRC

By Order of the Board
Yunbo Digital Synergy Group Limited
Yau Hoi Kin
Director

Hong Kong, 2 August 2012

As at the date of this announcement, the executive Directors are Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard and Dr. Huang Youmin and the independent non-executive Directors are Dr. Chow Ka Ming, Jimmy, Mr. Liu Zhiquan and Dr. Wong Wing Lit.

This announcement, for which the Directors 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, 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 <http://ybds.com.hk>.

* *for identification purposes only.*