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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 PROJECT IMPLEMENTATION AGREEMENT WITH CHINASOFT INTERNATIONAL LIMITED AND ITS SUBSIDIARY**

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board announces that on 7 May 2013, Excellent Master, Chinasoft Hong Kong, the Company and Chinasoft entered into the Project Implementation Agreement with respect to the Wireless City Project.

In the event of a successful bid for any specific part(s) of the Wireless City Project, the Project Contractor and Telecommunication Operator will enter into the Formal Agreement. **The Board wishes to emphasize that submitted bids for the Wireless City Project may or may not succeed. 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(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

Reference is made to the announcement of Yunbo Digital Synergy Group Limited (the “**Company**”) dated 2 August 2012 (the “**Announcement**”). Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

## INTRODUCTION

Pursuant to the Letter of Intent, 北京掌中無限信息技術有限公司 (MMIM Info. Technology Co., Ltd.) (the “**Project Contractor**”), a wholly-owned subsidiary of Chinasoft in the PRC, had, as designated by the Company and Chinasoft, submitted open tender documents for specific parts of the Wireless City Project (the “**Bidding Projects**”) to China Mobile Group Guangdong Company Limited (the “**Telecommunication Operator**”). Should any of the bid or bids made in respect of the Bidding Projects be accepted, the Project Contractor and the Telecommunication Operator will enter into a formal project agreement (the “**Formal Agreement**”).

## PROJECT IMPLEMENTATION AGREEMENT

The Board announces that on 7 May 2013, Excellent Master Investments Limited (“**Excellent Master**”), a wholly-owned subsidiary of the Company, Chinasoft International (Hong Kong) Limited (“**Chinasoft Hong Kong**”), a wholly-owned subsidiary of Chinasoft International Limited (“**Chinasoft**”), the Company and Chinasoft entered into a project implementation agreement with respect to the Wireless City Project (“**Project Implementation Agreement**”).

### Project Implementation Agreement

#### Date

7 May 2013

#### Parties

- (a) Excellent Master, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
- (b) Chinasoft Hong Kong, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Chinasoft (collectively, “**Chinasoft Group**”);
- (c) the Company (as guarantor of Excellent Master); and
- (d) Chinasoft (as guarantor of Chinasoft Hong Kong and the Project Contractor).

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

#### Major terms

The Project Implementation Agreement has the following major terms:

- (1) The Project Implementation Agreement shall become effective upon signing by the parties thereto, and commence upon the signing of the Formal Agreement.

- (2) Excellent Master shall be responsible for the overall design, development and operation of the Bidding Projects. This includes: holding the right to operate and audit the Bidding Projects and the right to add any value added services onto the services platform established under the Bidding Projects, performing comprehensive research and analysis on market demand as well as the in-depth development work related to the overall design of the platforms, including system infrastructure, platform functionalities, networking, application procedures, administration procedures, procedures for users, interface functions, network management, security, facilities demands, project supervision and management etc.
- (3) Chinasoft Hong Kong shall carry out detailed implementation of the systems of the Bidding Projects in accordance with Excellent Master's overall design and development plan. This includes: detailed implementation of the particulars of the Bidding Projects, completing the contents of the Bidding Projects, carrying out detailed system implementation for the Bidding Projects in accordance with the specification and requirements of the overall design.
- (4) Excellent Master and Chinasoft Hong Kong shall be entitled to 60% and 40% of the profits generated from the Bidding Projects respectively. Excellent Master shall not be liable for any losses incurred relating to the implementation of the Bidding Projects in the event of successful bid of such projects.
- (5) Written consents from Excellent Master and Chinasoft Hong Kong must be obtained prior to the finalization of all terms and conditions of the Formal Agreement. Upon obtaining written consents from Excellent Master and Chinasoft Hong Kong, Chinasoft Hong Kong shall procure the Project Contractor to execute the Formal Agreement and other related documents with the Telecommunication Operator. Unless prior written consent from Excellent Master is obtained, Chinasoft Hong Kong shall procure the Project Contractor not to amend or make changes to any terms and conditions of the Formal Agreement and other related documents.
- (6) In the event that collaboration opportunities for projects similar to the Bidding Projects arises in future, Excellent Master agrees to give prior consideration to collaborate with Chinasoft, provided that Chinasoft shall agree to accept terms and conditions of not less than those offered by other third parties.
- (7) Each of the Company and Chinasoft guarantees respectively the performance and observance by Excellent Master and Chinasoft Hong Kong of all their respective obligations under the Project Implementation Agreement and any obligations arising from the termination thereof. In the event that Excellent Master or Chinasoft Hong Kong defaults in the performance and observance of all their respective obligations under the Project Implementation Agreement, the Company and Chinasoft shall respectively (or procure any of their respective wholly-owned subsidiaries), at the request of the non-defaulting party, perform and observe all the obligations of Excellent Master or Chinasoft Hong Kong under the Project Implementation Agreement. In the event that Excellent Master or Chinasoft Hong Kong defaults in the payment of any amount payable under the Project Implementation Agreement or arising from the termination thereof, the Company and Chinasoft shall respectively, on demand by the non-defaulting party, immediately and unconditionally settle the relevant amount, and this obligation

shall be treated as an independent and primary obligation of each of the Company and Chinasoft. Each of the Company and Chinasoft also agrees respectively to indemnify and keep indemnified the non-defaulting party from and against all losses, costs, claims and other liabilities which it may suffer arising from the failure of Excellent Master or Chinasoft Hong Kong to comply with any of their respective obligations under the Project Implementation Agreement, or through any of the guaranteed obligations becoming unenforceable, invalid or illegal.

- (8) Chinasoft guarantees the performance and observance by the Project Contractor of all its obligations under the Formal Agreement and any obligations arising from the termination thereof. In the event that the Project Contractor defaults in the performance and observance of all its obligations under the Formal Agreement, Chinasoft or any of its wholly-owned subsidiaries shall, at the request of Excellent Master and/or the Company, perform and observe all the obligations of the Project Contractor under the Formal Agreement. In the event that the Project Contractor defaults in the payment to Excellent Master and/or the Company of any amount payable under the Formal Agreement or arising from the termination thereof, Chinasoft shall, on demand by Excellent Master and/or the Company, immediately and unconditionally settle the relevant amount, and this obligation shall be treated as an independent and primary obligation of Chinasoft. Chinasoft also agrees to indemnify and keep indemnified Excellent Master and/or the Company from and against all losses, costs, claims and other liabilities which it may suffer arising from the failure of the Project Contractor to comply with any of its obligations under the Formal Agreement, or through any of the guaranteed obligations becoming unenforceable, invalid or illegal.

## **INFORMATION ON THE WIRELESS CITY PROJECT**

The Wireless City Project is one of the three main strategic gate-way portal programs of the Telecommunication Operation at the current time. It is the “bridge and link” that connects the government and segment services with clients, providing citizens with one-stop service for local living information and offering city management and industry application services to the government and corporate users. This includes various municipal and public utilities electronic bills and payments, electronic government affairs, traffic information services, and other Government to Consumer (G2C), Government to Business (G2B) and Business to Consumer (B2C) services. It is an infrastructure for informatization and modernization of cities. It is also an important hallmark for measuring the operating efficiency, degree of informatization and competition level of a city. The Telecommunication Operator, as the service provider of the “Wireless City”, focuses on promoting the development of the integration of the four networks WLAN/TD-LTE/TD-SCDMA/GSM, aiming to provide a complete service for city informatization. In order to accelerate the pace of the development of the “Wireless City” businesses and to achieve centralized operation and management of the entire internet, the Telecommunication Operator initiated the Wireless City Project, and such project symbolizes a strong strategic move.

## **REASONS FOR AND BENEFIT OF ENTERING INTO THE PROJECT IMPLEMENTATION AGREEMENT**

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 internet and telecommunications 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 and enables the Company to participate in the vast internet and telecommunication markets of the PRC, which broadens the Company's income base and enhance the growth potential of the Group. 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.

Assuming after the successful bid for any specific parts of the Wireless City Project and the completion of the relevant construction, in the event that such project invites tender for its maintenance service, the Group may bid individually or jointly with its business partners for such service. The Directors believe that as the business expands, the Group will be able to provide overall IT operation and maintenance management solutions to large and medium-sized enterprises and government departments of industries such as telecommunication operators in future; and, in the internet field, will be able to engage in the provision of development and operation services of internet businesses for telecommunication operators.

## 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 Project Contractor and Telecommunication Operator will enter into the Formal Agreement. **The Board wishes to emphasize that the bidding for the Wireless City Project may or may not succeed. 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.

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

Hong Kong, 7 May 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard and Dr. Huang Youmin; 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, Mr. Liu Zhiquan and Dr. Wong Wing Lit.*

*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](http://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>.*