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Synergy Group Holdings International Limited **滙能集團控股國際有限公司**

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1539)

VOLUNTARY ANNOUNCEMENT **IN RELATION TO SUBSCRIPTION OF APPROXIMATELY 60% NEW SHARES IN** **NEGAWATT UTILITY LIMITED**

This announcement is made by Synergy Group Holdings International Limited (“**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform its shareholders and its potential investors of the latest business development of the Group.

SUBSCRIPTION AGREEMENT

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 4 July 2018, Synergy Group Worldwide Limited (“**Synergy Worldwide**”), a wholly-owned subsidiary of the Company, has entered into an agreement (“**Subscription Agreement**”) with, among others, Negawatt Utility Limited (“**NU**”) and its shareholders, pursuant to which Synergy Worldwide has agreed to subscribe for new shares in NU at the consideration of HK\$1.2 million payable in installments (“**Subscription**”). The Subscription has been completed pursuant to the Subscription Agreement on the same date and Synergy Worldwide became interested in approximately 60% of the shareholding in NU.

INFORMATION ABOUT THE GROUP

The Group is one of the leading integrated energy saving and management solutions providers based in Hong Kong. The Group is principally engaged in design and customisation, investment, installation and commissioning, operation and maintenance of (i) energy efficiency technology; (ii) renewable energy; and (iii) energy storage and distributed energy resources.

INFORMATION ABOUT NU

NU is a limited liability company incorporated in Hong Kong. It is a smart technology company which uses artificial intelligence and big data analytics to provide innovative real-time monitoring and analysis of energy usage in premises, as well as other environmental data such as air quality, humidity and temperature. In particular, NU provides a highly scalable energy management platform with smart metering systems which can be rapidly deployed and integrated with existing building management system. NU envisages to improve utility management and operational efficiency optimise energy usage and maximise energy savings while maintaining a comfortable environment.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Since its establishment, the Group has been actively exploring potential business opportunities to increase its scale and maximise the return to its shareholders. As set out in the annual results announcement of the Company for the year ended 31 March 2018, the Group believes that fighting climate change is one of the key focuses around the globe, and Hong Kong is on the same path to meet its carbon emissions reduction target. With the favourable growth momentum and governmental support, the Group is optimistic towards the rapid advancement in the clean technology, energy saving and management industry.

The Group believes that artificial intelligence is a huge market which can revolutionise the energy and environmental management in buildings. The Group aims to exploit the niche and unique technology through this acquisition to broaden the services of the Group in order to create a comprehensive vertical supply chain and strengthen its leading position in the energy saving and management industry.

Furthermore, the Group possesses a worldwide customer footprint and has developed long term relationships with multi-national companies and conglomerates which can greatly enhance NU's development and technology penetration to create "smarter" and "more responsive" buildings. The Group staunchly believes that the synergy created in this acquisition can further strengthen its market position and competitiveness as well as singularity to push forward the Group's innovation and technological development.

NU is a smart technology company which offers a distinguishing Building Operating System (BOS) with three management modules, namely Energy & Resources Manager, Building Sustainability Manager and Chiller Analytic Manager. These platforms provide massive data collection, energy and environmental monitoring and data analysis via deployment of cloud technology and artificial intelligence. The combination of smart meters, comprehensive data acquisition, big data analysis with true data trending and artificial intelligence techniques, user friendly dash board and reporting, proprietary software and hardware enables the optimisation of building performance and identifies energy saving measures. In the past two years, NU has achieved positive results in assisting its clients to improve utility management and operational efficiency in their premises, and proved its scalability potential for deployment in multiple locations and integration with existing building management system, sustainability and cost-effectiveness.

In addition, NU is led by Dr. Daniel Chan, who has taught for 23 years at the Department of Building Services Engineering of Hong Kong Polytechnic University and one of the first writers of Green Building Assessment in Hong Kong (HKBEAM to BEAM Plus). Together with the team of professionals with strong technical capabilities and extensive experience in this field, the Group is confident that NU will foster in the future, unleashing the power of artificial intelligence for building management services.

In light of the above, the Directors believe that the Subscription could further expand the Group's business value and strategy, and sharpen its competitive edge with a view to promote business growth. As the Group's position in the energy saving and clean energy industry continues to strengthen, it is envisaged that the Company will be able to generate higher return to its shareholders.

By order of the Board
Synergy Group Holdings International Limited
Wong Man Fai Mansfield
*Chairman, Chief Executive Officer and
executive Director*

Hong Kong, 4 July 2018

As at the date of this announcement, the executive Directors are Mr. Wong Man Fai Mansfield and Mr. Lam Arthur; and the independent non-executive Directors are Mr. Chung Koon Yan, Mr. Cheung Yick Hung Jackie and Dr. Wong Chi Ying Anthony.