

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
COMPLETION OF ACQUISITION OF APPROXIMATELY 13.25%
INTEREST IN AN ASSOCIATED COMPANY

This is a voluntary announcement made by Synergy Group Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 22 May 2017, Synergy Group Worldwide Limited (“**Synergy Worldwide**”), a wholly-owned subsidiary of the Company, completed an acquisition of an aggregate of 13.25% in Synergy Cooling Management Limited (“**SCML**”) from two other shareholders of SCML at an aggregate consideration of HK\$23.8 million (“**Acquisition**”). Prior to completion of the Acquisition, Synergy Worldwide was interested in 36.59% of the issued shares of SCML. Upon completion of the Acquisition, Synergy Worldwide became interested in 49.84% of the issued shares of SCML.

The SCML group mainly engages in energy saving air-conditioning and cooling management businesses in Hong Kong and Malaysia.

Reference is made to the announcement of the Company dated 17 October 2016 (“**Announcement**”) in relation to the transfer of listing of the Company’s shares from the Growth Enterprise Market to the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). As disclosed in the Announcement, the Group first acquired 27.17% interest in SCML in April 2011 as the Group would like to expand into the energy saving air-conditioning and cooling management business. The Group further acquired 9.42% interest in SCML in October 2015 (“**2015 Acquisition**”) as the Directors believed that the 2015 Acquisition could, among other benefits, further broaden the Group’s industry experience and service offerings into the area of air-conditioning and cooling management solutions which would be beneficial to the Group as a whole as an energy saving solutions provider.

In the past six months prior to the date of this announcement, (i) in January 2017, the SCML Group entered into a non-binding memorandum of understanding in relation to the provision of energy saving services to a member of a Malaysian group of companies which develops properties and manages and operates a major shopping mall in Malaysia; and (ii) in April 2017, the SCML group entered into a binding memorandum of understanding with a Malaysian company, which managed a major shopping mall in Kuala Lumpur, in relation to the provision of energy saving services. As at the date of this announcement, the SCML group was in an advanced stage of negotiation for the terms of the contracts in relation to the above-mentioned memoranda of understanding. Besides, as at the date of this announcement, (i) SCML was in an advanced stage of negotiation in relation to provision of energy saving services to Malaysia government hospitals; and (ii) SCML, together with the Group, were in negotiation with an enterprise (“**Potential PRC Customer**”) established in the People’s Republic of China (“**PRC**”) which was held by state-owned telecommunications enterprises in the PRC in relation to the provision of energy saving services. The Potential PRC Customer is mainly engaged in, among others, the construction, maintenance and operation of telecommunication towers, base station control rooms, power supplies and air conditioning as well as interior distribution systems. It is expected that SCML will continue to expand into the PRC and Malaysia market in the near future.

Considering the growth potential and business outlook of the SCML group, and the benefits which can be brought about by the Acquisition (which is further explained below), the Directors agreed to proceed with the Acquisition when opportunity arose for acquiring further interest in SCML. The consideration for the Acquisition was determined based on normal commercial terms and after arm’s length negotiations between the parties, and reference was also been made to the amount of the consideration for the 2015 Acquisition.

The Directors believe that the Acquisition could further strengthen the Group’s market positioning to be a one-stop energy saving solutions provider due to the sharing of customer base of the SCML group and the Group, and the synergy created between the lighting business carried out by the Group and the cooling business carried out by SCML group. As the potential or target clients of the Group are mostly large corporations or operators of shopping malls, large scale chain stores, commercial or office buildings, which utilise relatively substantial amount of electricity in the properties which they manage or operate, the Directors believe that the ability to pull resources and manpower, and to provide energy saving solutions for both the lighting and cooling aspects to suit the clients’ energy saving requirements could enhance the Group’s business bargaining power and potentials to obtain businesses for the Group. Under the joint marketing efforts of the Group and SCML, the Directors are optimistic about the potential financial benefits which will be brought by the Acquisition to the Company and its shareholders as a whole.

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

Hong Kong, 23 May 2017

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