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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: 8105)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2015**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Synergy Group Holdings International Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

**HIGHLIGHTS:**

	<b>For the three months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>27,045</b>	10,973
Leasing services of lighting systems	<b>2,712</b>	2,100
Trading of lighting products	<b>24,333</b>	8,873
Consultancy service	<b>–</b>	–
Profit attributable to the owners of the Company	<b>5,133</b>	1,503
Basic earnings per share (HK cents)	<b>1.0</b>	0.4

- The Group's revenue for the three months ended 30 June 2015 was HK\$27.0 million, representing an increase of 146.5% over the revenue of HK\$11.0 million for the three months ended 30 June 2014.
- The Group's profit attributable to the owners of the Company for the three months ended 30 June 2015 was HK\$5.1 million, representing an increase of 241.5% over HK\$1.5 million for the three months ended 30 June 2014.
- No dividends have been paid or declared by the Company during the three months ended 30 June 2015.

## FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2015 together with the comparative unaudited figures for the corresponding period in 2014 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2015

		<b>Three months ended</b>	
		<b>30 June</b>	
	<i>Notes</i>	<b>2015</b>	2014
		<b>HK\$’000</b>	HK\$’000
		<b>(Unaudited)</b>	(Unaudited)
<b>Revenue</b>	3	<b>27,045</b>	10,973
Cost of sales		<u>(15,729)</u>	<u>(6,320)</u>
<b>Gross profit</b>		<b>11,316</b>	4,653
Other income	3	<b>527</b>	460
Administrative expenses		<b>(3,445)</b>	(1,484)
Selling and distribution costs		<b>(695)</b>	(502)
Finance costs	4	<b>(7)</b>	(2)
Other expenses		<b>(152)</b>	–
Share of results of associates		<b>(1,031)</b>	(932)
Share of results of joint ventures		<u>–</u>	<u>–</u>
<b>Profit before income tax</b>		<b>6,513</b>	2,193
Income tax expense	5	<u>(1,380)</u>	<u>(690)</u>
<b>Profit for the period</b>		<b>5,133</b>	1,503
<b>Other comprehensive income for the period</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of other comprehensive income of an associate		<u>(1)</u>	<u>–</u>
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<u><b>5,132</b></u>	<u><b>1,503</b></u>
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>			
– Basic (HK cents)	7	<u><b>1.0</b></u>	<u><b>0.4</b></u>

Details of the proposed dividend for the period are disclosed in note 6.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 30 June 2015*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserves <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Foreign exchange reserves <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 1 April 2015 (audited)</b>	5,000	34,749	7,388	12,183	5	37,578	96,903
Profit for the period	-	-	-	-	-	5,133	5,133
Other comprehensive income							
Share of other comprehensive income of an associate	-	-	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	-	(1)	5,133	5,132
<b>At 30 June 2015 (unaudited)</b>	<b>5,000</b>	<b>34,749</b>	<b>7,388</b>	<b>12,183</b>	<b>4</b>	<b>42,711</b>	<b>102,035</b>
<b>At 1 April 2014 (audited)</b>	-	-	7,388	16,333	-	11,349	35,070
Profit for the period and total comprehensive income for the period	-	-	-	-	-	1,503	1,503
<b>At 30 June 2014 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>7,388</b>	<b>16,333</b>	<b>-</b>	<b>12,852</b>	<b>36,573</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 December 2011. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is Room 404B, 4/F, Block B, Seaview Estate, Nos. 4-6 Watson Road, North Point, Hong Kong.

The principal activity of the Company is investment holding. In connection with the listing of the shares of the Company on GEM of the Stock Exchange, the Company underwent a reorganisation (the "**Reorganisation**") and the Company has become the holding company of its subsidiaries now comprising the Group since 5 March 2015. The shares of the Company were listed on GEM on 24 March 2015.

Details of the Reorganisation are set out in the section headed "History and Corporate Development" to the prospectus of the Company dated 13 March 2015.

Upon completion of the Reorganisation but before placing, the equity interest held by the Company's shareholders mirrored their respective percentage of equity interest in Synergy Group Worldwide Limited ("**Synergy Worldwide**") before the Reorganisation, where Synergy Worldwide is the then holding company of the Group. The Group is regarded as a continuation of Synergy Worldwide resulting from the Reorganisation as there is no change in the economic substance of the Group. Accordingly, the unaudited condensed consolidated financial statements were prepared using the merger accounting as if the Reorganisation had been completed on 1 April 2014 and the current group structure had always been in existence. Accordingly, the unaudited condensed consolidated statement of comprehensive income and the unaudited condensed consolidated statement of changes in equity for the three months ended 30 June 2014 include the results and changes in equity of the companies now comprising the Group from the earliest date presented or since their respective dates of incorporation, whichever was shorter, as if the current group structure had been in existence throughout the period. No adjustment is made to reflect fair values, or to recognise any new assets or liabilities as a result of the Reorganisation.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"), the accounting principles generally accepted in Hong Kong and the relevant Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2015 except that the Group has adopted the newly issued and revised Hong Kong Financial Reporting Standards, which are effective for the annual period beginning on 1 April 2015, as disclosed in the annual financial statements for the year ended 31 March 2015. The adoption of these new and revised Hong Kong Financial Reporting Standards does not have significant impact on the Group's results of operations and financial position.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2015.

**(b) Basis of measurement**

These unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

**(c) Functional and presentation currency**

These unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

**3. REVENUE AND OTHER INCOME**

- (a) Revenue of the Group represents the income from trading of lighting products and provision of leasing services of lighting systems and provision of consultancy services on leasing services of lighting systems (“**Consultancy service**”). An analysis of revenue is as follows:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Leasing services of lighting systems	2,712	2,100
Trading of lighting products	24,333	8,873
Consultancy service	–	–
	<u>27,045</u>	<u>10,973</u>

- (b) An analysis of the Group’s other income is as follows:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Management service income received from an associate	450	450
Others	77	10
	<u>527</u>	<u>460</u>

**4. FINANCE COSTS**

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest expenses for financial liabilities carried at amortised cost:		
Interest on borrowings wholly repayable within five years	<u>7</u>	<u>2</u>

## 5. INCOME TAX EXPENSE

The amount of taxation in the unaudited condensed consolidated statement of comprehensive income represents:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax – Hong Kong profits tax		
– Tax for the period	<b>1,452</b>	555
Deferred tax		
– Current period	<b>(72)</b>	135
Income tax expense	<b>1,380</b>	690

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits.

## 6. DIVIDENDS

No dividends have been paid or declared by the Company during each of the three months ended 30 June 2015 and 2014.

## 7. EARNINGS PER SHARE

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit attributable to the owners of the Company	<b>5,133</b>	1,503

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Number of shares</b>		
Weighted average number of shares ( <i>note</i> )	<b>500,000</b>	415,000

*Note:* The weighted average of 415,000,000 ordinary shares derived for the calculation of basic earnings per share for the three months ended 30 June 2014 represents the number of ordinary shares of the Company in issue immediately after the Reorganisation, assuming that 415,000,000 ordinary shares were in issue pursuant to the Reorganisation throughout the three months ended 30 June 2014.

The weighted average of 500,000,000 ordinary shares derived for calculation of basic earnings per share for the three months ended 30 June 2015 represents the number of 500,000,000 ordinary shares in issue during the period.

No diluted earnings per share is presented as the Group had no potential ordinary shares during the three months ended 30 June 2015 and 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

Recently energy saving products and services market has been one of the focus industries, mainly because of the growing concern by the public on environmental protection due to severer climate change and higher operating costs suffered by most corporations due to the increasing electricity prices.

We are one of the leading energy management contract providers for lighting projects in Hong Kong, with full range capabilities on providing a broad range of energy saving services for lighting solutions, product customisation, on-site inspection and measurement, project deployment and after-sales services. For the three months ended 30 June 2015, the Group recorded a total revenue of HK\$27.0 million, representing an increase of 146.5% as compared to HK\$11.0 million for the three months ended 30 June 2014. For the three months ended 30 June 2015, profit attributable to the owners of the Company amounted to HK\$5.1 million, representing an increase of 241.5% as compared to the corresponding amount of HK\$1.5 million for the three months ended 30 June 2014.

Revenue generated from our trading segment increased by 174.2% from HK\$8.9 million for the three months ended 30 June 2014 to HK\$24.3 million for the three months ended 30 June 2015 mainly due to the increase in sales of LED products. Revenue generated from our leasing service segment increased by 29.1% from HK\$2.1 million for the three months ended 30 June 2014 to HK\$2.7 million for the three months ended 30 June 2015 as a result of an increase in number of energy management contracts under finance lease arrangement, while there was no income from our consultancy service segment for the three months ended 30 June 2015 and 2014.

Benefiting from the high awareness of energy saving products and services globally, the Group, being an early entrant in provision of energy saving solutions, is well-positioned to further enhance both our local and global presence.

### Financial Review

Revenue was HK\$27.0 million for the three months ended 30 June 2015, representing a 146.5% improvement as compared to that for the three months ended 30 June 2014. There has been an increasing demand for the Group's energy saving products and services. Gross profit margin remained stable at around 42% for the three months ended 30 June 2015 and 2014.

Other income, mainly consisted of a monthly service fee of HK\$150,000 received from an associate of our Group, increased from approximately HK\$460,000 for the three months ended 30 June 2014 to approximately HK\$527,000 for the three months ended 30 June 2015 mainly due to the reversal of warranty provision upon expiry.



### ***Selling and distribution costs***

The Group's selling and distribution costs for the three months ended 30 June 2015 were HK\$0.7 million, representing an increase of 38.4% from HK\$0.5 million for the three months ended 30 June 2014. The increase was mainly due to the increase in the number of sales staff.

### ***Administrative expenses***

The Group's administrative expenses for the three months ended 30 June 2015 were HK\$3.4 million, representing an increase of 132.1% from HK\$1.5 million for the three months ended 30 June 2014. The increase was mainly due to the increase in professional expenses, salaries and travelling expenses.

### ***Finance costs***

Although there were no new borrowings during the three months ended 30 June 2015, the Group's finance costs increased from approximately HK\$2,000 for the three months ended 30 June 2014 to approximately HK\$7,000 for the three months ended 30 June 2015. The increase was mainly due to the new borrowings drawn down in September 2014.

### ***Other expenses***

The Group's other expenses of approximately HK\$152,000 for the three months ended 30 June 2015 was mainly derived from the disposal of property, plant and equipment during the period, while there were no other expenses arising from the disposal of property, plant and equipment during the three months ended 30 June 2014.

### ***Income tax expense***

The Group's income tax expense for the three months ended 30 June 2015 was HK\$1.4 million, representing an increase of 100.0% from HK\$0.7 million for the three months ended 30 June 2014. The increase was mainly due to the increase in taxable income.

### ***Profit for the period***

As a result of the foregoing, our profit attributable to the owners of the Company increased by 241.5% from HK\$1.5 million for the three months ended 30 June 2014 to HK\$5.1 million for the three months ended 30 June 2015.

### **Employees and Remuneration Policies**

As of 30 June 2015, the Group had 21 full-time employees. The Group offers competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

The Company has adopted a share option scheme as an incentive to its directors and eligible employees, details of which are set out in the paragraph headed “Share Option Scheme” in the section headed “Management Discussion and Analysis” in our 2014/2015 Annual Report.

No share option has been granted under the Company’s share option scheme since its adoption.

## **Capital Structure**

The shares of the Company were listed on GEM of the Stock Exchange on 24 March 2015 (the “**Listing**”). There has been no change in the capital structure of the Company since the date of Listing up to the date of this announcement.

## **Foreign Currency Exposure**

Our Group’s revenue and expenses are mainly in Hong Kong dollar which is the functional currency of all entities making up the Group. Our Group is mainly exposed to the foreign currency risk of Renminbi and US dollar. As Hong Kong dollar is pegged to US dollar, we do not expect any significant movement in the US dollar/Hong Kong dollar exchange rate. We consider the currency risk resulting from our daily operations is not significant, thus our Group does not have a foreign currency hedging policy as at the date of this announcement.

## **Dividend**

The Board did not recommend the payment of a dividend for the three months ended 30 June 2015.

## **Future Outlook**

The Group is optimistic towards the energy saving business because of the severe contamination of the environment and the increasing energy prices. Corporations are also keen to use energy saving products so as to reduce operating costs due to increasing electricity prices.

The Group continues to take proactive business strategies, such as further expanding in the Hong Kong, international and PRC markets through customisation of our lighting products, appointment of distributors and entering into strategic partnerships; enhancing our research and development capabilities; and engaging in marketing activities to enhance our brand image and recognition.

## **DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2015, the interests and short positions of the Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to our Company and the Stock Exchange, were as follows:

## Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Director	Nature of Interest and Capacity	Number of Shares	Approximate Percentage of Issued Share Capital
Mr. LAM Chung Ho Alastair	Beneficial owner	49,800,734	9.96%
Mr. WONG Man Fai Mansfield <i>(Note)</i>	Interest in controlled corporation	47,249,204	9.45%
Mr. LAM Arthur	Beneficial owner	35,464,437	7.09%

*Note:* Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares owned by Abundance Development Limited.

Save as disclosed above, as at 30 June 2015, none of our Directors or chief executives of our Company had any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provision of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as our Directors are aware, as at 30 June 2015, the persons/entities (other than the Directors or chief executives of our Company) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of our Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group were as follows:

## Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Shareholder	Nature of Interest and Capacity	Number of Shares	Approximate Percentage of Issued Share Capital
Abundance Development Limited <i>(Note 1)</i>	Beneficial owner	47,249,204	9.45%
Ms. CAI Linda Xin Xin <i>(Note 2)</i>	Interest of spouse	47,249,204	9.45%
Ms. LIANG Wai Yun Fiona <i>(Note 3)</i>	Interest of spouse	35,464,437	7.09%

*Notes:*

1. Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
2. Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares owned by Abundance Development Limited, and Ms. CAI Linda Xin Xin is deemed to be interested in all the shares in which Mr. WONG Man Fai Mansfield is interested.
3. Ms. LIANG Wai Yun Fiona is the spouse of Mr. LAM Arthur. Under the SFO, Ms. LIANG Wai Yun Fiona is deemed to be interested in all the shares in which Mr. LAM Arthur is interested.

Save as disclosed above, as at 30 June 2015, the Directors were not aware of any persons/entities who had any interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by the compliance adviser of the Company, CLC International Limited, as at 30 June 2015, save for the compliance adviser agreement dated 12 March 2015 entered into between the Company and CLC International Limited, neither CLC International Limited, its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2015.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As of 30 June 2015, none of the Directors, the substantial shareholders or their respective close associates (as defined under the GEM Listing Rules) had held any position or had any interest in any businesses or companies that were or might be materially, either directly or indirectly, competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the three months ended 30 June 2015.

## **CORPORATE GOVERNANCE**

The Board is committed to achieving and maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value, transparency and accountability, and to formulate its business strategies and policies.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 15 to the GEM Listing Rules.

The Board is of the view that, throughout the three months ended 30 June 2015, the Company has complied, to the extent applicable and permissible, with the code provisions set out in the Corporate Governance Code, except for the deviation from the code provision A.2.1 as explained below:

Code provision A.2.1 of the Corporate Governance Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. WONG Man Fai Mansfield is the Chairman and the Chief Executive Officer of the Company. In view of Mr. WONG has been leading our Group as the Chief Executive Officer of the Board and one of our subsidiaries since 2009, the Board believes that it is in the best interest of the Group to continue to have Mr. WONG stays as the Chief Executive Officer and leader of the Board for effective management of our Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises three independent non-executive Directors and has a fairly strong independence element in its composition. Therefore, the Board considers that the deviation from code provision A.2.1 is appropriate in the circumstances. The Board will review the management structure regularly and consider separating the roles of chairman and chief executive, if and when appropriate.

## **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS**

The Company has adopted its own code of conduct for dealing in securities of the Company by the Directors and the relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company (the “**Securities Dealing Code**”). The Securities Dealing Code is no less exacting than the standard as set out in Rules 5.48 to 5.67 of the GEM Listing Rules for transactions in securities by the directors of the listed issuers (the “**Required Standard of Dealings**”). Having made specific enquiries with all Directors and relevant employees, all Directors and relevant employees have confirmed that they have complied with the Securities Dealing Code and therefore, complied with the Required Standard of Dealings throughout the three months ended 30 June 2015 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Audit Committee of the Board was established with its written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the Corporate Governance Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. CHUNG Koon Yan (Chairman of the Audit Committee), Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony.

The financial information contained in this announcement for the three months ended 30 June 2015 has not been audited by the Company's auditor, but has been reviewed by the Audit Committee, who was of opinion that such financial information complied with the applicable accounting standards, GEM Listing Rules and legal requirements and that adequate disclosures had been made.

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

Hong Kong, 10 August 2015

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

*This announcement will remain on the "Latest Company Announcements" page of the GEM's website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting and the Company's website at [www.synergy-group.com](http://www.synergy-group.com).*