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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF APPROXIMATELY 9.42% INTEREST IN AN ASSOCIATED COMPANY

THE ACQUISITION

The Board is pleased to announce that, after trading hours on 6 October 2015, Synergy Worldwide (as the Purchaser) entered into the SP Agreement with Fuqi (as the Vendor) pursuant to which Fuqi agreed to sell, and Synergy Worldwide agreed to acquire, approximately 9.42% interest in SCML.

GEM LISTING RULES IMPLICATIONS

As certain of the relevant applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE SP AGREEMENT

The Board is pleased to announce that, after trading hours on 6 October 2015, Synergy Worldwide (as the Purchaser) entered into the SP Agreement with Fuqi (as the Vendor) pursuant to which Fuqi agreed to sell, and Synergy Worldwide agreed to acquire, approximately 9.42% interest in SCML.

Prior to the signing of the SP Agreement, Synergy Worldwide was directly interested as to approximately 27.17% interest in SCML.

Major terms of the SP Agreement are set out below:

Date:

6 October 2015

Parties:

Vendor: Fuqi

Purchaser: Synergy Worldwide

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its beneficial owner is an Independent Third Party.

Assets to be acquired:

Fuqi agreed to sell, and Synergy Worldwide agreed to acquire, approximately 9.42% interest in SCML.

Consideration

Pursuant to the SP Agreement, the Consideration for the sale and purchase of the Sale Shares is HK\$19.5 million.

The Consideration shall be payable by the Purchaser or the Company to the Vendor or any other designation person as the Vendor may direct at Completion.

Basis of the Consideration

The Consideration was determined based on normal commercial terms and after arm's length negotiations between the Purchaser and the Vendor after taking into account the reasons and benefit of the Acquisition as described under the paragraph headed "Reasons for and benefits of the Acquisition" below.

After taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable.

Conditions Precedent

Completion is conditional upon fulfillment or waiver (as the case may be) of, inter alia, the following conditions:

- (a) (where applicable) the compliance by the Company of (or, as the case may be, obtaining of waiver from) any requirement under the GEM Listing Rules as may be applicable (including without limitation the approval of the Company's shareholders in general meeting being obtained) in connection with the SP Agreement and the transactions contemplated thereby;
- (b) the Board of the Company (as ultimate shareholder of the Purchaser) approving and authorising the execution and completion of the SP Agreement;

- (c) none of the warranties having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (d) if required, all approvals, consents, authorisations and licences (so far as are necessary or required under laws, codes, regulations, the GEM Listing Rules or otherwise) in relation to the transactions contemplated under the SP Agreement having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such provisions being obtained from the relevant authority (including without limitation the Stock Exchange); and
- (e) the Purchaser being satisfied that, as at Completion, there has not been any material adverse change in respect of any member of the SCML Group since the date of the SP Agreement.

The Purchaser may (but not obliged to) waive conditions (c) and (e) set out above and all other conditions may not be waived by the Vendor or the Purchaser. If any of the conditions set out above is not fulfilled or, as the case may be, waived by the Purchaser on or before 12:00 noon on the Long Stop Date, the obligations of the parties shall cease and determine (save and except the clauses in the SP Agreement in relation to confidentiality which shall continue to have full force and effect) and neither party shall have any claim under the SP Agreement against the other save in respect of any antecedent breaches of the SP Agreement.

Completion

Completion shall take place after the fulfillment or waiver of the Conditions Precedent, as the case may be, and on either of the following date:

- (i) the second business day following the date where all the Conditions Precedent have been fulfilled; or
- (ii) any other date agreed by the Vendor and the Purchaser.

If any party defaults at Completion, the non-defaulting party may terminate the SP Agreement.

Upon Completion, Synergy Worldwide will be directly interested in approximately 36.59% of SCML and Fuqi will cease to be interested in SCML.

INFORMATION OF THE SCML GROUP

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

As at the date of this announcement, the Company was interested in approximately 27.17% in SCML.

Financial information of the SCML Group

The following table sets out the consolidated financial information of the SCML Group attributable to the assets being acquired by Synergy Worldwide pursuant to the Acquisition:

Consolidated financial information of the SCML Group attributable to the assets being acquired by Synergy Worldwide pursuant to the Acquisition (Note)	For the year ended 31 March	
	2014	2015
	HK\$ (million)	HK\$ (million)
Unaudited total assets	6.65	6.15
Unaudited net loss (after taxation and extraordinary items)	1.46	1.25
Unaudited net loss (before taxation and extraordinary items)	1.46	1.25
Unaudited net assets	5.16	3.92

Note: The financial information is calculated on the basis that Synergy Worldwide acquires approximately 9.42% interest in SCML pursuant to the Acquisition.

INFORMATION OF THE GROUP

The Group is an integrated energy saving solutions provider based in Hong Kong, specialising in lighting solutions. The business of the Group is broadly divided into three segments, namely, (i) trading of lighting products; (ii) consultancy services; and (iii) leasing services of lighting products.

REASONS AND BENEFITS OF THE ACQUISITION

The Group is an integrated energy saving solutions provider based in Hong Kong, specialising in lighting solutions. The SCML Group is principally engaged in the provision of energy saving air-conditioning and cooling management businesses in Hong Kong and Malaysia. The Acquisition, when completed, will increase the Group's equity interests in the SCML Group from about 27.17% to about 36.59%, thereby expanding the Group's participation in the air-conditioning and cooling management solutions businesses. As an energy saving solutions provider specialising in lighting solutions, the Directors believe the Acquisition can further broaden the Group's industry experience and services offerings into the area of air-conditioning and cooling management solutions.

Being an energy saving solutions provider, the Directors believe that the Acquisition and the Group's further expansion into the air-conditioning and cooling management solutions businesses would be beneficial to the Group in view that (i) electricity consumptions of cooling appliances is substantially higher than that of lighting appliances and thus its related service income is potentially higher; (ii) the potential share of growing customer base of the SCML Group may create synergy between the lighting business and the cooling business; and (iii) the further expansion into the energy saving air-conditioning and cooling management businesses can further strengthen the Group's position to be a one-stop energy saving service provider given the electricity consumption for the use of lighting and cooling appliances represents around 80% of the commercial electricity consumptions as a whole. The Directors are also optimistic with the business outlook and the growth potential of the SCML Group and believe that the Acquisition would be in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATION

As certain of the relevant applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that completion of the SP Agreement is subject to the fulfillment or waiver of the conditions precedent (as the case may be) and completion thereof may or may not proceed. Shareholders and potential investors of the Company are therefore reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of approximately 9.42% interest in SCML by Synergy Worldwide pursuant to the SP Agreement
“Associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
“Company”	Synergy Group Holdings International Limited (滙能集團控股國際有限公司), an exempted company incorporated in the Cayman Islands on 14 December 2011 with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the Acquisition pursuant to the terms and conditions under the SP Agreement

“Conditions Precedent”	conditions precedent to Completion, details of which are set out under the section headed “Conditions Precedent” in this announcement
“Consideration”	the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Fuqi” or “Vendor”	Fuqi Holdings Limited (富祺控股有限公司), a company incorporated in the British Virgin Islands on 6 April 2011, an Independent Third Party
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Long Stop Date”	30 November 2015
“Purchaser” or “Synergy Worldwide”	Synergy Group Worldwide Limited, a company incorporated in the British Virgin Islands on 8 August 2008 and was interested in approximately 27.17% in SCML prior to the Acquisition, and a wholly-owned subsidiary of the Company
“Sale Shares”	the 1,733 shares of SCML held by Fuqi, representing approximately 9.42% interest in SCML as at the date of this announcement
“SCML”	Synergy Cooling Management Limited, a company incorporated in the British Virgin Islands on 1 April 2011 with 18,400 shares in issue as at the date of this announcement
“SCML Group”	SCML and its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“SP Agreement” the sale and purchase agreement dated 6 October 2015 entered into among Synergy Worldwide (as Purchaser) and Fuqi (as Vendor) in relation to the Acquisition, the major terms of which are set out in the section headed “SP Agreement” in this announcement

“%” per cent.

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

Hong Kong, 6 October 2015

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

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, (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.

This announcement will remain on the “Latest Company Announcements” page of the GEM’s website at www.hkgem.com for at least seven days from the date of its posting and the Company’s website at www.synergy-group.com.