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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)**

# **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

## **Placing Agent**



**英皇證券(香港)有限公司**  
Emperor Securities Limited

On 14 August 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best efforts basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 110,000,000 Placing Shares at the Placing Price of HK\$0.129 per Placing Share.

The maximum number of 110,000,000 Placing Shares represents:

- (a) 20.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Placing Shares (assuming no further change in the share capital of the Company prior to Placing Completion).

The Placing Price of HK\$0.129 per Placing Share represents:

- (a) a discount of approximately 12.2% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on 14 August 2020, being the date of the Placing Agreement; and
- (b) a discount of approximately 19.4% to the average closing price of HK\$0.160 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$14.2 million. The net proceeds, after deduction of all relevant expenses (including the placing commission and legal expenses) incidental to the Placing of approximately HK\$0.9 million, are estimated to be approximately HK\$13.3 million.

**Placing Completion is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING AGREEMENT**

### **Date**

14 August 2020 (after trading hours)

### **Parties**

Issuer : The Company

Placing Agent : Emperor Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 5% on the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

### **Placees**

The Placing Shares will be placed on a best effort basis, to not less than six Placees. The Placing Agent will also use its reasonable endeavours to ensure that the Placees and their respective ultimate beneficial owners will be Independent Third Parties, and that none of the Placees will, immediately upon Placing Completion, become a substantial shareholder (as defined in the Listing Rules) of the Company.

### **Placing Shares**

The maximum number of 110,000,000 Placing Shares represents:

- (a) 20.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Placing Shares (assuming no further change in the share capital of the Company prior to Placing Completion).

The aggregate nominal value of the maximum of 110,000,000 Placing Shares is HK\$1,100,000.

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.129 per Placing Share represents:

- (a) a discount of approximately 12.2% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on 14 August 2020, being the date of the Placing Agreement; and
- (b) a discount of approximately 19.4% to the average closing price of HK\$0.160 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Placing Agreement.

After deduction of relevant expenses of the Placing, the net placing price per Placing Share is approximately HK\$0.121.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Placing**

Completion is conditional upon the following conditions being fulfilled:

- (i) the passing by the Board of resolution to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

If the above conditions are not fulfilled by 4 September 2020, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall be terminated and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

### **Placing Completion**

Placing Completion shall take place on a business date falling within three Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled or such other date as the Company and the Placing Agent may agree in writing.

### **Termination**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date thereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 consecutive trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or

- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date thereof and prior to the Completion Date which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of notice to the Company pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the Placing Agreement.

## **APPLICATION FOR LISTING**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to the resolution of the Shareholders passed at the AGM. The number of Shares which could be issued and allotted under the General Mandate is 110,000,000 Shares as at the date hereof. As such, the current General Mandate is sufficient for the issue and allotment of the Placing Shares. No separate approval of Shareholders is required for the Placing. As at the date of this announcement, no Share has been issued pursuant to the General Mandate.

## **REASONS FOR THE PLACING**

The Group is a leading integrated energy saving and management solutions and technologies provider headquartered in Hong Kong with presences in the PRC, Malaysia, Indonesia, and South Africa. The Group is principally engaged in the provision of leasing services of energy saving systems, consultancy service and artificial intelligence technology services, and trading of energy saving products.

The Directors consider the Placing offers a good opportunity for the Group to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$14.2 million. The net proceeds, after deduction of all relevant expenses (including the placing commission and legal expenses) incidental to the Placing of approximately HK\$0.9 million, are estimated to be approximately HK\$13.3 million.

The Company intends to use the net proceeds raised from the Placing for repayment of its borrowings.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any issue of equity securities in the past twelve months immediately before the date of this announcement.

## **EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE**

Assuming no new Shares are issued before Placing Completion, the shareholding structure of the Company as at the date of this announcement and immediately after the issue of all Placing Shares are as follows:

<b>Name of the Shareholder</b>	<b>Shareholding as at the date of this announcement</b>		<b>Shareholding immediately after the issue of all Placing Shares</b>	
	<b>Number of shares held</b>	<b>Approximate shareholding percentage</b>	<b>Number of shares held</b>	<b>Approximate shareholding percentage</b>
Abundance Development Limited ( <i>note 1</i> )	53,249,204	9.68%	53,249,204	8.07%
Mr. Lam Arthur ( <i>note 2</i> )	37,514,437	6.82%	37,514,437	5.68%
Mr. Cheung Yick Hung Jackie ( <i>note 3</i> )	100,000	0.02%	100,000	0.01%
The Placees	–	–	110,000,000	16.67%
Other public Shareholders	459,136,359	83.48%	459,136,359	69.57%
<b>Total</b>	<b>550,000,000</b>	<b>100.00%</b>	<b>660,000,000</b>	<b>100.00%</b>

*Notes:*

1. Abundance Development Limited is wholly-owned by Mr. Wong Man Fai Mansfield, an executive Director.
2. Mr. Lam Arthur is an executive Director.
3. Mr. Cheung Yick Hung Jackie is an independent non-executive Director.



## **PUBLIC FLOAT**

The Company will be able to comply with the public float requirement under the Listing Rules immediately after Placing Completion.

**Placing Completion is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 16 September 2019
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which banks in Hong Kong are open for general banking business
“Company”	Synergy Group Holdings International Limited 滙能集團控股國際有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	a day within three Business Days after the date on which all the conditions set out in the Placing Agreement have fulfilled (or such other date as the Company and the Placing Agent may agree in writing) and on which completion of the Placing will take place
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate to issue shares granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM
“Group”	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 Parties”	individual(s) or company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules) any member company of the Group, the Directors, chief executives and substantial shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 110,000,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 14 August 2020 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Placing Price”	HK\$0.129 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Shares”	a total of up to 110,000,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 14 August 2020

*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.*