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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**



On 14 March 2018 (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 Placées who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 50,000,000 Placing Shares at the Placing Price of HK\$1.09 per Placing Share.

The maximum number of 50,000,000 Placing Shares represents:

- (a) 10.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.1% 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\$1.09 per Placing Share represents:

- (a) a discount of approximately 12.8% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 14 March 2018, being the date of the Placing Agreement; and
- (b) a discount of approximately 18.4% to the average closing price of HK\$1.336 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\$54.5 million. The net proceeds, after deduction of all relevant expenses (including but not limited to the placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$1.6 million, are estimated to be approximately HK\$52.9 million. The net price per Placing Share is approximately HK\$1.06.

**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 March 2018 (after trading hours)

### **Parties**

Issuer : The Company

Placing Agent : Hooray 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 2.5% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually 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 50,000,000 Placing Shares represents:

- (a) 10.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.1% 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 50,000,000 Placing Shares is HK\$500,000.

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\$1.09 per Placing Share represents:

- (a) a discount of approximately 12.8% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 14 March 2018, being the date of the Placing Agreement; and
- (b) a discount of approximately 18.4% to the average closing price of HK\$1.336 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\$1.06.

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**

The Placing is conditional upon the fulfillment of, among others, the following conditions:

1. the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
2. the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated.

In the event that any of the above conditions is not fulfilled on or before the 30th day after the date of the Placing Agreement (or such later date as may be agreed by the Parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and no parties to the Placing Agreement shall have any claim against the other in relation thereto save for antecedent breaches of the provisions of the Placing Agreement.

## **Placing Completion**

Placing Completion shall take place on a business date falling within five Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled.

## **Termination and Force Majeure**

Unless otherwise agreed among the parties to the Placing Agreement, the Placing Agent's appointment shall terminate upon the earlier of (a) Placing Completion; and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of Placing Completion, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events. For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to the Placees or otherwise makes it inexpedient or inadvisable for the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction of trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to the Placee(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Placing Agent to proceed with the Placing.

If, at or prior to the date of Placing Completion;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days, other than the purposes of clearing of the announcement (if any) relating to the Placing Agreement; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect; or
- (d) the Agent shall become aware of the fact that any of the statements made in any announcement, circular or financial report published by the Company on the website of the Stock Exchange was, when given, untrue or inaccurate in any material respect and the Agent shall determine in their reasonable opinion that any such untrue statement will likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

## **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 100,000,000 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 solutions provider based in Hong Kong, specialising in lighting solutions. The Group is principally engaged in (i) provision of leasing service of lighting systems; (ii) trading of lighting products; and (iii) provision of consultancy service.

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.

## **USE OF PROCEEDS**

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$54.5 million. The net proceeds, after deduction of all relevant expenses (including but not limited to the placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$1.6 million, are estimated to be approximately HK\$52.9 million.

The Company intends to use the net proceeds raised from the Placing for general working capital of the Group.

## 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:

Name of the Shareholder	Shareholding as at the date of this announcement		Shareholding immediately after the issue of all Placing Shares	
	Number of shares held	Approximate shareholding percentage	Number of shares held	Approximate shareholding percentage
Abundance Development Limited ( <i>note 1</i> )	47,249,204	9.45%	47,249,204	8.59%
Mr. Lam Arthur ( <i>note 2</i> )	35,464,437	7.09%	35,464,437	6.45%
The Placees	–	–	50,000,000	9.09%
Other public Shareholders	417,286,359	83.46%	417,286,359	75.87%
<b>Total</b>	<b>500,000,000</b>	<b>100.00%</b>	<b>550,000,000</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.

## 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 15 September 2017
“Board”	the board of Directors

“Business Day”	any day (other than Saturday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“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
“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 private 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 50,000,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Hooray Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 14 March 2018 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\$1.09 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 50,000,000 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 March 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.*