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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)**

**DISCLOSEABLE TRANSACTION  
PROVISION OF GUARANTEE AND  
ADVANCEMENT OF SHAREHOLDER'S LOANS  
FURTHER ANNOUNCEMENT**

Reference is made to the announcement of the Company dated 23 May 2019 (“**Announcement**”) in relation to the Guarantee Agreement and the shareholder’s loans advanced to Kedah Synergy. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, (i) each of the First Loan Agreement, the Second Loan Agreement and the Third Loan Agreement on a standalone basis or when aggregated, does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules; and (ii) pursuant to Rule 14.22 of the Listing Rules, the Previous Loan Agreements are aggregated with the Provision of Guarantee as both of them involve the provision of financial assistance by the Group to Kedah Synergy.

Rule 14.22 of the Listing Rules provides that “*the Exchange may require listed issuers to aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12 month period or are otherwise related*”. Rule 14.23 of the Listing Rules provides certain factors which the Stock Exchange will take into account in determining whether transactions will be aggregated.

The Company aggregated the Previous Loan Agreements and the Provision of Guarantee because the Company considered that they were completed within a 12-month period and they involved the provision of financial assistance by the Group to Kedah Synergy. However, the Company considered that the Previous Loan Advancements and the Previous Loan Agreements were distinctive transactions which were not related to each other because (i) the amount of each of these loans were determined with reference to the Board’s estimation on business and operation needs of Kedah Synergy at the relevant time; (ii) most of these advancements represented the Group’s pro rata contribution of the shareholders’ loans in accordance with the Group’s interests in Kedah Synergy as at the date of the respective advancement; and (iii) the terms of each of these loans were negotiated on an arm’s length basis between the Group and Kedah Synergy. Further, certain transactions under the Previous Loan Advancements were completed outside a 12-month period at the time of entering into of the Third Loan Agreement. Therefore, the Company initially assessed that the Previous Loan Advancements and the Previous Loan Agreements should not be aggregated pursuant to Rule 14.22 under the Listing Rules.

However, as advised by the Stock Exchange, as the Previous Loan Advancements and the Previous Loan Agreements involved the provision of financial assistance by the Group to Kedah Synergy, the Previous Loan Advancements and the Previous Loan Agreements should be aggregated under Rule 14.22 of the Listing Rules. The relevant percentage ratios under the Listing Rules in respect of the Previous Loan Advancements and the Previous Loan Agreements (on an aggregated basis) are more than 5% but less than 25%, which constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Further, the relevant percentage ratios under the Listing Rules in respect of the Previous Loan Advancements, the Previous Loan Agreements and the Provision of Guarantee (on an aggregated basis) are more than 5% but less than 25%, which constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Due to the above-mentioned difference in the understanding and interpretation of Rule 14.22 of the Listing Rules, the Company failed to notify the Stock Exchange and make an announcement in relation to the Previous Loan Advancements and the Previous Loan Agreements at the time of entering into of the Third Loan Agreement, which constituted non-compliance with Rule 14.34 of the Listing Rules.

The Company has designated specific staff to review the amounts of any proposed advancement to Kedah Synergy by the Group in the future and check whether such proposed advancement will be subject to the requirement under, among others, Chapter 14 of the Listing Rules before making such advancement.

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

Hong Kong, 31 May 2019

*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.*