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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)

ANNOUNCEMENT IN RELATION TO INSIDE INFORMATION AND UNDER RULE 13.19 OF THE LISTING RULES

This announcement is issued by Synergy Group Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 21 November 2017 (the “**Announcement**”) in relation to the issuance of the note (the “**CCBI Note**”) in the principal amount of HK\$80,000,000 to Wan Tai Investments Limited, an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited (the “**Noteholder**”); and (ii) the annual report of the Company for the year ended 31 March 2020 (the “**Annual Report**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Annual Report.

As stated in the Annual Report, as at 31 March 2020, notes payable of approximately HK\$60.0 million, which refers to the outstanding principal amount of the CCBI Note as at 31 March 2020), has been due with reference to the terms and repayment schedule of the relevant agreement, and remains unsettled.

On 6 August 2020, the Noteholder served a default redemption notice (the “**Notice**”) to the Company, pursuant to which the Noteholder elected to have the whole principal amount of the CCBI Note redeemed at the amount of approximately HK\$80,485,000 (being the default redemption amount pursuant to the terms and conditions of the CCBI Note as at the date of the Notice, which includes, among others, the outstanding principal amount of the CCBI Note and the unpaid accrued interest).

On 7 August 2020, the Company received a statutory demand (the “**Statutory Demand**”) dated 7 August 2020 from the legal adviser acting on behalf of the Noteholder pursuant to Section 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding the Company to pay the amount of approximately HK\$80,514,000 (being the default redemption amount pursuant to the terms and conditions of the CCBI Note as at the date of the Statutory Demand, which includes, among others, the outstanding principal amount of the CCBI Note and the unpaid accrued interest), within 21 days from the date of service of the Statutory Demand, failing which the Noteholder may present a winding up petition against the Company.

Since 6 August 2020 and until the date of this announcement, the Directors have been taking proactive steps to discuss and negotiate with the Noteholder for the renewal of or extension for repayment schedule of the CCBI Note. As at the date of this announcement, the Directors are given to understand that the Company shall repay the outstanding amount of the CCBI Note as follows: (i) at least HK\$5,000,000 to be repaid on or before 28 August 2020; (ii) at least HK\$20,000,000 to be repaid on or before 11 September 2020; and (iii) all remaining outstanding amount to be repaid on or before 30 October 2020. In view of the above repayment schedule, the Noteholder will standstill and will not take any further enforcement action regarding the Statutory Demand for the period from 12 August 2020 to 30 October 2020, including the filing of a winding-up petition against the Company.

Over the past few months, the Directors have been taking proactive steps to enhance cashflow of the Group. As at the date of this announcement, the Company is actively negotiating with certain placing agents regarding the possible placing of the shares of the Company, which is expected to provide immediate funds to the Group if materialise. The Company is also in negotiation with a number of potential investors for other fundraising activities, including but not limited to the issuance of financial instruments by the Group. The Company is also negotiating with a number of investors who are interested in acquiring certain business segment and/or financial assets of the Group.

Further announcement(s) will be made by the Company as and when appropriate or as required under the Listing Rules.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Wong Man Fai Mansfield and Mr. Lam Arthur; and the independent non-executive directors of the Company are Mr. Chung Koon Yan, Mr. Cheung Yick Hung Jackie and Dr. Wong Chi Ying Anthony.