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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)

**(1) SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO (I) INSIDE INFORMATION AND
UNDER RULE 13.19 OF THE LISTING RULES; AND
(II) THE ANNUAL REPORT FOR THE YEAR ENDED
31 MARCH 2020; AND
(2) 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 12 August 2020 (the “**CCBI Note Announcement**”) in relation to a statutory demand issued to the Company from the Noteholder of the CCBI Note; (ii) the announcement of the Company dated 27 August 2020 (the “**Annual Report Supplemental Announcement**”) in relation to the disclaimer of opinion issued by the auditor of the Company in relation to the consolidated financial statements of the Group for the year ended 31 March 2020; and (iii) 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 CCBI Note Announcement, the Annual Report Supplemental Announcement and the Annual Report.

(I) UPDATES ON THE CCBI NOTE

As disclosed in the CCBI Note Announcement, the Directors were 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. As at the date of this announcement, the Group has repaid HK\$5,000,000 under the CCBI Note and the Directors are taking proactive steps to discuss and negotiate with the Noteholder for the renewal of or extension for repayment schedule in relation to the remaining outstanding amount under the CCBI Note.

(II) SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORT AND THE ANNUAL REPORT SUPPLEMENTAL ANNOUNCEMENT

As set out in the section headed “Corporate Governance Report” on page 77 of the Annual Report, *“the Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.”*

The Board would like to clarify the above statement in the Annual Report. As set out in the consolidated financial statements for the year ended 31 March 2020 (as set out in the Annual Report), it was considered that a material uncertainty existed that may cast significant doubt on the Group's ability to continue as a going concern as the Group may not be able to settle the relevant overdue notes and borrowings upon the request of immediate settlement from the lenders, which was agreed by the Board.

As such, the Directors have prepared the Cash Flow Forecast which enabled the Directors to form the opinion that it was feasible for the Group to continue as a going concern and it was appropriate to prepare the consolidated financial statements for the year ended 31 March 2020 on a going concern basis.

(III) THE STATUTORY DEMAND ISSUED BY HITACHI

Pursuant to (a) a loan agreement entered into between the Company's wholly-owned subsidiary and Hitachi Capital (Hong Kong) Limited ("**Hitachi**") in 2017; (b) a rescheduling agreement entered into between the Company's subsidiary and Hitachi in 2020; and (c) a guarantee executed by the Company in favour of Hitachi in 2017, Hitachi provided a loan (the "**Hitachi Loan**") to the Company's subsidiary which was guaranteed by the Company ("**Hitachi Guarantee**").

On 27 October 2020, the Company received a statutory demand (the "**Hitachi Statutory Demand**") dated 27 October 2020 from the legal adviser acting on behalf of Hitachi 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 payment from the Company for its indebtedness under the Hitachi Guarantee for a sum of approximately HK\$12,481,617.92 (being the indebtedness amount as at 9 October 2020), within 21 days from the date of service of the Hitachi Statutory Demand, failing which Hitachi may present a winding up petition against the Company.

As at the date of this announcement, the Directors have been taking proactive steps to discuss and negotiate with Hitachi for the extension for repayment schedule under the Hitachi Loan. Over the past few months, the Directors have also been taking proactive steps to enhance the cashflow of the Group. The Company is in negotiation with a number of potential investors for fundraising activities including but not limited to the issuance of financial instruments by the Group and the Company is also in negotiation with a number of investors who are interested in acquiring certain businesses 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.

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

Hong Kong, 6 November 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.