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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)

PROFIT WARNING

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

The board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Period**”) and the information currently available to the Board, the Group is expected to record an unaudited consolidated loss attributable to the owners of the Company for the Period of not less than HK\$70 million as compared with a profit of approximately HK\$32.9 million for the six months ended 30 September 2019 (the “**2019 Corresponding Period**”).

Subject to finalisation of the interim results of the Group for the Period (the “**2020/2021 Interim Results**”), the Board considers that the expected loss of the Group was primarily attributable to the following reasons:

- (i) the decline of not less than 80% in the Group’s revenue as compared with the 2019 Corresponding Period, which was mainly attributable to (i) the decrease in revenue in the trading of energy saving products segment by not less than 80% due to the drop in customer demand and the delays in delivery of products as the customers and the distributors were adversely affected by the negative economic effects from the escalating uncertainty in the international trade policy, the global financial conditions and the outbreak of COVID-19 during the Period; and (ii) the decrease in revenue in the consultancy service segment by 100% due to the relevant travel restrictions which hindered the Group’s provision of consultancy services in the PRC during the Period; and
- (ii) the loss on modification of financial assets of not less than HK\$60 million for the Period, which was mainly due to the discount offered to one of the customers of the Group affected by the outbreak of COVID-19 in return for early settlement of outstanding payments.

The information contained in this announcement represents only a preliminary assessment by the Board based on the information currently available including the draft consolidated management accounts of the Group for the Period, which have not been audited or reviewed by the Company’s auditor. As at the date of this announcement, the Company is in the process of finalising the 2020/2021 Interim Results, and such results are subject to necessary adjustments. Shareholders and potential investors are advised to read carefully the Company’s announcement of the 2020/2021 Interim Results which is expected to be published by the end of November 2020.

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, 26 November 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.