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Abundance Development Limited

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)

JOINT ANNOUNCEMENT

- (1) CONNECTED TRANSACTION –
ISSUE OF SUBSCRIPTION SHARES
TO A CONNECTED PERSON;
(2) CONNECTED TRANSACTIONS & SPECIAL DEAL –
ISSUE OF CONVERSION SHARES
TO CONNECTED PERSONS;
(3) ISSUE OF SETTLEMENT SHARES;
(4) APPLICATION FOR WHITEWASH WAIVER;
AND
(5) INSIDE INFORMATION**

**Financial Adviser to Abundance
Development Limited**

VEDA | CAPITAL
智 略 資 本

**Financial Adviser to Synergy Group
Holdings International Limited**

HORAY 好盈

This announcement is made by Synergy Group Holdings International Limited (the “**Company**”) and Abundance Development Limited (the “**Offeror**”) 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).

Reference is made to the joint announcement issued by the Company and the Offeror on 15 September 2021 (the “**Joint Announcement**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Joint Announcement.

INTRODUCTION

On 16 November 2017, the Company issued the CCBI Note, which is a 9.0% secured guaranteed note in the principal amount of HK\$80,000,000 due on 16 November 2019, to CCBI for purchasing products for the Group’s South Africa projects. The CCBI Note is guaranteed by Mr. Wong and Mr. Lam and secured by 53,249,204 Shares and 29,800,000 Shares beneficially owned by the Subscriber and Mr. Lam, respectively as at the date of the Joint Announcement.

Notwithstanding the above, the CCBI Note is currently in default and a statutory demand was issued to the Company on 7 August 2020. CCBI, as noteholder, already exercised the right to sell a total of 6,314,437 Shares owned by Mr. Lam between 27 July 2021 and 25 August 2021 (the “**Previous Disposals**”), details of which were included in the sections headed “Disqualifying transactions and application for the Executive’s consent” and “Further details of the CCBI Note” respectively in the Joint Announcement. The 29,800,000 Shares beneficially owned by Mr. Lam as at the date of the Joint Announcement were the balance from the Previous Disposals. The proceeds from the Previous Disposals were mainly used as repayment of the CCBI Note.

On 16 September 2021, the Board was informed by Mr. Lam that a total of 29,800,000 Shares owned by Mr. Lam that were continually served as security for the CCBI Note, representing the balance of the existing Shares beneficially owned by Mr. Lam, were further disposed by CCBI on 16 September 2021 for repayment of the CCBI Note (the “**Additional Disposals**”). Given that the Additional Disposals were made after the date of the Joint Announcement, the purpose of this announcement is to update the shareholding structure of the Company as a result of the Additional Disposals.

UPDATE ON THE EFFECT ON THE SHAREHOLDING STRUCTURE

Given that the Additional Disposals were made after the date of the Joint Announcement, set out below are the updated shareholding structures of the Company (i) as at the date of this announcement including the effect from the Additional Disposals; and (ii) upon the issue of the Subscription Shares, the Conversion Shares and the Settlement Shares (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares, the Conversion Shares and the Settlement Shares):

Name of the Shareholder	Shareholding as at the date of this announcement		Shareholding upon the issue of the Subscription Shares, the Conversion Shares and the Settlement Shares	
	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage
Mr. Wong (<i>Note 1</i>)	–	–	96,510,000	4.08%
The Subscriber (<i>Note 2,4</i>)	53,249,204	8.03%	1,153,249,204	48.79%
Mpplication (<i>Note 4</i>)	–	–	10,080,000	0.43%
Mr. Lam (<i>Notes 2, 3</i>)	–	–	20,154,000	0.85%
Ms. Yeung Betty (<i>Notes 5</i>)	2,418,000	0.36%	2,418,000	0.10%
Sub-total of the Subscriber and parties acting in concert with it	55,667,204	8.39%	1,282,411,204	54.25%
First Fidelity Capital (International) Limited (<i>Note 8</i>)	–	–	238,908,000	10.11%
Public Shareholders:				
Mr. Cheung Yick Hung Jackie (<i>Notes 6, 7</i>)	100,000	0.02%	100,000	0.00%
Ms. Yu Sze Wan Gisela (<i>Note 8</i>)	–	–	22,778,000	0.96%
Red Hill Investment BVI Ltd (<i>Note 8</i>)	–	–	105,370,000	4.46%
Mr. Tong Man Chun (<i>Note 8</i>)	–	–	12,068,000	0.51%
Kedah Company Limited (<i>Note 8</i>)	–	–	50,000,000	2.12%
Ms. Wu Chit Wai (<i>Note 8</i>)	–	–	45,072,000	1.91%
Other public Shareholders	607,038,796	91.59%	607,038,796	25.68%
Total	662,806,000	100.00%	2,363,746,000	100.00%

Notes:

- (1) As at the date of this announcement, Mr. Wong holds 5,500,000 Share Options which are exercisable from 2 April 2020 to 1 April 2022.
- (2) As at the date of this announcement, 53,249,204 Shares owned by the Subscriber are pledged to CCBI in favour of the CCBI Note, which was due on 16 November 2019. As the Company failed to settle the amount due to CCBI by 16 November 2019, CCBI served a statutory demand on the Company in light of its default on 7 August 2020 and sold a total of 36,114,437 pledged Shares owned by Mr. Lam in the six months prior to the date of this announcement. CCBI has the right to continue to sell the remaining pledged Shares owned by the Subscriber until the Company has fully repaid the amount due under the CCBI Note.
- (3) As at the date of this announcement, Mr. Lam holds 5,500,000 Share Options which are exercisable from 2 April 2020 to 1 April 2022.
- (4) Each of the Subscriber and Mpplication is wholly and beneficially owned by Mr. Wong.
- (5) As at the date of this announcement, 2,418,000 Shares are owned by Ms. Yeung Betty, mother of Mr. Lam.
- (6) Mr. Cheung Yick Hung Jackie is an independent non-executive Director.
- (7) As at the date of this announcement, Mr. Cheung Yick Hung Jackie holds 6,250 Share Options which are exercisable from 2 July 2021 to 1 April 2023, 6,250 Share Options which are exercisable from 2 October 2021 to 1 April 2023, 6,250 Share Options which are exercisable from 2 January 2022 to 1 April 2023, and 6,250 Share Options which are exercisable from 2 April 2022 to 1 April 2023.
- (8) The Company shall issue and allot 238,908,000, 22,778,000, 105,370,000, 12,068,000, 50,000,000 and 45,072,000 Settlement Shares to First Fidelity Capital (International) Limited, Ms. Yu Sze Wan Gisela, Red Hill Investment (BVI) Limited, Mr. Tong Man Chun, Kedah Company Limited and Ms. Wu Chit Wai respectively under the Settlement Agreements for repayment of the outstanding indebtedness.

DETAILS OF THE ADDITIONAL DISPOSALS

Details of the Additional Disposals are as follows:

Transaction date	Opening balance of the number of Shares owned by Mr. Lam pledged to CCBI in favour of the CCBI Note (assuming previous disposals have been settled)	Number of Shares being disposed by CCBI	Selling price per Share (HK\$)	Gross proceeds from the Additional Disposals (HK\$)	Closing balance of the number of Shares owned by Mr. Lam pledged to CCBI in favour of the CCBI Note (assuming previous disposals have been settled)
16 September 2021	29,800,000	198,000	0.3500	69,300	29,602,000
	29,602,000	8,000	0.3550	2,840	29,594,000
	29,594,000	194,000	0.3600	69,840	29,400,000
	29,400,000	19,608,000	0.3650	7,156,920	9,792,000
	9,792,000	5,128,000	0.3700	1,897,360	4,664,000
	4,664,000	350,000	0.3750	131,250	4,314,000
	4,314,000	384,000	0.3800	145,920	3,930,000
	3,930,000	396,000	0.3850	152,460	3,534,000
	3,534,000	364,000	0.3900	141,960	3,170,000
	3,170,000	182,000	0.3950	71,890	2,988,000
	2,988,000	1,594,000	0.4000	637,600	1,394,000
	1,394,000	158,000	0.4050	63,990	1,236,000
	1,236,000	210,000	0.4100	86,100	1,026,000
	1,026,000	684,000	0.4150	283,860	342,000
	342,000	190,000	0.4200	79,800	152,000
	152,000	10,000	0.4250	4,250	142,000
	142,000	10,000	0.4300	4,300	132,000
	132,000	10,000	0.4350	4,350	122,000
	122,000	50,000	0.4400	22,000	72,000
	72,000	72,000	0.4450	32,040	0
Aggregate Amount		29,800,000		11,058,030	

Further announcement(s) will be made by the Company as and when applicable if any Future Disposals take place.

DISQUALIFYING TRANSACTIONS AND THE EXECUTIVE'S CONSENT

Pursuant to paragraph 3(b) of the Whitewash Guidance Note set out in Schedule VI of the Takeovers Code, the Whitewash Waiver will not be granted or if granted will be invalidated if, without the prior consent of the Executive, any acquisitions or disposals of voting rights are made by such persons in the period between the Joint Announcement and the Subscription Completion and Connected Conversion Completion. As the outstanding amount of the CCBI Note was not fully repaid after the Previous Disposals as described in the Joint Announcement, CCBI has the right to further sell the remaining pledged Shares owned by the Subscriber after the date of the Joint Announcement.

An application to the Executive has been made by the Subscriber earlier for the consent on the Future Disposals (which includes the Additional Disposals and any future disposals by CCBI) and the Executive has granted such consent on 14 September 2021.

GENERAL

Save for the aforesaid, there is no change to the terms of the Subscription Agreement, Connected Conversion Agreements, Settlement Agreements and the transactions contemplated thereunder, including the granting of Specific Mandate, the Whitewash Waiver and the Special Deal as at the date of this announcement.

Shareholders and potential investors should exercise caution when dealing in the Shares.

By order of the Board
Synergy Group Holdings International Limited
Chung Koon Yan
Independent non-executive Director

Hong Kong, 20 September 2021

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.

As at the date of this announcement, the sole director of the Subscriber is Mr. Wong Man Fai Mansfield.

The Directors jointly and severally accept full responsibility for the accuracy of information (other than those relating to the Subscriber and the parties acting in concert with it) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the sole director of the Subscriber) in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Subscriber accepts full responsibility for the accuracy of the information relating to the Subscriber and the parties acting in concert with it contained in this announcement and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.