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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)

**DESPATCH OF CIRCULAR
IN RELATION TO
(1) CONNECTED TRANSACTION – ISSUE OF
SUBSCRIPTION SHARES TO A CONNECTED PERSON;
(2) CONNECTED TRANSACTIONS – ISSUE OF
CONVERSION SHARES TO CONNECTED PERSONS;
(3) ISSUE OF SETTLEMENT SHARES;
(4) APPLICATION FOR WHITEWASH WAIVER;
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser to Synergy Group Holdings International Limited

HORAY 好盈

Hooray Capital Limited

Reference is made to (i) the joint announcements issued by Synergy Group Holdings International Limited (the “**Company**”) and Abundance Development Limited (the “**Subscriber**”) dated 15 September 2021 and 20 September 2021; and (ii) the announcements of the Company dated 6 October 2021 and 3 November 2021 in relation to, among other matters, (a) the issue of Subscription Shares, the issue of Conversion Shares, the issue of Settlement Shares and the application for the Whitewash Waiver; and (b) the delay and further delay despatch of circular (the “**Circular**”) in relation to the aforesaid matters on or before 24 November 2021.

Unless otherwise defined, capitalised terms defined in the Circular shall have the same meanings when used in this announcement.

DESPATCH OF CIRCULAR

The Board wishes to announce that the Circular containing, among other things, (i) details of the Connected Issue and the Whitewash Waiver; (ii) details of the Settlement; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement, the Connected Conversion Agreements, the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate and the Whitewash Waiver; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the Connected Conversion Agreements, the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate and the Whitewash Waiver; (v) the notice of the EGM; and (vi) other information as required under the Takeovers Code and Listing Rules, has been despatched to the Shareholders on 15 November 2021.

SPECIAL DEAL NO LONGER APPLY

As at the Latest Practicable Date, the Group owes Mr. Lam an amount of HK\$2,015,520 arising from the shareholder's loans provided by Mr. Lam for financing the Group's general working capital as the Group faced difficulties in obtaining funding. Such shareholder's loans are all interest-free and unsecured. There is no fixed term of repayment and was conducted in compliance with Rule 14A.76 and Rule 14A.90 of the Listing Rules, respectively.

As disclosed in the Joint Announcement, on 15 September 2021, the Company proposed to enter into the Second Connected Conversion Agreement with Mr. Lam, pursuant to which the Company shall allot and issue 20,154,000 Conversion Shares at the Issue Price of HK\$0.1 per Conversion Share to Mr. Lam in settlement of the corresponding amount of outstanding shareholder's loans, representing approximately 0.85% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, the Conversion Shares and the Settlement Shares. Details of which were included in the section headed "THE CONNECTED CONVERSION AGREEMENTS" in the Letter from the Board of the Circular.

Mr. Lam is a party acting in concert with the Subscriber and was beneficially interested in 29,800,000 Shares as at 15 September 2021, the date on which the Company proposed to enter into the Second Connected Conversion Agreement with Mr. Lam. As such the transaction contemplated under the Second Connected Conversion Agreement represented a favourable condition that was not extended to all Shareholders, which would constitute a special deal under Rule 25 of the Takeovers Code and hence would require the consent of the Executive.

However, as disclosed in the joint announcement issued by the Company and the Subscriber dated 20 September 2021, Mr. Lam is no longer a Shareholder as a result of the Forced Disposals. As such, the transaction contemplated under the Second Connected Conversion Agreement no longer represents a favourable condition that is not extended to all Shareholders, and as a result, the Special Deal is no longer applicable in relation to the Second Connected Conversion Agreement. In light of this, conditions precedent of each of the Subscription Agreement, the Connected Conversion Agreements and the Settlement Agreements have been revised accordingly.

The Subscription, the Connected Conversion and the Settlement are subject to the fulfilment (or waiver, if applicable) of a number of conditions precedent set out under in the relevant sections in the Circular, including approval at the EGM by the Independent Shareholders of the Subscription, the Connected Conversion, the Settlement and the transactions contemplated thereunder, including the granting of the Specific Mandate and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription, the Connected Conversion and the Settlement may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

Hong Kong, 15 November 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.