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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

Reference is made to the annual report of the Group for the year ended 31 March 2021 (the “**Annual Report**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the Board would like to provide further information in relation to (i) the significant investments held by the Group as at 31 March 2021; and (ii) the Share Option Scheme.

#### **SIGNIFICANT INVESTMENTS**

As at 31 March 2021, the Group held two investments with a value above 5% of the total assets of the Group as at 31 March 2021. The two investments include (a) the interests in associates in Kedah Synergy Limited (“**KSL**”), together with its subsidiaries (the “**KSL Group**”), which accounted for approximately 14.3% of the Group’s total assets as at 31 March 2021 (the “**Investment in Associates**”); and (b) the equity investment at fair value through profit or loss in InVinity Energy Group Limited, which accounted for approximately 6.9% of the Group’s total assets as at 31 March 2021 (the “**Equity Investment**”).

## **Investment in Associates**

The Investment in Associates represents the Group's investment in the KSL Group. The KSL Group includes associated companies of the Group which were owned as to 47.5% by the Group as at 31 March 2021. The KSL Group is principally engaged in trading of energy saving products and provision of cost-saving energy management solutions. The total initial investment cost in the KSL Group was approximately HK\$27.7 million. As at 31 March 2021, the Investment in Associates was approximately HK\$57.9 million.

The Investment in Associates is accounted for by equity method in which 47.5% share of the results of the KSL Group is reflected in the carrying amount of the investment. During the year ended 31 March 2021, share of profits from the KSL Group amounted to approximately HK\$9.5 million (for the year ended 31 March 2020: approximately HK\$2.4 million) was recognised in the consolidated statement of comprehensive income of the Group. The improvement was due to the increase of net profit attributable to the shareholders of the KSL Group from approximately HK\$5.0 million for the year ended 31 March 2020 to approximately HK\$20.1 million for the year ended 31 March 2021, as the demand of energy saving products from its existing customer base had been resumed to normal after the COVID-19 pandemic. No dividend income from KSL was recognised during the year ended 31 March 2021.

The Group will continue to hold the investment in the KSL Group as long-term investment as the management believes the investment will continue to generate profit for the Group and the business of the KSL Group is in line with the Group's core business.

## **Equity Investment**

The Equity Investment represents the Group's approximately 23.6% equity interest in InVinity Energy Group Limited ("**InVinity**", together with its subsidiaries, the "**InVinity Group**"). The InVinity Group is principally engaged in investing in mining activities in relation to vanadium. The total initial investment cost in InVinity was US\$3.2 million, or approximately HK\$24.8 million. As at 31 March 2021, the Equity Investment was approximately HK\$28.0 million.

A fair value loss of approximately HK\$21.0 million was recognised during the year ended 31 March 2021. The fair value loss during the year was mainly due to (i) the decrease in net asset value of the InVinity Group as a result of continuing operation losses; and (ii) the increased uncertainty in its future business development, which were largely attributable to the delay in extraction schedule of the relevant vanadium mine as a result of the COVID-19 pandemic. No dividend income from InVinity was recognised during the year ended 31 March 2021.

The Group will continue to hold the investment in InVinity as long-term investment as the management believes the investment is in line with the Group's business strategy and development in the global energy market.

## **SHARE OPTION SCHEME**

In addition to the information provided in the Annual Report in relation to the Share Option Scheme, the closing prices of the Shares immediately before the following dates on which share options were granted are set out below:

| <b>Date of grant of share options</b>   | <b>19 April 2018</b> | <b>2 April 2020</b> |
|---|----------------------|---------------------|
| Closing price of the Shares immediately before the date of grant of share options | HK\$1.25             | HK\$0.29            |

As at 31 March 2021, the total number of Shares available for issue under the Share Option Scheme was 18,450,000 Shares, representing approximately 2.8% of the total issued Shares as at 31 March 2021 (i.e. 660,000,000 Shares).

The above additional information does not affect other information contained in the Annual Report and save as disclosed above, all other information in the Annual Report remains unchanged.

By order of the Board

**Synergy Group Holdings International Limited**

**Wong Man Fai Mansfield**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 22 February 2022

*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.*