

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 8105)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**” or “**our Directors**”) of Synergy Group Holdings International Limited (the “**Company**” or “**our Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS:

- Revenue increased by 16.7% from HK\$111.5 million for the year ended 31 March 2015 to HK\$130.1 million for the year ended 31 March 2016.
- Gross profit increased by 8.4% from HK\$63.8 million for the year ended 31 March 2015 to HK\$69.2 million for the year ended 31 March 2016.
- Profit attributable to the owners of the Company increased by 35.0% from HK\$26.2 million for the year ended 31 March 2015 to HK\$35.4 million for the year ended 31 March 2016.
- Basic earnings per share increased by 12.7% from HK6.3 cents for the year ended 31 March 2015 to HK7.1 cents for the year ended 31 March 2016.

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**our Group**”) for the year ended 31 March 2016 together with the comparative audited figures for the prior year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 March 2016*

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	5(a)	130,068	111,494
Cost of sales		(60,855)	(47,655)
Gross profit		69,213	63,839
Other income and gains	5(b)	2,180	1,891
Administrative expenses		(15,604)	(22,227)
Selling and distribution costs		(4,613)	(2,775)
Finance costs	6	(421)	(13)
Other expenses		(1,530)	(1,053)
Share of results of associates		(4,611)	(3,604)
Share of results of joint ventures		–	–
Profit before income tax	7	44,614	36,058
Income tax expense	8	(9,212)	(9,829)
Profit for the year		35,402	26,229
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of an associate		(69)	5
Total comprehensive income for the year attributable to the owners of the Company		35,333	26,234
Earnings per share for profit attributable to the owners of the Company during the year			
– Basic (HK cents)	10	7.1	6.3

Details of the proposed dividend for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,696	4,788
Interests in associates		26,062	11,299
Finance lease receivables		12,234	811
Rental deposits		–	156
		<u>40,992</u>	<u>17,054</u>
Current assets			
Inventories		13,721	195
Trade receivables	<i>11</i>	84,941	58,550
Finance lease receivables		2,510	851
Deposits, prepayments and other receivables		9,509	12,148
Due from associates		8,667	2,180
Pledged bank deposits		2,500	–
Cash and cash equivalents		26,576	27,735
		<u>148,424</u>	<u>101,659</u>
Current liabilities			
Trade payables	<i>12</i>	16,323	6,403
Accruals, other payables and deposits received		7,348	6,790
Borrowings		25,280	112
Due to a related company		112	120
Provision for taxation		7,635	7,346
		<u>56,698</u>	<u>20,771</u>
Net current assets		<u>91,726</u>	<u>80,888</u>
Total assets less current liabilities		<u>132,718</u>	<u>97,942</u>
Non-current liabilities			
Deposits received		147	298
Borrowings		217	337
Deferred tax liabilities		118	404
		<u>482</u>	<u>1,039</u>
Net assets		<u>132,236</u>	<u>96,903</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital		5,000	5,000
Reserves		127,236	91,903
Total equity		<u>132,236</u>	<u>96,903</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Share capital HK\$'000	Share premium* HK\$'000	Capital reserves* HK\$'000	Merger reserve* HK\$'000	Foreign exchange reserves* HK\$'000	Retained profits* HK\$'000	Total HK\$'000
At 1 April 2014	–	–	7,388	16,333	–	11,349	35,070
Arising on Reorganisation	4,150	–	–	(4,150)	–	–	–
Issue of shares by placing	850	41,650	–	–	–	–	42,500
Share issues expenses	–	(6,901)	–	–	–	–	(6,901)
Transactions with owners	5,000	34,749	–	(4,150)	–	–	35,599
Profit for the year	–	–	–	–	–	26,229	26,229
Other comprehensive income							
Share of other comprehensive income of an associate	–	–	–	–	5	–	5
Total comprehensive income for the year	–	–	–	–	5	26,229	26,234
At 31 March 2015 and 1 April 2015	5,000	34,749	7,388	12,183	5	37,578	96,903
Profit for the year	–	–	–	–	–	35,402	35,402
Other comprehensive income							
Share of other comprehensive income of an associate	–	–	–	–	(69)	–	(69)
Total comprehensive income for the year	–	–	–	–	(69)	35,402	35,333
At 31 March 2016	5,000	34,749	7,388	12,183	(64)	72,980	132,236

* These reserve accounts comprise the consolidated reserves of approximately HK\$127,236,000 in the consolidated statement of financial position as at 31 March 2016 (2015: HK\$91,903,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 December 2011. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is Room 404B, 4/F, Block B, Seaview Estate, Nos. 4-6 Watson Road, North Point, Hong Kong.

The principal activity of the Company is investment holding. In connection with the listing of the shares of the Company on the GEM of the Stock Exchange, the Company underwent a reorganisation (the "Reorganisation") and the Company has become the holding company of its subsidiaries now comprising the Group since 5 March 2015. The shares of the Company were listed on GEM on 24 March 2015.

Details of the Reorganisation are set out in the section headed "History and Corporate Development" to the prospectus of the Company dated 13 March 2015.

Upon completion of the Reorganisation but before placing, the equity interest held by the Company's shareholders mirrored their respective percentage of equity interest in Synergy Group Worldwide Limited ("Synergy Worldwide") before the Reorganisation, where Synergy Worldwide was the then holding company of the Group. The Group is regarded as a continuation of Synergy Worldwide resulting from the Reorganisation as there is no change in the economic substance of the Group. Accordingly, the consolidated financial statements were prepared using the merger accounting and as if the current group structure had always been in existence. Accordingly, the consolidated statement of comprehensive income and the consolidated statement of changes in equity of the Group for the year ended 31 March 2015 include the results and changes in equity of the companies now comprising the Group from the earliest date presented or since their respective dates of incorporation, whichever was shorter, as if the current group structure had been in existence throughout those years. The consolidated statement of financial position of the Group as of 31 March 2015 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at that date. No adjustment is made to reflect fair values, or to recognise any new assets or liabilities as a result of the Reorganisation.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 April 2015

In current year, the Group has applied for the first time the following new or revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are relevant to and effective for the Group's consolidated financial statements for the annual year beginning on 1 April 2015.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

The adoption of these amendments has no material impact on the Group's consolidated financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

During the year ended 31 March 2015, the Group had early adopted the amendments to HKAS 27 “Equity Method in Separate Financial Statements”. Apart from above-mentioned, the following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle ¹
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
HKFRS 9 (2014)	Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ⁴

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ No mandatory effective date yet determined but is available for adoption

⁴ Effective for annual periods beginning on or after 1 January 2019

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit and loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and related interpretations.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of the above new/revised HKFRSs apart from HKFRS 16 and the Directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

HKFRS 16 – Leases

HKFRS 16 supersedes HKAS 17 “Leases”, HK(IFRIC) — Int 4 “Determining whether an Arrangement contain a Lease”, HK(SIC) — Int 15 “Operating Lease — Incentives” and HK(SIC) — Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 “Leases”. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer).

HKFRS 16 substantially carries forward the lessor’s accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The Group is in the process of making an assessment of the potential impact of application of HKFRS 16, the Directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Group performs a detailed review.

(c) Amended GEM Listing Rules (as below-mentioned) relating to the presentation and disclosures in financial statements

The amended Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “Amended GEM Listing Rules”) in relation to the presentation and disclosures in financial statements, including the amendments with reference to the Hong Kong Companies Ordinance, Cap. 622, apply to the Company in this financial year.

The Directors consider that there is no impact on the Group’s financial position or performance, however the Amended GEM Listing Rules impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

3. BASIS OF PREPARATION

(a) Basis of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

4. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, financial information relating to these operations is reporting internally and is regularly reviewed by the executive Directors, being the chief operating decision maker, based on the following segments:

- (1) Provision of leasing service of lighting systems;
- (2) Trading of lighting products; and
- (3) Provision of consultancy services on leasing service of lighting systems (“Consultancy service”).

Segment revenue below represents revenue from external customers. There were no inter-segment sales during the year.

	Leasing service of lighting systems <i>HK\$'000</i>	Trading of lighting products <i>HK\$'000</i>	Consultancy service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2016				
Revenue from external customers	21,383	78,896	29,789	130,068
Reportable segment profit	7,192	31,645	28,496	67,333
Capital expenditure	1,162	–	–	1,162
Depreciation	1,661	–	–	1,661
As at 31 March 2016				
Reportable segment assets	36,151	64,535	22,591	123,277
Reportable segment liabilities	7,515	12,271	29	19,815
	Leasing service of lighting systems <i>HK\$'000</i>	Trading of lighting products <i>HK\$'000</i>	Consultancy service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2015				
Revenue from external customers	8,831	74,856	27,807	111,494
Reportable segment profit	4,334	32,212	27,016	63,562
Capital expenditure	1,647	–	–	1,647
Depreciation	2,119	–	–	2,119
As at 31 March 2015				
Reportable segment assets	7,478	49,626	17,305	74,409
Reportable segment liabilities	1,719	7,706	27	9,452

The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented as follows:

	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Reportable segment profit	67,333	63,562
Unallocated corporate income	2,007	1,800
Unallocated corporate expenses	(19,694)	(10,058)
Listing expenses	–	(15,629)
Finance costs	(421)	(13)
Share of results of associates	(4,611)	(3,604)
	<u>44,614</u>	<u>36,058</u>
Profit before income tax	<u><u>44,614</u></u>	<u><u>36,058</u></u>
	As at 31 March	
	2016	2015
	HK\$'000	HK\$'000
Reportable segment assets	123,277	74,409
Interests in associates	26,062	11,299
Pledged bank deposits	2,500	–
Cash and cash equivalents	26,576	27,735
Due from associates	8,667	2,180
Other corporate assets	2,334	3,090
	<u>189,416</u>	<u>118,713</u>
Group assets	<u><u>189,416</u></u>	<u><u>118,713</u></u>
	As at 31 March	
	2016	2015
	HK\$'000	HK\$'000
Reportable segment liabilities	19,815	9,452
Borrowings	25,497	449
Provision for taxation	7,635	7,346
Deferred tax liabilities	118	404
Due to a related company	112	120
Other corporate liabilities	4,003	4,039
	<u>57,180</u>	<u>21,810</u>
Group liabilities	<u><u>57,180</u></u>	<u><u>21,810</u></u>

The Group's revenue from external customers are divided into the following geographical areas:

	Revenue from external customers	
	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Hong Kong (domiciled)	51,146	46,877
Japan	19,192	34,471
Australia	35,999	22,305
Malaysia	3,818	552
Indonesia	10,727	221
Other overseas regions (e.g. Singapore, Fiji)	9,186	7,068
	<u>130,068</u>	<u>111,494</u>
	<u><u>130,068</u></u>	<u><u>111,494</u></u>

The Group's non-current assets are located in Hong Kong, the place that the Group domiciled.

The geographical location of revenue allocated is based on the location at which the goods delivered and services provided. The geographical location of non-current assets is based on the physical location of the assets. The Company is an investment holding company where the Group has majority of its operation and workforce in Hong Kong, and therefore, Hong Kong is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenues. Revenue derived from these customers are as follows:

	Revenue from external customers	
	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Customer A##	19,192	34,471
Customer B##	35,999	22,305
Customer C#	<u>21,385</u>	<u>18,305</u>

Attributable to segment of Consultancy service

Attributable to segment of trading of lighting products

5. REVENUE AND OTHER INCOME AND GAINS

(a) Revenue, which is also the Group's turnover, represents the income from trading of lighting products and provision of leasing and Consultancy service. An analysis of revenue is as follows:

	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Leasing service income	21,383	8,831
Trading of lighting products	78,896	74,856
Consultancy service income	<u>29,789</u>	<u>27,807</u>
	<u>130,068</u>	<u>111,494</u>

(b) An analysis of the Group's other income and gains is as follows:

	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Interest income		
– from bank deposits	2	–
– charged to amount due from an associate	<u>113</u>	<u>–</u>
	115	–
Management service income received from an associate	1,800	1,800
Net foreign exchange gain	91	–
Others	<u>174</u>	<u>91</u>
	<u>2,180</u>	<u>1,891</u>

6. FINANCE COSTS

	Year ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Interest expenses for financial liabilities carried at amortised cost:		
Interest on borrowings wholly repayable within five years	321	13
Transaction costs on bank borrowings	100	–
	<u>421</u>	<u>13</u>

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Auditor's remuneration	820	680
Amortisation of intangible assets (included in cost of sales)	–	578
Cost of inventories recognised as expenses		
– Cost of inventories sold	51,147	42,232
– Write-off of inventories	43	–
	51,190	42,232
Depreciation of property, plant and equipment	1,805	2,208
Employee benefit expenses (including Directors' remuneration)		
– Salaries and welfare	9,512	5,571
– Defined contributions	330	226
	9,842	5,797
Warranty provision, net of reversal	402	326
Bad debts written off	12	40
Loss on disposal of a joint venture	–	199
Losses on disposals of property, plant and equipment	906	405
Net foreign exchange (gain)/loss	(91)	47
Listing expenses (included in administrative expenses)	–	15,629
Minimum lease payments under operating leases in respect of offices, warehouses and an office equipment	1,237	1,463
	<u>1,237</u>	<u>1,463</u>

8. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

	Year ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Current tax – Hong Kong profits tax		
– Tax for the year	9,498	9,425
Deferred tax		
– Current year	(286)	404
Income tax expense	<u>9,212</u>	<u>9,829</u>

Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits.

9. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 March 2016 (2015: Nil).

10. EARNINGS PER SHARE

	Year ended 31 March	
	2016 HK\$'000	2015 HK\$'000
Earnings		
Profit attributable to the owners of the Company	<u>35,402</u>	<u>26,229</u>
	Year ended 31 March	
	2016 '000	2015 '000
Number of shares		
Weighted average number of shares (<i>note</i>)	<u>500,000</u>	<u>416,863</u>

Note: The weighted average of 416,863,000 ordinary shares derived for calculation of basic earnings per share for the year ended 31 March 2015, includes the weighted average of 85,000,000 ordinary shares issued upon the placing, in addition to the 415,000,000 ordinary shares, being the number of shares in issue pursuant to the Reorganisation throughout the year ended 31 March 2015.

No diluted earnings per share is presented as the Group had no potential ordinary shares during the years ended 31 March 2016 and 2015.

11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is ranging from cash on delivery to 180 days.

Based on invoices date, ageing analysis of the Group's trade receivables is as follows:

	As at 31 March	
	2016 HK\$'000	2015 HK\$'000
0 to 30 days	25,428	27,223
31 to 90 days	8,722	8,239
91 to 180 days	15,159	21,071
181 to 365 days	25,682	40
Over 365 days	9,950	1,977
	<u>84,941</u>	<u>58,550</u>

12. TRADE PAYABLES

Ageing analysis of the Group's trade payables is as follows:

	As at 31 March	
	2016 HK\$'000	2015 HK\$'000
0 to 30 days	10,748	6,044
31 to 90 days	2,751	356
91 to 180 days	2,448	—
Over 180 days	376	3
	<u>16,323</u>	<u>6,403</u>

The Group made purchase with various manners, operating on cash on delivery, payment in advance terms, or granted with credit term of 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

After the announcement of the 2015 Paris Climate Conference, there has been an increase in the awareness of environmental protection and demand for energy saving products, especially in some Asian developing countries. Recently, energy saving products and services market has been one of the focus industries, mainly because of the growing concern by the public on environmental protection due to severer climate change and higher operating costs suffered by most corporations due to the expected increasing electricity prices.

We are one of the leading energy management contract providers for lighting projects in Hong Kong, with full range capabilities on providing a broad range of energy saving services for lighting solutions, product customisation, on-site inspection and measurement, project deployment and after-sales services.

For the year ended 31 March 2016, the Group recorded a total revenue of HK\$130.1 million, representing an increase of 16.7% as compared to HK\$111.5 million for the year ended 31 March 2015. For the year ended 31 March 2016, profit attributable to the owners of the Company amounted to HK\$35.4 million, representing an increase of 35.0% as compared to the corresponding amount of HK\$26.2 million for the year ended 31 March 2015.

For the year ended 31 March 2016, the Group has been successful in expanding its leasing business; and it has also expanded its leasing business into the Indonesian market. As a result, revenue generated from our leasing service segment increased by 142.1% from HK\$8.8 million for the year ended 31 March 2015 to HK\$21.4 million for the year ended 31 March 2016, while both of our trading segment and consultancy service segment had a steady growth.

Benefiting from the increasing awareness of energy saving products and services globally, the Group, being an early entrant in provision of energy saving solutions, is well-positioned to further enhance both our local and global presence.

Financial Review

Total revenue was HK\$130.1 million for the year ended 31 March 2016, representing a 16.7% increase as compared to that for the year ended 31 March 2015. There has been an increasing demand for the Group's energy saving products and services. Gross profit margin decreased from 57.3% for the year ended 31 March 2015 to 53.2% for the year ended 31 March 2016. Such decrease was mainly due to an increase in revenue generated from the leasing service segment of which the leasing services in our newly developed overseas market had a relatively lower gross profit margin than other markets.

Other income and gains, which mainly consisted of a monthly service fee of HK\$150,000 received from an associate of our Group, increased from HK\$1.9 million for the year ended 31 March 2015 to HK\$2.2 million for the year ended 31 March 2016 mainly due to the reversal of warranty provision upon expiry.

Selling and Distribution Costs

The Group's selling and distribution costs for the year ended 31 March 2016 were HK\$4.6 million, representing an increase of 66.2% from HK\$2.8 million for the year ended 31 March 2015. The increase was mainly due to the increase in salaries and the increase in marketing activities such as participation in Eco Expo Asia 2015 and sponsoring a luncheon in relation to sustainable energy future that was held by World Green Organisation.

Administrative Expenses

The Group's administrative expenses for the year ended 31 March 2016 were HK\$15.6 million, representing a decrease of 29.8% from HK\$22.2 million for the year ended 31 March 2015. The decrease was mainly due to the net effect of the decrease in listing related professional expenses and the increase in salaries (including Directors' remuneration) and overseas travelling expenses as a result of the expansion of our Group's business.

Finance Costs

The Group's finance costs increased from approximately HK\$13,000 for the year ended 31 March 2015 to approximately HK\$421,000 for the year ended 31 March 2016. The increase was due to the interest expenses arising from the new bank borrowings drawn down of HK\$25.3 million during the year.

Other Expenses

The Group's other expenses increased to HK\$1.5 million for the year ended 31 March 2016 from HK\$1.1 million for the year ended 31 March 2015. Such expenses were mainly derived from the disposal of property, plant and equipment during the year.

Income Tax Expense

The Group's income tax expense for the year ended 31 March 2016 was HK\$9.2 million, representing a decrease of 6.3% from HK\$9.8 million for the year ended 31 March 2015. The decrease was mainly due to the decrease in deferred tax.

Profit for the Year

As a result of the foregoing, our profit attributable to the owners of the Company increased by 35.0% from HK\$26.2 million for the year ended 31 March 2015 to HK\$35.4 million for the year ended 31 March 2016. Excluding the non-recurring listing-related expenses, our profit for the year ended 31 March 2016 recorded as HK\$35.4 million, representing a 15.4% decrease as compared to HK\$41.9 million for the year ended 31 March 2015.

The following table reconciles our net profit (before deducting listing-related expenses) for the years presented to the profit for the years indicated:

	Year ended 31 March		Change %
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	
Profit for the year	35,402	26,229	35.0
Add:			
Listing-related expenses	–	15,629	-100.0
Net profit for the year (before deducting listing-related expenses) (<i>note</i>)	<u>35,402</u>	<u>41,858</u>	<u>-15.4</u>

Note: The decrease was mainly due to the increase in post-listing expenses of more than HK\$2.4 million and the increase in administrative expenses such as travelling expenses as a result of further expansion of the Group's business. Potential investors should be aware that this net profit for the year (before deducting listing-related expenses) presented in this announcement may not be comparable to similar titled measures reported by other companies due to differences in the components of the calculations.

Liquidity and Financial Resources

The shares of the Company were listed on GEM on 24 March 2015 (the “**Listing**”).

The Group mainly finances its business with internally generated cash flows, bank borrowings and proceeds from the Listing. As at 31 March 2016, current assets of the Group amounted to HK\$148.4 million, representing an increase of 46.0% from HK\$101.7 million as at 31 March 2015. Current assets mainly comprised cash and bank balances (including pledged bank deposits) of HK\$29.1 million (2015: HK\$27.7 million) and trade receivables of HK\$84.9 million (2015: HK\$58.6 million).

As at 31 March 2016, the Group's current liabilities mainly comprised borrowings of HK\$25.3 million (2015: HK\$0.1 million), trade payables of HK\$16.3 million (2015: HK\$6.4 million) and accruals, other payables and deposits received of HK\$7.3 million (2015: HK\$6.8 million).

The Group's current ratio decreased from 4.9 times as at 31 March 2015 to 2.6 times as at 31 March 2016. The Group has sufficient working capital to meet the current liquidity demand within at least 12 months from the date of this announcement.

The total outstanding borrowings of the Group as at 31 March 2016 was HK\$25.5 million (31 March 2015: approximately HK\$449,000) due to banks and an independent third party. The increase was due to the new bank borrowings of HK\$25.3 million that was drawn during the year.

As at 31 March 2016, the Group's equity attributable to the owners of the Company was HK\$132.2 million, representing an increase of 36.5% from HK\$96.9 million as at 31 March 2015.

As at 31 March 2016, a time deposit of HK\$2.5 million was pledged as a security for the bank facilities (31 March 2015: Nil). Save as disclosed above, the Group has no other charges on its assets as at 31 March 2016.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2016.

Associated Company

Synergy Cooling Management Limited (“**SCML**”, together with its subsidiaries, the “**Cooling Group**”) is an associated company of the Group which was owned as to approximately 27.17% (subsequently increased to approximately 36.59% and details are set out in the paragraph below) by the Group. SCML wholly owns Synergy Cooling Management (H.K.) Limited (“**SCML (HK)**”) and indirectly wholly owns Synergy ESCO (Malaysia) Sdn. Bhd. (“**SE (Malay)**”). Both SCML (HK) and SE (Malay) are principally engaged in the business of energy saving management.

On 6 October 2015 (after trading hours), Synergy Group Worldwide Limited (“**Synergy Worldwide**”) as a purchaser entered into the sale and purchase agreement with Fuqi Holdings Limited as a vendor pursuant to which Fuqi Holdings Limited agreed to sell, and Synergy Worldwide agreed to acquire, approximately 9.42% interest in SCML at a consideration of HK\$19.5 million. The acquisition was completed on 8 October 2015 and upon completion, Synergy Worldwide has become interested in approximately 36.59% in SCML. Details of the acquisition are set out in the announcements of the Company dated 6 October 2015 and 14 October 2015.

The turnover of the Cooling Group for the year ended 31 March 2016 was HK\$9.6 million, representing an increase of 58.7% from HK\$6.1 million for the year ended 31 March 2015. It was mainly attributable to the incorporation of SE (Malay) during the year ended 31 March 2015 in accordance with Cooling Group’s expansion strategy. The net loss attributable to the shareholders of the Cooling Group for the year ended 31 March 2016 was HK\$13.3 million which remained stable as compared to HK\$13.3 million for the year ended 31 March 2015.

During the year, the Group made advances of HK\$5.2 million to the Cooling Group at interest rate of 5% per annum.

Save as disclosed above, there were no other significant investments held, material acquisition or disposal of subsidiaries and affiliated companies, and other plans for material investments or capital assets during the year ended 31 March 2016.

Guarantees

During the year, a Hong Kong subsidiary of the Group has committed to provide corporate guarantees to two independent third parties in Malaysia in respect of equipment lease agreements entered into between the independent third parties and an associate of the Group. The duration of the agreements were ranging from 48 months to 59 months, with average monthly rent charged to the associate of approximately RM23,000 each (equivalent to approximately HK\$46,000 each).

Save as disclosed above, we did not have any material guarantees as at 31 March 2016.

Employees and Remuneration Policies

As of 31 March 2016, the Group had 27 full-time employees. The Group offers a competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund (MPF) Scheme. Under the MPF Scheme, each of the Group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary.

Share Option Scheme

A share option scheme (the "**Share Option Scheme**") adopted by the Company was approved by its shareholder on 5 March 2015. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from 5 March 2015. Under the Share Option Scheme, the Directors may in its absolute discretion offer to grant to any qualified participant an option to subscribe for the number of shares at an exercise price determined by the Board, being at least the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheets on the date of the offer of grant; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares of the Company. The offer of a grant of options may be accepted within 20 business days from the date of the offer. HK\$1.00 is payable by any qualified participant to our Company on acceptance of the option offer as consideration for the grant. Qualified participants include any Director or employee (whether full time or part time) of our Company and its subsidiaries and associated companies (as defined under the Companies Ordinance, Cap. 622 of the laws of Hong Kong).

The options granted may be exercised in whole or in part by the grantees. The exercise period of the options granted shall be a period of time to be notified by the Directors to the grantees, which the Directors may in its absolute discretion determine, save that such period shall not be more than 10 years commencing on the date of the offer of grant.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to the Company's shareholders' approval in a general meeting.

The maximum number of shares in respect of which options may be granted under this Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the date which the Company's shares first commence trading on GEM, being 50,000,000 shares.

No share options were granted under the Share Option Scheme during the year ended 31 March 2016. As at 31 March 2016, there were no outstanding options granted under the Share Option Scheme. Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

Capital Structure

The shares of the Company were listed on GEM of the Stock Exchange on 24 March 2015. The Group mainly finances its business with internally generated cash flows, bank borrowings and proceeds from the Listing. The Group has bank borrowings of HK\$25.2 million as at 31 March 2016 (31 March 2015: Nil).

Foreign Currency Exposure

Our Group's revenue and expenses are mainly in Hong Kong dollar which is the functional currency of all entities making up the Group. Our Group is mainly exposed to the foreign currency risk of Renminbi, US dollar, Malaysian Ringgit and Indonesian Rupiah. As Hong Kong dollar is pegged to US dollar, we do not expect any significant movement in the US dollar/Hong Kong dollar exchange rate. If there is a 5% appreciation in Hong Kong dollar against Renminbi, Malaysian Ringgit and Indonesian Rupiah, the results of the Group for the year will increase by HK\$232,000, decrease by HK\$155,000 and decrease by HK\$500,000, respectively. The Group currently does not have hedging policy against foreign exchange risk. The management will consider hedging significant currency exposure in future should the need arises.

Gearing Ratio

As at 31 March 2016, the gearing ratio of the Group was 19.3% (31 March 2015: 0.5%), which is calculated on the basis of the amount of total debts divided by the total equity. Such increase was due to the new bank borrowings that were drawn down during the year.

Dividend

The Board did not recommend the payment of any dividend for the year ended 31 March 2016.

The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Company's prospectus (the "Prospectus") dated 13 March 2015 with actual business progress for the year ended 31 March 2016 is as follows:

	Business objectives for the period from 24 March 2015 (Listing Date) to year ended 31 March 2016 as stated in the Prospectus	Actual business progress for the period from 24 March 2015 (Listing Date) to year ended 31 March 2016
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none">– Expand sales and marketing team for international markets– Identify and establish overseas distributorship for international markets– Conduct visits to existing overseas distributors for sales and marketing	<ul style="list-style-type: none">– Our Group employed additional staff for international markets during the period– Our Group conducted several visits to overseas like Malaysia and Indonesia for exploring new potential cooperation and business opportunities

	Business objectives for the period from 24 March 2015 (Listing Date) to year ended 31 March 2016 as stated in the Prospectus	Actual business progress for the period from 24 March 2015 (Listing Date) to year ended 31 March 2016
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none"> – Expand project management team to assist Consultancy Services customers – Identify and work with potential Consultancy Services customers 	<ul style="list-style-type: none"> – Our Group employed additional staff to assist Consultancy Services customers and further develop the customer relationship
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none"> – Expand sales and marketing team for Hong Kong office – Expand project management team – Identify potential strategic partners and establish partnership 	<ul style="list-style-type: none"> – Our Group expanded the sales and marketing team for Hong Kong office during the period
Enhance our research and development capabilities	<ul style="list-style-type: none"> – Continue to enhance existing lighting products – Continue to source lighting products to diversify lighting solution – Expand our research and development team – Acquire additional lighting testing equipment for research and development – Register new patent if applicable 	<ul style="list-style-type: none"> – Our Group expanded our research and development team during the period – Our Group was developing a series of LED lighting with higher lumen per watt, lesser lumen depreciation and longer life time – Our Group acquired additional lighting testing equipment for research and development during the period
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none"> – Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2015 Spring Edition and 2015 Autumn Edition) – Participate in international lighting and energy saving related exhibition including the lighting fairs in Japan and Frankfurt 	<ul style="list-style-type: none"> – Our Group participated in the exhibition of Eco Expo Asia 2015 that was held from 28 to 31 October 2015 in Hong Kong – Our Group sponsored a luncheon in relation to sustainable energy future that was held by World Green Organisation on 11 November 2015 – Our Group made several newspaper advertisements during the period

Future Outlook

The Group is optimistic towards the energy saving business because of the severe contamination of the environment. After the announcement of the 2015 Paris Climate Conference, there has been an increase in the awareness of environmental protection and demand for energy saving products, especially in some Asian developing countries.

The Group continues to take proactive business strategies, such as further expanding in the domestic and global markets through customisation of our lighting products, appointment of distributors and entering into strategic partnerships; enhancing our research and development capabilities; and engaging in marketing activities to enhance our brand image and recognition. We will put more focus on international market, especially the emerging markets, in view of the growing demand for energy saving products in order to meet the emission reduction targets.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting the underwriting commission and other expenses in connection with the Listing, amounted to approximately HK\$7.1 million. An analysis comparing the breakdown of the intended use of such net proceeds from the Listing in proportion to that as set out in the Prospectus with actual usage for the year ended 31 March 2016 is as follows:

	Use of proceeds for the year ended 31 March 2016 in proportion to that as stated in the Prospectus <i>HK\$ million</i>	Actual use of proceeds for the year ended 31 March 2016 <i>HK\$ million</i>
Expansion of our Group's business in international markets	0.8	0.9
Expansion of our Group's business in the PRC	0.3	0.3
Expansion of our Group's business in Hong Kong	0.6	0.6
Marketing activities to enhance our brand image and recognition	0.6	0.6
Enhance our research and development capabilities	0.4	0.4
Total	2.7	2.8

PRINCIPAL RISKS AND UNCERTAINTIES

- Our consultancy services (the “**Consultancy Services**”), which are provided by the Group to third parties in assisting them in providing energy saving services in their markets, provided to our customers were project-based and demand for our Consultancy Services may fluctuate.
- We rely on our sub-contractors for providing services of deployment and installation of lighting products to customers.
- We rely on our key management to conduct the Group's business and the inability to retain or attract senior management personnel will adversely affect our performance.
- There may be changes in consumer preferences and habits in green technologies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

CORPORATE GOVERNANCE

The Board is committed to achieving and maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value, transparency and accountability, and to formulate its business strategies and policies.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 15 to the GEM Listing Rules.

The Company has adopted revised Terms of Reference of the Audit Committee on 3 February 2016 in compliance with and to address the new provisions in the Corporate Governance Code dealing with risk management and internal control systems and effective for the accounting period beginning on 1 January 2016.

The Board is of the view that, throughout the year ended 31 March 2016, the Company has complied, to the extent applicable and permissible, with the code provisions set out in the Corporate Governance Code, except for the deviation from code provision A.2.1 as explained below:

Code provision A.2.1 of the Corporate Governance Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. WONG Man Fai Mansfield is the Chairman and the Chief Executive Officer of the Company. Mr. WONG has been leading our Group as the Chief Executive Officer of the Company and one of our subsidiaries since 2009, thus, the Board believes that it is in the best interest of the Group to continue to have Mr. Mansfield WONG stay as the Chief Executive Officer and leader of the Board for effective management of our Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which is comprised of experienced and high-calibre individuals. The Board currently comprises three independent non-executive Directors and has a fairly strong independence element in its composition. Therefore, the Board considers that the deviation from code provision A.2.1 is appropriate in the circumstances. The Board will review the management structure regularly and consider separating the roles of chairman and chief executive, if and when appropriate.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS AND SECURITIES DEALING CODE

The Company has adopted its own code of conduct for dealing in securities of the Company by the Directors and the relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company (the "**Securities Dealing Code**"). The Securities Dealing Code is no less exacting than the standard as set out in Rules 5.48 to 5.67 of the GEM Listing Rules for transactions in securities by the directors of the listed issuers (the "**Required Standard of Dealings**"). Having made specific enquiries with all Directors and relevant employees, all Directors and relevant employees have confirmed that they have complied with the Securities Dealing Code and therefore, complied with the Required Standard of Dealings throughout the year ended 31 March 2016 and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) was established with its written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the Corporate Governance Code. The primary duties of the Audit Committee are mainly to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee financial reporting system, and risk management and internal control systems of our Company.

The Audit Committee comprises three independent non-executive Directors, namely Mr. CHUNG Koon Yan (Chairman of the Audit Committee), Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony, with Mr. CHUNG possessing the appropriate professional qualifications and accounting and related financial management expertise.

Our annual results for the year ended 31 March 2016 were reviewed by our Audit Committee, which was of the opinion that the preparation of such annual results complied with the applicable accounting standards, GEM Listing Rules and legal requirements and that adequate disclosures had been made.

ANNUAL GENERAL MEETING FOR THE YEAR 2016 (THE “2016 AGM”)

The 2016 AGM of the Company will be held on Wednesday, 28 September 2016. A circular containing, among other matters, further information relating to the 2016 AGM will be despatched to the shareholders of the Company as soon as practicable.

RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with Articles 84(1) and (2) of the Articles of Association, Mr. WONG Man Fai Mansfield and Mr. LAM Arthur shall retire at the 2016 AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the 2016 AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of shareholders who are entitled to attend and vote at the 2016 AGM, the register of members of the Company will be closed from Monday, 26 September 2016 to Wednesday, 28 September 2016, both dates inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible for attending and voting at the 2016 AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 23 September 2016.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE’S WEBSITE AND DESPATCH OF ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.synergy-group.com). The Annual Report of the Company for the year ended 31 March 2016 containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2016 as set out in the announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the announcement.

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

Hong Kong, 31 May 2016

As at the date of this announcement, our executive Directors are Wong Man Fai Mansfield and Lam Arthur; our non-executive Director is Lam Chung Ho Alastair; and our independent non-executive Directors are Chung Koon Yan, Cheung Yick Hung Jackie, and Wong Chi Ying Anthony.

This announcement will remain on the "Latest Company Announcements" page of the GEM's website at www.hkgem.com for at least seven days from the date of its posting and the Company's website at www.synergy-group.com.