

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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 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

	For the three months ended	
	30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	59,035	27,045
Leasing services of lighting systems	35,244	2,712
Trading of lighting products	23,791	24,333
Consultancy service	–	–
Profit attributable to the owners of the Company	12,736	5,133
Basic earnings per share (<i>HK cents</i>)	2.5	1.0

- The Group's revenue for the three months ended 30 June 2016 was HK\$59.0 million, representing an increase of 118.3% over the revenue of HK\$27.0 million for the three months ended 30 June 2015.
- The Group's profit attributable to the owners of the Company for the three months ended 30 June 2016 was HK\$12.7 million, representing an increase of 148.1% over HK\$5.1 million for the three months ended 30 June 2015.
- No dividends have been paid or declared by the Company during the three months ended 30 June 2016.

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**our Group**”) for the three months ended 30 June 2016 together with the comparative unaudited figures for the corresponding period in 2015 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2016

		Three months ended	
		30 June	
	<i>Notes</i>	2016	2015
		HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Revenue	3	59,035	27,045
Cost of sales		<u>(35,796)</u>	<u>(15,729)</u>
Gross profit		23,239	11,316
Other income and gains	3	1,548	527
Administrative expenses		(5,169)	(3,445)
Selling and distribution costs		(1,346)	(695)
Finance costs	4	(213)	(7)
Other expenses		(371)	(152)
Share of results of associates		<u>(1,625)</u>	<u>(1,031)</u>
Profit before income tax		16,063	6,513
Income tax expense	5	<u>(3,327)</u>	<u>(1,380)</u>
Profit for the period		12,736	5,133
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of an associate		<u>20</u>	<u>(1)</u>
Total comprehensive income for the period attributable to the owners of the Company		<u>12,756</u>	<u>5,132</u>
Earnings per share for profit attributable to the owners of the Company during the period			
– Basic (<i>HK cents</i>)	7	<u>2.5</u>	<u>1.0</u>

Details of the proposed dividend for the period are disclosed in note 6.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2016

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserves <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Foreign exchange reserves <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2016 (audited)	5,000	34,749	7,388	12,183	(64)	72,980	132,236
Profit for the period	-	-	-	-	-	12,736	12,736
Other comprehensive income							
Share of other comprehensive income of an associate	-	-	-	-	20	-	20
Total comprehensive income for the period	-	-	-	-	20	12,736	12,756
At 30 June 2016 (unaudited)	5,000	34,749	7,388	12,183	(44)	85,716	144,992
At 1 April 2015 (audited)	5,000	34,749	7,388	12,183	5	37,578	96,903
Profit for the period	-	-	-	-	-	5,133	5,133
Other comprehensive income							
Share of other comprehensive income of an associate	-	-	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	-	(1)	5,133	5,132
At 30 June 2015 (unaudited)	5,000	34,749	7,388	12,183	4	42,711	102,035

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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. The Group is principally engaged in provision of leasing service, consultancy service and trading of lighting products.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with the disclosure requirements of the GEM Listing Rules, the accounting principles generally accepted in Hong Kong and the relevant Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2016.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2016.

(b) Basis of measurement

These unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

These unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE AND OTHER INCOME AND GAINS

- (a) Revenue of the Group represents the income from trading of lighting products and provision of leasing services of lighting systems and provision of consultancy services on leasing services of lighting systems ("Consultancy Service"). An analysis of revenue is as follows:

	Three months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Leasing services of lighting systems	35,244	2,712
Trading of lighting products	23,791	24,333
Consultancy Service	—	—
	<u>59,035</u>	<u>27,045</u>

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

	Three months ended 30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Management service income received from an associate	450	450
Net foreign exchange gain	1,040	14
Others	58	63
	<u>1,548</u>	<u>527</u>

4. FINANCE COSTS

	Three months ended 30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest expenses for financial liabilities carried at amortised cost:		
Interest on borrowings wholly repayable within five years	213	7
	<u>213</u>	<u>7</u>

5. INCOME TAX EXPENSE

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

	Three months ended 30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax – Hong Kong profits tax		
– Tax for the period	3,410	1,452
Deferred tax		
– Current period	(83)	(72)
Income tax expense	<u>3,327</u>	<u>1,380</u>

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits.

6. DIVIDENDS

No dividend has been paid or declared by the Company during each of the three months ended 30 June 2016 and 2015.

7. EARNINGS PER SHARE

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Earnings		
Profit attributable to the owners of the Company	<u>12,736</u>	<u>5,133</u>
	Three months ended 30 June	
	2016 '000 (Unaudited)	2015 '000 (Unaudited)
Number of shares		
Weighted average number of shares (<i>note</i>)	<u>500,000</u>	<u>500,000</u>

Note: The weighted average of 500,000,000 ordinary shares derived for calculation of basic earnings per share for the three months ended 30 June 2016 represents the number of 500,000,000 ordinary shares in issue during the period.

No diluted earnings per share is presented as the Group had no potential ordinary shares during the three months ended 30 June 2016 and 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We have been engaging in providing energy management solutions to our clients since 2008 and are an early entrant in this market. We are now 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. Recently, the Group has also been successful in expanding its leasing service into the overseas markets, notably the Indonesian market. For the three months ended 30 June 2016, the Group recorded a total revenue of HK\$59.0 million, representing an increase of 118.3% as compared to HK\$27.0 million for the three months ended 30 June 2015. For the three months ended 30 June 2016, profit attributable to the owners of the Company amounted to HK\$12.7 million, representing an increase of 148.1% as compared to the corresponding amount of HK\$5.1 million for the three months ended 30 June 2015.

Revenue generated from our trading segment remained stable at around HK\$24 million for the three months ended 30 June 2016 and 2015. Revenue generated from our leasing service segment increased by more than 11 times from HK\$2.7 million for the three months ended 30 June 2015 to HK\$35.2 million for the three months ended 30 June 2016 as a result of an increase in number of energy management contracts in the overseas markets especially Indonesia, while there was no income from our consultancy service segment for the three months ended 30 June 2016 and 2015.

The Group recorded a success in its leasing service segment due to its continuous effort in expanding into the overseas markets, in view of the increase in awareness of environmental protection and growing global demand for energy saving services and products in order to meet carbon emission reduction targets. The Group is in different stages of expansion in the overseas markets. While its leasing service business in the Indonesian market has started to generate revenue for the Group, it is also at various stages of business discussions with potential clients in Indonesia, South Africa and Malaysia, ranging from project initiation, memorandum of understanding and energy management contracts negotiation, pilot trial runs to project deployment.

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\$59.0 million for the three months ended 30 June 2016, representing a 118.3% improvement as compared to that for the three months ended 30 June 2015. Such increase was mainly a result of our recent rapid development in the Indonesian market which, in turn, was mainly due to successfully securing sizable leasing service contracts serving a major Indonesian conglomerate end-user which operates substantial number of commercial buildings and shopping malls. Gross profit margin remained stable at around 39.4% for the three months ended 30 June 2016 when compared to 41.8% for the three months ended 30 June 2015.

Other income and gains increased from approximately HK\$527,000 for the three months ended 30 June 2015 to HK\$1.5 million for the three months ended 30 June 2016 due to the net foreign exchange gain of HK\$1.0 million as a result of the appreciation of Malaysian Ringgit and Indonesian Rupiah against Hong Kong dollar during the period.

Selling and distribution costs

The Group's selling and distribution costs for the three months ended 30 June 2016 were HK\$1.3 million, representing an increase of 93.7% from HK\$0.7 million for the three months ended 30 June 2015. The increase was mainly due to an increase in amount of samples provided to potential customers, some of which may enter into energy management contracts with the Group and contribute to an increase in revenue from leasing service segment in future.

Administrative expenses

The Group's administrative expenses for the three months ended 30 June 2016 were HK\$5.2 million, representing an increase of 50.0% from HK\$3.4 million for the three months ended 30 June 2015. The increase was mainly due to (i) the increase in professional expenses for application for the transfer of listing from GEM to the Main Board of the Stock Exchange; and (ii) the increase in Directors' remuneration and salaries expenses as a result of increase in headcount due to the Group's expansion and salaries increment.

Finance costs

The Group's finance costs increased from approximately HK\$7,000 for the three months ended 30 June 2015 to approximately HK\$213,000 for the three months ended 30 June 2016. The increase was mainly due to the interest expenses arising from the new bank borrowings since September 2015. As at 30 June 2016, total outstanding borrowings of the Group was HK\$44.7 million (31 March 2016: HK\$25.5 million).

Other expenses

The Group's other expenses increased to approximately HK\$371,000 for the three months ended 30 June 2016 from approximately HK\$152,000 for the three months ended 30 June 2015. Such expenses were derived from the disposal of property, plant and equipment during the period.

Income tax expense

The Group's income tax expense for the three months ended 30 June 2016 was HK\$3.3 million, representing an increase of 141.1% from HK\$1.4 million for the three months ended 30 June 2015. The increase was mainly due to the increase in taxable income.

Profit for the period

As a result of the foregoing, our profit attributable to owners of the Company increased by 148.1% from HK\$5.1 million for the three months ended 30 June 2015 to HK\$12.7 million for the three months ended 30 June 2016.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2016, the Group had 26 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.

The Company has adopted a share option scheme as an incentive to its Directors and eligible employees of the Group, details of which are set out in the paragraph headed "Share Option Scheme" in the section headed "Management Discussion and Analysis" in our 2015/2016 Annual Report.

No share option has been granted under the Company's share option scheme since its adoption.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company during the three months ended 30 June 2016.

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. As it is expected that there will be an increase in revenue from overseas markets such as Indonesia and Malaysia as a result of the expansion of the Group's leasing service business in these countries, the Directors believe that the Group will be exposed to foreign exchange risk due to exchange rate fluctuations. After considering the current and future exchange rate level and the foreign currency market for Indonesia and Malaysia, the Group does not adopt any foreign currency hedging measure as at the date of this announcement. However, the Group will monitor its foreign exchange exposure and will consider hedging the foreign currency exposure should the need arises.

DIVIDEND

The Board did not recommend the payment of any dividend for the three months ended 30 June 2016.

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

FUTURE OUTLOOK

The Directors believe that since the beginning of the large scale development of energy saving business in the late 1980s or early 1990s with its principal aim to combat with the rising energy costs, there has also been increasing awareness of environmental protection around the globe due to severe climate change. The Group is optimistic towards the outlook of the energy saving business because of the increasing need for energy efficiency for the environment as well as the need for costs saving. After the announcement of the 2015 Paris Climate Conference, the Directors believe that there has been an increase in the awareness of environmental protection, carbon emission reduction commitment and demand for energy saving services and products, especially in countries in Asia and South Africa. The Directors also believe that governmental regulations on energy efficiency and the need to control or reduce operating costs for most corporations also drive the demand for energy saving services and products.

Riding on the anticipated increasing demand for energy saving services and products, the Group will continue to take proactive business strategies to develop and expand its energy saving services and products offerings. The Group will continue to expand its business in the domestic and global markets through customisation of its lighting products, appointment of distributors and entering into strategic partnerships with potential business partners worldwide. With the successful penetration of the Group's leasing service business into the Indonesian and the Malaysian markets, the Group intends to continue to build on its energy saving business track record in Hong Kong and those overseas countries to expand locally in Hong Kong and overseas, especially those potential markets in Asia and South Africa.

As at the date of this announcement, the Group was in active business negotiation to provide leasing services to a major retailer which owns and operates supermarket stores throughout South Africa, and was at the stage of commencing trial run in selected outlets of such potential client.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2016, the interests and short positions of the Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to our Company and the Stock Exchange, were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Director	Nature of Interest and Capacity	Number of Shares	Approximate Percentage of Issued Share Capital
Mr. LAM Chung Ho Alastair	Beneficial owner	49,800,734	9.96%
Mr. WONG Man Fai Mansfield ^(Note)	Interest in controlled corporation	47,249,204	9.45%
Mr. LAM Arthur	Beneficial owner	35,464,437	7.09%

Note: Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited.

Save as disclosed above, as at 30 June 2016, none of the Directors or chief executives of our Company had any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as our Directors are aware, as at 30 June 2016, the persons/entities (other than the Directors or chief executives of our Company) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of our Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Shareholder	Nature of Interest and Capacity	Number of Shares	Approximate Percentage of Issued Share Capital
Abundance Development Limited ^(Note 1)	Beneficial owner	47,249,204	9.45%
Ms. CAI Linda Xin Xin ^(Note 2)	Interest of spouse	47,249,204	9.45%
Ms. LIANG Wai Yun Fiona ^(Note 3)	Interest of spouse	35,464,437	7.09%

Notes:

1. Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
2. Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited, and Ms. CAI Linda Xin Xin is deemed to be interested in all the shares of the Company in which Mr. WONG Man Fai Mansfield is interested.
3. Ms. LIANG Wai Yun Fiona is the spouse of Mr. LAM Arthur. Under the SFO, Ms. LIANG Wai Yun Fiona is deemed to be interested in all the shares of the Company in which Mr. LAM Arthur is interested.

Save as disclosed above, as at 30 June 2016, the Directors were not aware of any persons/entities who had any interest or short position in the securities of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, CLC International Limited, as at 30 June 2016, save for the compliance adviser agreement dated 12 March 2015 entered into between the Company and CLC International Limited, neither CLC International Limited nor its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE AND 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 three months ended 30 June 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 30 June 2016, none of the Directors, substantial shareholders or their respective close associates (as defined under the GEM Listing Rules) had held any position or had any interest in any businesses or companies that were or might be materially, either directly or indirectly, competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the three months ended 30 June 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 Board is of the view that, throughout the three months ended 30 June 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. 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 three months ended 30 June 2016 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee of the Board 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 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.

The financial information contained in this announcement for the three months ended 30 June 2016 has not been audited by the Company's auditor, but has been reviewed by the Audit Committee, who was of opinion that such financial information complied with the applicable accounting standards, GEM Listing Rules and legal requirements and that adequate disclosures had been made.

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

Hong Kong, 8 August 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.