



**Synergy Group**  
New Benchmark for Energy Saving

**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)  
(於開曼群島註冊成立的有限公司)

Stock Code 股票代號 : 8105

**2015/2016** Interim Report  
中期報告

## 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.

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*This report, for which the directors (the “Directors”) of Synergy Group Holdings International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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 report 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 report misleading.*

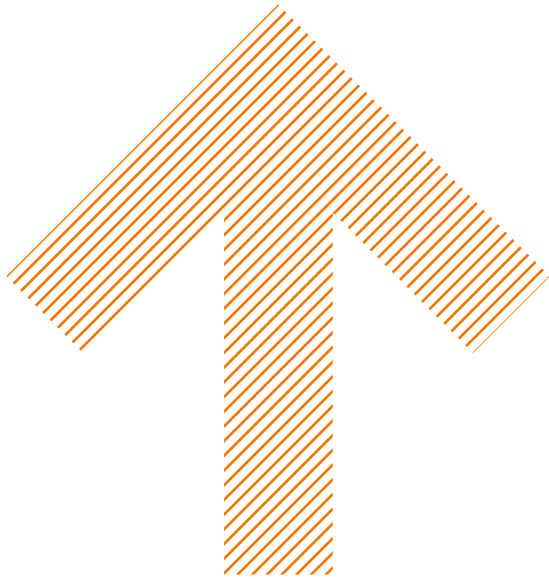
### 香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證於創業板買賣的證券會有高流通量的市場。

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The Group's revenue for the six months ended 30 September 2015 was HK\$55.9 million, representing an increase of

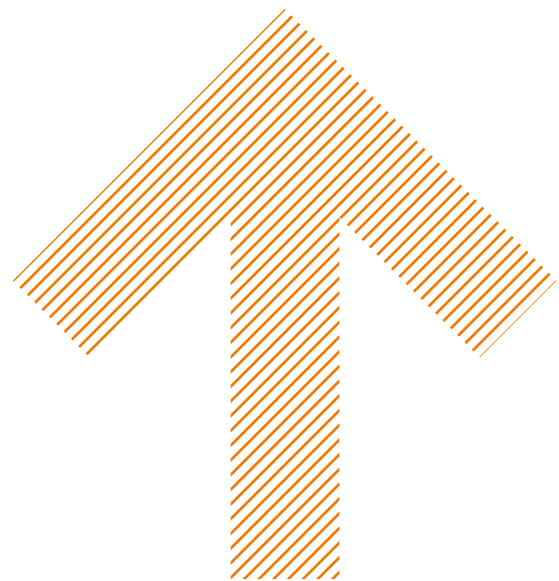
**47.8%**

over the revenue of HK\$37.8 million for the six months ended 30 September 2014.

The Group's profit attributable to the owners of the Company for the six months ended 30 September 2015 was HK\$16.9 million, representing an increase of

**42.7%**

over HK\$11.8 million for the six months ended 30 September 2014.



# Financial Highlights

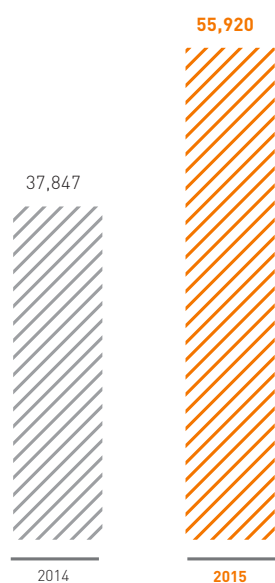
	<b>For the six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Revenue	<b>55,920</b>	37,847
Leasing services of lighting systems	<b>6,997</b>	4,181
Trading of lighting products	<b>37,621</b>	23,163
Consultancy service	<b>11,302</b>	10,503
Profit attributable to the owners of the Company	<b>16,888</b>	11,835
Basic earnings per share (HK cents)	<b>3.4</b>	2.9

- The Group's revenue for the six months ended 30 September 2015 was HK\$55.9 million, representing an increase of 47.8% over the revenue of HK\$37.8 million for the six months ended 30 September 2014.
- The Group's profit attributable to the owners of the Company for the six months ended 30 September 2015 was HK\$16.9 million, representing an increase of 42.7% over HK\$11.8 million for the six months ended 30 September 2014.
- No dividends have been paid or declared by the Company during the six months ended 30 September 2015.

# Financial Highlights

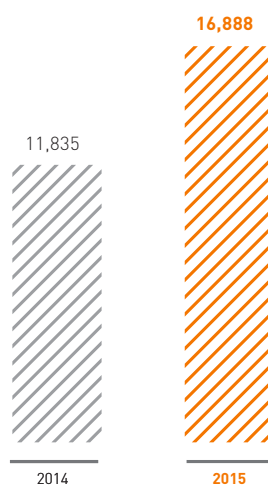
## Analysis of Revenue

for the six months ended 30 September  
HK\$'000



## Analysis of Profit Attributable to the Owners of the Company

for the six months ended 30 September  
HK\$'000



# Management Discussion and Analysis

## Business Review

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 more severe climate change and higher operating costs suffered by most corporations due to the 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 six months ended 30 September 2015, the Group recorded a total revenue of HK\$55.9 million,

representing an increase of 47.8% as compared to HK\$37.8 million for the six months ended 30 September 2014. For the six months ended 30 September 2015, profit attributable to the owners of the Company amounted to HK\$16.9 million, representing an increase of 42.7% as compared to the corresponding amount of HK\$11.8 million for the six months ended 30 September 2014.

For the six months ended 30 September 2015, we had a record of success in our trading of lighting products segment. Revenue generated from our trading segment increased by 62.4% from HK\$23.2 million for the six months ended 30 September 2014 to HK\$37.6 million for the six months ended 30 September 2015 mainly due to the increase in sales of LED products. Revenue generated from our leasing

service segment increased by 67.4% from HK\$4.2 million for the six months ended 30 September 2014 to HK\$7.0 million for the six months ended 30 September 2015 as a result of an increase in number of energy management contracts under finance lease arrangement, while our consultancy service segment for the six months ended 30 September 2015 remained relatively stable when compared with the corresponding period in 2014. Details of segment information are set out in Note 3 to the unaudited condensed consolidated financial statements.

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.

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# Management Discussion and Analysis

## Financial Review

Total revenue was HK\$55.9 million for the six months ended 30 September 2015, representing a 47.8% improvement as compared to that for the six months ended 30 September 2014. There has been an increasing demand for the Group's energy saving products and services. Gross profit margin decreased from 58.8% for the six months ended 30 September 2014 to 55.2% for the six months ended 30 September 2015. Such decrease was mainly due to an increase in revenue generated from the trading of lighting products segment which had relatively lower gross profit margin than our consultancy services (the "**Consultancy Services**"), which are provided by our Group to third parties in assisting them in providing energy saving services in their markets.

Other income and gains, mainly consisted of a monthly service fee of HK\$150,000 received from an associate of our Group, increased from HK\$1.0 million for the six months ended 30 September 2014 to HK\$1.2 million for the six months ended 30 September 2015 mainly due to the foreign exchange gain and the reversal of warranty provision upon expiry.

## Selling and distribution costs

The Group's selling and distribution costs for the six months ended 30 September 2015 were HK\$1.6 million, representing an increase of 35.9% from HK\$1.2 million for the six months ended 30 September 2014. The increase was mainly due to the increase in salaries.

## Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2015 were HK\$7.2 million, representing an increase of 61.4% from HK\$4.5 million for the six months ended 30 September 2014. The increase was mainly due to the increase in salaries (including directors' remuneration) and travelling expenses.

## Finance costs

The Group's finance costs increased from approximately HK\$3,000 for the six months ended 30 September 2014 to approximately HK\$69,000 for the six months ended 30 September 2015. The increase was mainly due to the new bank borrowing drawn down of HK\$8.0 million during the period.

# Management Discussion and Analysis

## Other expenses

The Group's other expenses increased from approximately HK\$315,000 for the six months ended 30 September 2014 to approximately HK\$476,000 for the six months ended 30 September 2015. The increase was mainly due to the loss arising from the disposals of property, plant and equipment during the period.

## Income tax expense

The Group's income tax expense for the six months ended 30 September 2015 was HK\$4.1 million, representing an increase of 16.4% from HK\$3.5 million for the six months ended 30 September 2014. The increase was mainly due to the increase in taxable income as a result of our profit growth.

## Profit for the period

As a result of the foregoing, our profit attributable to the owners of the Company increased by 42.7% from HK\$11.8 million for the six months ended 30 September 2014 to HK\$16.9 million for the six months ended 30 September 2015.

## Capital Structure, 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 30 September 2015, current assets of the Group amounted to HK\$119.5 million, representing an increase of 17.5% from HK\$101.7 million as

at 31 March 2015. Current assets mainly comprised cash and bank balances (including pledged deposit) of HK\$23.4 million (31 March 2015: HK\$27.7 million) and trade receivables of HK\$82.6 million (31 March 2015: HK\$58.6 million). As at 30 September 2015, the Group's current liabilities mainly comprised borrowings of HK\$8.1 million (31 March 2015: HK\$0.1 million), trade payables of HK\$2.2 million (31 March 2015: HK\$6.4 million) and accruals, other payables and deposits received of HK\$5.4 million (31 March 2015: HK\$6.8 million). The Group's current ratio increased from 4.9 times as at 31 March 2015 to 5.4 times as at 30 September 2015. The Group has sufficient working capital to meet the current liquidity demand within at least 12 months from the date of this report.



# Management Discussion and Analysis

The total outstanding borrowings of the Group as at 30 September 2015 was approximately HK\$8.4 million (31 March 2015: approximately HK\$449,000) due to a bank and an independent third party. The increase was due to the new bank borrowing of HK\$8.0 million that was drawn during the period.

As at 30 September 2015, the Group's equity attributable to the owners of the Company was HK\$113.8 million, representing an increase of 17.4% from HK\$96.9 million as at 31 March 2015.

As at 30 September 2015, 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 30 September 2015.

## Contingent Liabilities

The Group has contingent liabilities in respect of its failure to notify chargeability to tax of a Hong Kong subsidiary for the year of assessment of 2010/2011 to the Inland Revenue Department ("IRD") in Hong Kong. Under Section 82A of the Inland Revenue Ordinance (Cap. 112 of the laws of Hong Kong), the maximum penalty as a result of the failure to notify chargeability would be treble the amount of tax undercharged of the year of assessment concerned.

In April 2013, the Group has received tax assessment for 2009/2010 and 2010/2011 issued by the IRD ("IRD Tax Assessment"). Pursuant to the IRD Tax Assessment, which were assessed based on the information submitted by the Group to IRD, the adjusted tax loss was

approximately HK\$5,107,000 for the year of assessment of 2009/2010 (the "Adjusted Tax Losses") and tax liability was approximately HK\$2,196,000 for the year of assessment of 2010/2011. The Adjusted Tax Losses for the year of assessment of 2009/2010 was used to offset against the assessable profits for the year of assessment of 2010/2011.

In the opinion of the Directors, taking into consideration of IRD Tax Assessment received, the tax liability for the year of assessment of 2010/2011 is approximately HK\$2,196,000. Accordingly, the Directors are of the opinion that the maximum penalty as a result of the failure to notify chargeability for year of assessment of 2010/2011 would be approximately HK\$6,588,000, which

# Management Discussion and Analysis

is subject to further/additional tax assessment of the IRD, if any.

Save as disclosed above, we did not have any material contingent liabilities as at 30 September 2015.

## 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 36.59% and details are set out in the section headed “Subsequent Events” 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 air conditioning and cooling management.

The turnover of the Cooling Group for the six months ended 30 September 2015 was HK\$4.8 million, representing an increase of 140.0% from HK\$2.0 million for the six months ended 30 September 2014. 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 six months ended 30 September 2015 was HK\$6.5 million, representing a decrease of 11.0% from HK\$7.3 million for the six months ended 30 September 2014.

During the period, the Group made advances of HK\$2.6 million to the Cooling Group at interest rate of 5% per annum.

## Guarantees

During the period, 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 48 months and 59 months respectively, with average monthly rent charged to the associate of approximately RM21,000 each (equivalent to approximately HK\$42,000 each). Save as disclosed above, we did not have any material guarantees as at 30 September 2015.

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# Management Discussion and Analysis

## Employees and Remuneration Policies

As of 30 September 2015, the Group had 25 full-time employees. The Group offers competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

The Company has adopted a share option scheme as an incentive to its directors and eligible employees, details of which are set out in the paragraph headed "Share Option Scheme" in the section headed "Management Discussion and Analysis" in our 2014/2015 Annual Report.

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

## 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 and US dollar. 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. We consider the currency risk resulting from our daily operations is not significant, thus our Group does not have a foreign currency hedging policy as at the date of this report.

## Gearing Ratio

As at 30 September 2015, the gearing ratio of the Group was approximately 7.4% (31 March 2015: approximately 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 borrowing that was drawn down during the period.

## Dividend

The Board did not recommend the payment of a dividend for the six months ended 30 September 2015.

# Management Discussion and Analysis

## 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 six months ended 30 September 2015 is as follows:

	Business objectives for the period from 24 March 2015 (Listing Date) to 30 September 2015 as stated in the Prospectus	Actual business progress for the period from 24 March 2015 (Listing Date) to 30 September 2015
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none"> <li>- Expand sales and marketing team for international markets</li> <li>- Identify and establish overseas distributorship for international markets</li> <li>- Conduct visits to existing overseas distributors for sales and marketing</li> </ul>	<ul style="list-style-type: none"> <li>- Our Group employed additional staff for international markets during the period</li> <li>- Our Group conducted several visits to overseas like Malaysia and Indonesia for exploring new potential cooperation and business opportunities</li> </ul>
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none"> <li>- Expand project management team to assist Consultancy Services customers</li> <li>- Identify and work with potential Consultancy Services customers</li> </ul>	<ul style="list-style-type: none"> <li>- Our Group employed additional staff to assist Consultancy Services customers and further develop the customer relationship</li> </ul>

# Management Discussion and Analysis

	Business objectives for the period from 24 March 2015 (Listing Date) to 30 September 2015 as stated in the Prospectus	Actual business progress for the period from 24 March 2015 (Listing Date) to 30 September 2015
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none"> <li>- Expand sales and marketing team for Hong Kong office</li> <li>- Expand project management team</li> <li>- Identify potential strategic partners and establish partnership</li> </ul>	<ul style="list-style-type: none"> <li>- Our Group expanded the sales and marketing team for Hong Kong office during the period</li> </ul>
Enhance our research and development capabilities	<ul style="list-style-type: none"> <li>- Continue to enhance existing lighting products</li> <li>- Continue to source lighting products to diversify lighting solution</li> <li>- Expand our research and development team</li> <li>- Acquire additional lighting testing equipment for research and development</li> <li>- Register new patent if applicable</li> </ul>	<ul style="list-style-type: none"> <li>- Our Group expanded our research and development team during the period</li> <li>- Our Group was developing a series of LED lighting with higher lumen per watt, lesser lumen depreciation and longer life time</li> <li>- Our Group acquired additional lighting testing equipment for research and development during the period</li> </ul>

# Management Discussion and Analysis

	Business objectives for the period from 24 March 2015 (Listing Date) to 30 September 2015 as stated in the Prospectus	Actual business progress for the period from 24 March 2015 (Listing Date) to 30 September 2015
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none"> <li>- Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2015 Spring Edition)</li> <li>- Participate in international lighting and energy saving related exhibition including the lighting fair in Japan</li> </ul>	<ul style="list-style-type: none"> <li>- Our Group has started preparing for the exhibition of Eco Expo Asia 2015 in September which was then held from 28 to 31 October 2015 in Hong Kong</li> </ul>

# Management Discussion and Analysis

## 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 six months ended 30 September 2015 is as follows:

	Use of proceeds for the period from 24 March 2015 (Listing Date) to 30 September 2015 in proportion to that as stated in the Prospectus HK\$ million	Actual use of proceeds for the period from 24 March 2015 (Listing Date) to 30 September 2015 HK\$ million
Expansion of our Group's business in international markets	0.4	0.6
Expansion of our Group's business in the PRC	0.1	0.1
Expansion of our Group's business in Hong Kong	0.3	0.3
Marketing activities to enhance our brand image and recognition	0.3	0.3
Enhance our research and development capabilities	0.2	0.3
Total	1.3	1.6

# Management Discussion and Analysis

## Principal Risks and Uncertainties

- Our Consultancy Services 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 our customers.
- We rely on our key management to conduct our 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.

## Subsequent Events

Subsequent to the six months ended 30 September 2015, 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 the Cooling Group. 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.

## Future Outlook

The Group is optimistic towards the energy saving business because of the severe contamination of the environment and the increasing energy prices. Corporations are also keen to use energy saving products so as to reduce operating costs due to increasing electricity prices.

The Group continues to take proactive business strategies, such as further expanding in the Hong Kong, international and PRC 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.



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# Management Discussion and Analysis

While the Group is continuing to build on its expertise in the provision of energy saving lighting solutions to expand its business, it is also proactively looking at and seeking various business opportunities to expand its services and products offerings; and expand its business scope in the energy saving industry.

In October 2015, the Group acquired further interests in the Cooling Group, thereby increasing the Group's equity interests in the Cooling Group from approximately 27.17% to approximately 36.59% (details of which are set out in the section headed "Subsequent Events" above).

Apart from that, the Group is also exploring business opportunities to expand its business scope in other spectrums of the energy saving/renewable energy industry, such as solar energy related services and products; and the Group is also riding on its expertise in the LED lighting products to expand its product offerings, such as curtain wall LED displays, to existing and potential customers.

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

As at 30 September 2015, 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

# Management Discussion and Analysis

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 <sup>(Note)</sup>	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 owned by Abundance Development Limited.

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# Management Discussion and Analysis

Save as disclosed above, as at 30 September 2015, none of our 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 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 were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors 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 September 2015, 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:

# Management Discussion and Analysis

## 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 <sup>(Note 1)</sup>	Beneficial owner	47,249,204	9.45%
Ms. CAI Linda Xin Xin <sup>(Note 2)</sup>	Interest of spouse	47,249,204	9.45%
Ms. LIANG Wai Yun Fiona <sup>(Note 3)</sup>	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 owned by Abundance Development Limited, and Ms. CAI Linda Xin Xin is deemed to be interested in all the shares 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 in which Mr. LAM Arthur is interested.

# Management Discussion and Analysis

Save as disclosed above, as at 30 September 2015, the Directors were not aware of any persons/entities who had any interest or short position in the securities in 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 September 2015, 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 six months ended 30 September 2015.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 30 September 2015, none of the Directors, the 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 six months ended 30 September 2015.

## 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.

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# Management Discussion and Analysis

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 six months ended 30 September 2015, 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 the 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. In view of Mr. Wong has been leading our Group as the Chief Executive Officer of the Board and one of our subsidiaries since 2009, the Board believes that it is in the best interest of the Group to continue to have Mr. Wong stays 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 comprises 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

# Management Discussion and Analysis

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 six months ended 30 September 2015 and up to the date of this report.

## 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 report for the six months ended 30 September 2015 has not been audited nor reviewed 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.

## BOARD OF DIRECTORS

As at the date of this report, 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.

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

Hong Kong, 9 November 2015

# Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Notes	Six months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000
<b>Revenue</b>	4	<b>55,920</b>	37,847
Cost of sales		<b>(25,072)</b>	(15,583)
<b>Gross profit</b>		<b>30,848</b>	22,264
Other income and gains	4	<b>1,212</b>	995
Administrative expenses		<b>(7,234)</b>	(4,483)
Selling and distribution costs		<b>(1,576)</b>	(1,160)
Finance costs	5	<b>(69)</b>	(3)
Other expenses		<b>(476)</b>	(315)
Share of results of associates		<b>(1,753)</b>	(1,971)
Share of results of joint ventures		<b>-</b>	-
<b>Profit before income tax</b>	6	<b>20,952</b>	15,327
Income tax expense	7	<b>(4,064)</b>	(3,492)
<b>Profit for the period</b>		<b>16,888</b>	11,835
<b>Other comprehensive income for the period</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of other comprehensive income of an associate		<b>(4)</b>	(3)
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>16,884</b>	11,832
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>			
- Basic (HK cents)	9	<b>3.4</b>	2.9

Details of the proposed dividend for the period are disclosed in note 8.



# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2015

	Notes	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	4,209	4,788
Interests in associates		9,542	11,299
Finance lease receivables		3,460	811
Rental deposits		-	156
		<b>17,211</b>	17,054
<b>Current assets</b>			
Inventories		386	195
Trade receivables	11	82,617	58,550
Finance lease receivables		1,300	851
Deposits, prepayments and other receivables		5,972	12,148
Due from associates		5,850	2,180
Pledged deposit		2,500	-
Cash and cash equivalents		20,852	27,735
		<b>119,477</b>	101,659
<b>Current liabilities</b>			
Trade payables	12	2,226	6,403
Accruals, other payables and deposits received		5,397	6,790
Borrowings	13	8,116	112
Due to a related company		288	120
Provision for taxation		6,097	7,346
		<b>22,124</b>	20,771
<b>Net current assets</b>		<b>97,353</b>	80,888
<b>Total assets less current liabilities</b>		<b>114,564</b>	97,942
<b>Non-current liabilities</b>			
Deposits received		195	298
Borrowings	13	278	337
Deferred tax liabilities	7	304	404
		<b>777</b>	1,039
<b>Net assets</b>		<b>113,787</b>	96,903
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	14	5,000	5,000
Reserves		108,787	91,903
<b>Total equity</b>		<b>113,787</b>	96,903

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

24

	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
<b>At 1 April 2015 (audited)</b>	<b>5,000</b>	<b>34,749</b>	<b>7,388</b>	<b>12,183</b>	<b>5</b>	<b>37,578</b>	<b>96,903</b>
Profit for the period	-	-	-	-	-	16,888	16,888
Other comprehensive income							
Share of other comprehensive income of an associate	-	-	-	-	(4)	-	(4)
Total comprehensive income for the period	-	-	-	-	(4)	16,888	16,884
<b>At 30 September 2015 (unaudited)</b>	<b>5,000</b>	<b>34,749</b>	<b>7,388</b>	<b>12,183</b>	<b>1</b>	<b>54,466</b>	<b>113,787</b>
<b>At 1 April 2014</b>	-	-	7,388	16,333	-	11,349	35,070
Profit for the period	-	-	-	-	-	11,835	11,835
Other comprehensive income							
Share of other comprehensive income of an associate	-	-	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	(3)	11,835	11,832
<b>At 30 September 2014</b>	-	-	7,388	16,333	(3)	23,184	46,902

# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Notes	Six months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		20,952	15,327
Adjustments for:			
Interest expense	5	32	3
Amortisation of intangible assets	6	–	385
Depreciation of property, plant and equipment	6	946	1,133
Losses on disposals of property, plant and equipment	6	476	315
Share of results of associates		1,753	1,971
Warranty provision, net of reversal	6	112	165
Operating profit before working capital changes		24,271	19,299
Decrease in inventories	15	850	309
(Increase)/decrease in trade receivables		(24,067)	10,920
Increase in finance lease receivables		(3,098)	(233)
Decrease/(increase) in deposits, prepayments and other receivables		6,332	(3,427)
(Increase)/decrease in amounts due from associates		(3,670)	1,808
(Decrease)/increase in trade payables		(4,177)	8,428
Increase in amount due to a related company		168	168
(Decrease)/increase in accruals, other payables and deposits received		(1,608)	3,988
Cash (used in)/generated from operations		(4,999)	41,260
Income tax paid		(5,413)	(5,535)
<b>Net cash (used in)/generated from operating activities</b>		<b>(10,412)</b>	35,725
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(1,941)	(1,031)
Proceeds from disposals of property, plant and equipment		57	–
Increase in pledged deposit		(2,500)	–
<b>Net cash used in investing activities</b>		<b>(4,384)</b>	(1,031)
<b>Cash flows from financing activities</b>			
Interest paid on borrowings		(32)	(3)
New borrowings		8,000	485
Repayment of borrowings		(55)	(125)
Dividends paid		–	(37,044)
<b>Net cash generated from/(used in) financing activities</b>		<b>7,913</b>	(36,687)
<b>Net decrease in cash and cash equivalents</b>		<b>(6,883)</b>	(1,993)
<b>Cash and cash equivalents at beginning of the period</b>		<b>27,735</b>	3,202
<b>Cash and cash equivalents at end of the period</b>		<b>20,852</b>	1,209

# Notes to the Unaudited Condensed 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 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 is 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. The comparative figures in the unaudited condensed consolidated interim financial information have been prepared on the merger accounting basis as if the Company has been the holding company of these companies comprising the Group at the end of the previous reporting period, or since the dates of their incorporation or establishment.

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# Notes to the Unaudited Condensed Consolidated Financial Statements

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

27

### (a) Basis of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (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 2015 except that the Group has adopted the newly issued and revised Hong Kong Financial Reporting Standards, which are effective for the annual period beginning on 1 April 2015, as disclosed in the annual financial statements for the year ended 31 March 2015. The adoption of these new and revised Hong Kong Financial Reporting Standards does not have significant impact on the Group’s results of operations and financial position.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2015.

### (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.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 3. SEGMENT INFORMATION

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

- (1) Provision of leasing services 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 period.

	<b>Leasing services of lighting systems HK\$'000</b>	<b>Trading of lighting products HK\$'000</b>	<b>Consultancy service HK\$'000</b>	<b>Total HK\$'000</b>
<b>Six months ended 30 September 2015 (unaudited)</b>				
Revenue from external customers	6,997	37,621	11,302	55,920
Reportable segment profit	3,598	15,734	10,467	29,799
Capital expenditure	1,901	-	-	1,901
Depreciation	878	-	-	878
<b>Six months ended 30 September 2014</b>				
Revenue from external customers	4,181	23,163	10,503	37,847
Reportable segment profit	2,092	9,981	10,119	22,192
Capital expenditure	809	-	-	809
Depreciation	1,107	-	-	1,107
<b>As at 30 September 2015 (unaudited)</b>				
Reportable segment assets	10,114	58,209	28,607	96,930
Reportable segment liabilities	1,079	4,330	33	5,442
<b>As at 31 March 2015</b>				
Reportable segment assets	7,478	49,626	17,305	74,409
Reportable segment liabilities	1,719	7,706	27	9,452

# Notes to the Unaudited Condensed Consolidated Financial Statements

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

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Reportable segment profit	<b>29,799</b>	22,192
Unallocated corporate income	<b>1,093</b>	906
Unallocated corporate expenses	<b>(8,118)</b>	(5,797)
Finance costs	<b>(69)</b>	(3)
Share of results of associates	<b>(1,753)</b>	(1,971)
Profit before income tax	<b>20,952</b>	15,327

	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2015</b>	2015
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Reportable segment assets	<b>96,930</b>	74,409
Interests in associates	<b>9,542</b>	11,299
Pledged deposit	<b>2,500</b>	–
Cash and cash equivalents	<b>20,852</b>	27,735
Due from associates	<b>5,850</b>	2,180
Other corporate assets	<b>1,014</b>	3,090
Group assets	<b>136,688</b>	118,713

	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2015</b>	2015
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Reportable segment liabilities	<b>5,442</b>	9,452
Borrowings	<b>8,394</b>	449
Provision for taxation	<b>6,097</b>	7,346
Deferred tax liabilities	<b>304</b>	404
Due to a related company	<b>288</b>	120
Other corporate liabilities	<b>2,376</b>	4,039
Group liabilities	<b>22,901</b>	21,810

# Notes to the Unaudited Condensed Consolidated Financial Statements

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

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Hong Kong (domiciled)	<b>22,801</b>	15,825
Japan	<b>12,101</b>	14,884
Australia	<b>17,410</b>	6,855
Malaysia	<b>3,522</b>	–
Other overseas regions	<b>86</b>	283
	<b>55,920</b>	37,847

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 external customers with whom transactions have exceeded 10% of the Group's revenues. Revenue derived from these customers are as follows:

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Customer A <sup>##</sup>	<b>7,500</b>	–
Customer B <sup>##</sup>	<b>12,101</b>	14,884
Customer C <sup>##</sup>	<b>17,410</b>	6,855
Customer D <sup>#</sup>	<b>11,302</b>	10,503

<sup>#</sup> Attributable to segment of Consultancy service

<sup>##</sup> Attributable to segment of trading of lighting products



# Notes to the Unaudited Condensed Consolidated Financial Statements

## 4. REVENUE AND OTHER INCOME AND GAINS

- (a) Revenue of the Group represents the income from trading of lighting products and provisions of leasing services of lighting systems and Consultancy service. An analysis of revenue is as follows:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	
Leasing services of lighting systems	6,997	4,181
Trading of lighting products	37,621	23,163
Consultancy service	11,302	10,503
	55,920	37,847

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

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	
<b>Other income</b>		
Management service income received from an associate	900	900
Others	147	89
	1,047	989
<b>Gains</b>		
Net foreign exchange gain	165	6
	1,212	995

## 5. FINANCE COSTS

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	
Interest expenses for financial liabilities carried at amortised cost:		
Interest on bank and other borrowings wholly repayable within five years	32	3
Transaction costs on bank borrowings	37	–
	69	3

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 6. PROFIT BEFORE INCOME TAX

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

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Amortisation of intangible assets (included in cost of sales)	–	385
Cost of inventories sold	<b>22,327</b>	12,810
Depreciation of property, plant and equipment	<b>946</b>	1,133
Employee benefit expenses		
– salaries and welfare	<b>4,581</b>	2,424
– defined contributions	<b>151</b>	104
	<b>4,732</b>	2,528
Warranty provision, net of reversal	<b>112</b>	165
Losses on disposals of property, plant and equipment	<b>476</b>	315
Net foreign exchange gain	<b>(165)</b>	(6)
Minimum lease payments under operating leases in respect of offices, a warehouse and an office equipment	<b>579</b>	886

## 7. INCOME TAX EXPENSE

### (a) Income tax

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

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
Current tax – Hong Kong profits tax		
– Tax for the period	<b>4,164</b>	3,206
Deferred tax		
– Current period	<b>(100)</b>	286
Income tax expense	<b>4,064</b>	3,492

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

# Notes to the Unaudited Condensed Consolidated Financial Statements

## (b) Deferred tax

Details of the deferred tax liabilities recognised and movements during the period are as follows:

	<b>Accelerated tax depreciation HK\$'000</b>
<b>At 1 April 2015</b>	<b>404</b>
<b>Credited to profit or loss for the period</b>	<b>(100)</b>
<b>At 30 September 2015 (unaudited)</b>	<b>304</b>
At 1 April 2014	–
Charged to profit or loss for the period	286
At 30 September 2014	286

## 8. DIVIDENDS

No dividends have been paid or declared by the Company during each of the six months ended 30 September 2015 and 2014.

## 9. EARNINGS PER SHARE

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	
<b>Earnings</b>		
Profit attributable to the owners of the Company	<b>16,888</b>	11,835

	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>'000</b>	'000
	<b>(Unaudited)</b>	
<b>Number of shares</b>		
Weighted average number of shares (note)	<b>500,000</b>	415,000

Note: The weighted average of 415,000,000 ordinary shares derived for the calculation of basic earnings per share for the six months ended 30 September 2014 represents the number of ordinary shares of the Company in issue immediately after the Reorganisation, assuming that 415,000,000 ordinary shares were in issue pursuant to the Reorganisation throughout the six months ended 30 September 2014.

The weighted average of 500,000,000 ordinary shares derived for calculation of basic earnings per share for the six months ended 30 September 2015 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 six months ended 30 September 2015 and 2014.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Lighting systems HK\$'000	Construction in progress HK\$'000	Total HK\$'000
At 1 April 2015					
Cost	183	236	9,789	307	10,515
Accumulated depreciation	(53)	(196)	(5,478)	-	(5,727)
Net book amount	130	40	4,311	307	4,788
Six months ended 30 September 2015 (unaudited)					
Opening net book amount	130	40	4,311	307	4,788
Additions	-	40	-	1,901	1,941
Transfer in/(out)	-	-	486	(486)	-
Reclassification	-	-	(61)	(980)	(1,041)
Disposals	-	-	(533)	-	(533)
Depreciation	(46)	(22)	(878)	-	(946)
Closing net book amount	84	58	3,325	742	4,209
At 30 September 2015					
Cost	183	276	9,094	742	10,295
Accumulated depreciation	(99)	(218)	(5,769)	-	(6,086)
Net book amount	84	58	3,325	742	4,209
At 1 April 2014					
Cost	751	222	10,961	367	12,301
Accumulated depreciation	(751)	(197)	(4,946)	-	(5,894)
Net book amount	-	25	6,015	367	6,407
Six months ended 30 September 2014					
Opening net book amount	-	25	6,015	367	6,407
Additions	183	39	-	809	1,031
Transfer in/(out)	-	-	410	(410)	-
Reclassification	-	-	(108)	(101)	(209)
Disposals	-	-	(315)	-	(315)
Depreciation	(8)	(18)	(1,107)	-	(1,133)
Closing net book amount	175	46	4,895	665	5,781
At 30 September 2014					
Cost	183	224	10,161	665	11,233
Accumulated depreciation	(8)	(178)	(5,266)	-	(5,452)
Net book amount	175	46	4,895	665	5,781

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 11. TRADE RECEIVABLES

35

	<b>As at 30 September 2015 HK\$'000 (Unaudited)</b>	As at 31 March 2015 HK\$'000
Trade receivables, net	<b>82,617</b>	58,550

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:

	<b>As at 30 September 2015 HK\$'000 (Unaudited)</b>	As at 31 March 2015 HK\$'000
0 to 30 days	<b>7,037</b>	27,223
31 to 90 days	<b>23,347</b>	8,239
91 to 180 days	<b>21,179</b>	21,071
181 to 365 days	<b>29,638</b>	40
Over 365 days	<b>1,416</b>	1,977
	<b>82,617</b>	58,550

At each reporting date, the Group's trade receivables are individually determined for impairment testing. At 30 September 2015, the Group's trade receivables that were neither past due nor impaired for whom there was no recent history of default. The Group's management considers that trade receivables that were past due but not impaired under review are of good credit quality. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 12. TRADE PAYABLES

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

	<b>As at 30 September 2015 HK\$'000 (Unaudited)</b>	As at 31 March 2015 HK\$'000
0 to 30 days	500	6,044
31 to 90 days	1,378	356
91 to 180 days	35	–
Over 180 days	313	3
	<b>2,226</b>	6,403

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

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 13. BORROWINGS

37

	Notes	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000
Secured bank loans, with guarantees:			
Amounts payable within one year	(a)	8,000	–
Unsecured other loans, without guarantees:			
Amounts payable within one year	(b)	116	112
<b>Current liabilities</b>		<b>8,116</b>	<b>112</b>
Unsecured other loans, without guarantees:			
Amounts payable in second to fifth year	(b)	278	337
<b>Non-current liabilities</b>		<b>278</b>	<b>337</b>

Notes:

- (a) Synergy Lighting Limited, a wholly-owned subsidiary of the Group, obtained bank facilities of HK\$15,000,000 from a bank for revolving loan. The bank facilities are secured by (i) deposits of not less than HK\$2,500,000 or its equivalent in other currencies; (ii) a guarantee for HK\$15,000,000 from Synergy Worldwide; and (iii) a guarantee for HK\$15,000,000 from the Company. The bank facilities include clauses which give the bank the right at its sole discretion to demand immediate settlement of any balance owing by the Group to the bank. The interest rate offered by the bank is the Hong Kong Interbank Offer Rate plus 2.5% per annum. The Group's interest-bearing bank borrowings bore effective interest rate of 2.76% per annum.

The bank facilities amounted to HK\$15,000,000, of which HK\$8,000,000 has been utilised as at 30 September 2015.

- (b) In August 2014, the Group obtained a loan from an independent third party amounting to HK\$485,000. The loan bore effective interest rate of 6.49% per annum.

Based on the schedule repayment dates set out in the bank loan and other loan agreements as mentioned, the borrowings are repayable as follows:

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000
Within one year	8,116	112
In the second year	124	120
In the third to fifth year	154	217
	<b>8,394</b>	<b>449</b>

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 14. SHARE CAPITAL

	Notes	Number of shares	Amount HK\$'000
Authorised:			
Ordinary shares			
At 1 April 2014			
– ordinary shares, of HK\$1 each	(a)	380,000	380
Share sub-division upon Reorganisation	(b)	37,620,000	–
Increase in authorised share capital upon Reorganisation	(b)	49,962,000,000	499,620
At 31 March 2015 and 30 September 2015		50,000,000,000	500,000
Issued and fully paid:			
At 1 April 2014	(a)	100	–
Share sub-division upon Reorganisation	(b)	9,900	–
Subtotal		10,000	–
Issue of shares upon Reorganisation	(c)	414,990,000	4,150
Issue of shares by placing	(d)	85,000,000	850
At 31 March 2015 and 30 September 2015		500,000,000	5,000

### Notes:

- (a) The Company was incorporated in the Cayman Islands on 14 December 2011. The authorised share capital as at 1 April 2014 amounting to HK\$380,000 represented 380,000 ordinary shares of HK\$1 each authorised on its incorporation on 14 December 2011. On the same day, an aggregate of 100 ordinary shares of HK\$1 each were issued and allotted nil-paid. The issued share capital of HK\$100 as at 1 April 2014 was held by Mr. Alastair Lam.
- (b) On 5 March 2015, the sole shareholder of the Company before the Reorganisation, Mr. Alastair Lam, passed a resolution to approve the sub-division of all the ordinary shares of HK\$1 each in the issued and unissued share capital of the Company into 100 shares. As a result, the authorised share capital of the Company became HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the same day, the authorised share capital of the Company was also increased from HK\$380,000 divided into 38,000,000 shares to HK\$500,000,000 divided into 50,000,000,000 shares by creation of additional 49,962,000,000 shares.
- (c) Pursuant to the reorganisation agreement entered on 5 March 2015, an aggregate of 10,000 nil-paid ordinary shares of HK\$0.01 each in the Company was credited as fully-paid as par held by Mr. Alastair Lam; and 414,990,000 ordinary shares of HK\$0.01 each credited as fully-paid, totally of approximately HK\$4,150,000, in consideration of and exchange for the acquisition by the Company of the entire issued share capital of Synergy Worldwide.
- (d) The Company's shares were listed on the GEM of the Stock Exchange on 24 March 2015 and 85,000,000 ordinary shares of HK\$0.01 each of the Company were issued at HK\$0.5 per share by way of placing.

## 15. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

### Major non-cash transactions

During the period, the Group has transferred certain construction in progress and lighting systems to inventories with aggregate net book amount amounting to approximately HK\$1,041,000 (six months ended 30 September 2014: HK\$209,000) upon the change of usage of lighting products acquired, resulting from certain leasing contracts have been reclassified from the form of operating lease to finance lease.



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