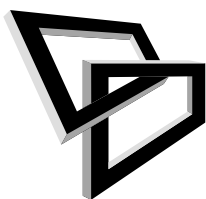


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SYNERGIS 新昌

total management solutions 整全管理

SYNERGIS HOLDINGS LIMITED

新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 02340)

CONTINUING CONNECTED TRANSACTIONS

The Group has from time to time provided property management and facility management and related services through Synergis Shui On Shanghai and/or its subsidiaries to the Shui On Group. The Existing Business Services Agreement was entered into on 5 November 2004 between the Company, Shui On and Synergis Shui On Shanghai to regulate the provision of the aforesaid services. The Group wishes to continue with the arrangements contemplated under the Existing Business Services Agreement, and therefore the Company, Billion World and Synergis Shui On Shanghai have entered into the New Business Services Agreement on 8 March 2007 to regulate the provision of the Services.

Under the Listing Rules, the provision of the Services by the Group to the Shui On Group will constitute continuing connected transactions of the Company under Rule 14A.34(2) of the Listing Rules. Details of the Transactions are set out in this announcement and will also be disclosed in the Company's published annual report and accounts for the financial year ending 31 March 2008 in accordance with the Listing Rules and subject to the reporting and annual review requirements under Rule 14A.46 and Rules 14A.37 to 14A.40 of the Listing Rules.

INTRODUCTION

Since February 2004, the Group has been providing property management and facility management and related services to the Shui On Group. The Existing Business Services Agreement was entered into on 5 November 2004 between the Company, Shui On and Synergis Shui On Shanghai for a fixed term of not more than 3 years to regulate the provision of the aforesaid services. The Company announced details of the Existing Business Services Agreement on 14 December 2004 in accordance with Rules 14A.34(2) and 14A.47 of the Listing Rules.

The annual caps of the value of services provided for for the three financial years ended/ending 31 March 2005, 2006 and 2007 respectively under the Existing Business Services Agreement are disclosed in the paragraph titled "Annual Caps" below. The Company wishes to continue with the arrangements contemplated under the Existing Business Services Agreement and has entered into the New Business Services Agreement with Billion World and Synergis Shui On Shanghai to regulate the provision of the Services on 8 March 2007. The annual caps of the value of the Services provided for for the three financial years ending 31 March 2008, 2009 and 2010 respectively under the New Business Services Agreement are also disclosed in the paragraph titled "Annual Caps" below.

NEW BUSINESS SERVICES AGREEMENT

Under the New Business Services Agreement, the Group may from time to time during the term of the New Business Services Agreement provide the Services through Synergis Shui On Shanghai and/or its subsidiaries to members of the Shui On Group in connection with the residential related, commercial related and themed mixed use projects (such as residential accommodation, office, retail, entertainment, recreational and cultural properties) developed in Shanghai, Wuhan and Chongqing by the Shui On Group and any other such projects as may be developed by the Shui On Group elsewhere in the PRC. The New Business Services Agreement shall be for a term of three years commencing from 1 April 2007.

The relevant members of the Group and the relevant members of the Shui On Group will enter into supplemental agreements for providing the Services under the New Business Services Agreement. Each such supplemental agreement will set out the particulars and the terms and conditions upon which particular Services will be provided as determined by the parties to the supplemental agreement. The terms of each such supplemental

* For identification purpose only

agreement must comply with the terms of the New Business Services Agreement, in particular, the following bases:

- (a) the Services shall be provided on normal commercial terms (or on terms no less favourable to the Group than terms available to or from independent third parties);
- (b) the price payable for the Services shall be determined on arm's length negotiations by reference to the market value and having regard to the estimated costs of the provision of the relevant Services by the Group to the Shui On Group; and
- (c) the total aggregate value of the Services to be provided by the Group through Synergis Shui On Shanghai and/or its subsidiaries to the Shui On Group (in terms of revenue recognition) for each of the financial years ending 31 March 2008, 2009 and 2010 shall not exceed the respective annual cap (the "Annual Cap") set out in the paragraph titled "Annual Caps" below.

Transactions under the New Business Services Agreement will be settled by way of cash on a monthly basis.

The contracting party of the New Business Services Agreement has been changed from Shui On to Billion World because of business re-organisation of the Shui On Group. The Services to be provided under the New Business Services Agreement will be provided to the Shui On Group. In addition, the Services to be provided under the New Business Services Agreement shall be expanded from that under the Existing Business Services Agreement to cover areas of Wuhan and Chongqing specifically.

The other terms of the New Business Services Agreement remain substantially unchanged save for the Annual Caps set out below.

REASONS FOR THE TRANSACTIONS

The Group is a leading provider of comprehensive property management and facility management services in Hong Kong and the PRC. The Group provides a wide range of property and facility management services through established quality systems and the state-of-the-art technologies.

The principal activity of Billion World is investment holding. The principal activities of the Shui On Group are, inter alia, the development of commercial, residential and themed mixed use properties in Hong Kong and the PRC.

The Existing Business Services Agreement has been carried out in compliance with the terms thereof and the Listing Rules. The New Business Services Agreement is on terms similar to those of the Existing Business Services Agreement. It is considered that the Transactions will be consistent with the commercial objectives of the Group and it is anticipated that the Transactions will further strengthen the Group's position as a property management and facility management services provider in the PRC.

The Directors intend that the Transactions will be entered into in the ordinary and usual course of business of the Company and on normal commercial terms. The Directors (including the Independent Non-executive Directors) believe that the Transactions will be in the interests of the Company and are of the view that the terms of the Transactions and the Annual Caps as set out below are fair and reasonable so far as the shareholders of the Company are concerned.

ANNUAL CAPS

The annual caps of the value of services provided for under the Existing Business Services Agreement for the three financial years ended/ending 31 March 2005, 2006 and 2007 respectively were as follows:

Financial year	annual cap of value
1/4/2004–31/3/2005	HK\$4 million
1/4/2005–31/3/2006	HK\$5 million
1/4/2006–31/3/2007	HK\$9 million

For the two financial years ended 31 March 2005 and 2006 and for the six months ended 30 September 2006, the total values of services (in terms of revenue recognition) rendered by the Group to the Shui On Group under the Existing Business Services Agreement were as follows:

Financial year/period	total values of services recognised
1/4/2004–31/3/2005	HK\$3.0 million
1/4/2005–31/3/2006	HK\$3.4 million
1/4/2006–30/9/2006	HK\$2.3 million

The expected Annual Caps of the Transactions for the three financial years ending 31 March 2008, 2009 and 2010 respectively are as follows:

Financial year	Annual Cap
1/4/2007–31/3/2008	HK\$7.0 million
1/4/2008–31/3/2009	HK\$8.2 million
1/4/2009–31/3/2010	HK\$9.98 million

The Annual Cap of HK\$7.0 million for the financial year ending 31 March 2008 was arrived at by reference to the value of the Services to be recognised under contracts already entered into with the Shui On Group and the expected value of the Services under contracts which the Company expects to enter into with the Shui On Group during the financial year ending 31 March 2008 for existing and new projects of the Shui On Group in Shanghai, Wuhan and Chongqing. The Annual Caps of HK\$8.2 million and HK\$9.98 million for the respective financial years ending 31 March 2009 and 2010 were arrived at by reference to (a) contracts already entered into with the Shui On Group the values of which will be recognised in the financial year ending 31 March 2008 and which the Group expects will continue in the two financial years ending 31 March 2009 and 2010; (b) future new contracts which the Group expects to enter into with the Shui On Group for projects in Shanghai, Wuhan and Chongqing; and (c) the existing and future scale and operation of the Group's businesses in the PRC.

CONNECTED PERSONS AND THE LISTING RULES

Synergis Shui On Shanghai is a company incorporated under the laws of Hong Kong with limited liability and is owned as to 50% indirectly by the Company and 50% directly by Billion World. Synergis Shui On Shanghai is an indirect non-wholly owned subsidiary of the Company for the purpose of the Listing Rules as the Company indirectly controls the composition of a majority of the board of directors of Synergis Shui On Shanghai. Billion World and its subsidiaries and associates (excluding Synergis Shui On Shanghai and its subsidiaries) are connected persons of the Company because Billion World is a substantial shareholder of Synergis Shui On Shanghai, a non-wholly owned subsidiary of the Company. Accordingly, the Transactions between the Group and the Shui On Group will constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Other than the provision of property management and facility management and related services to the Shui On Group under the Existing Business Services Agreement and the New Business Services Agreement, there are no other continuing connected transactions subsisting with the Shui On Group which should be aggregated with the New Business Services Agreement pursuant to Rule 14A.27 of the Listing Rules.

The Transactions will constitute continuing connected transactions under Rule 14A.34(2) of the Listing Rules which will only be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. Pursuant to Rule 14A.34(2) of the Listing Rules, no shareholders' approval will be required if the aggregate value of the Transactions on an annual basis exceeds 2.5% but less than 25% of any of the relevant percentage ratios (other than profits ratio) under Rule 14.07 of the Listing Rules and the aggregate value of the Transactions recognised annually is less than HK\$10 million. Details of the Transactions will be disclosed in the Company's published annual report and accounts for the financial year ending 31 March 2008 in accordance with the Listing Rules and subject to the reporting and annual review requirements under Rule 14A.46 and Rules 14A.37 to 14A.40 of the Listing Rules.

The Company will comply with the requirements of Rules 14A.35(3) and 14A.35(4) of the Listing Rules if the aggregate value of the Transactions during any one of the three financial years ending 31 March 2008, 2009 and 2010 will exceed such amount as calculated pursuant to Rule 14A.34 based on the financial information for the relevant year.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associates”	has the meaning given to that term under the Listing Rules
“Billion World”	Billion World Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Shui On Land Limited (the shares of which are listed on the Stock Exchange and which is owned indirectly by Shui On as to approximately 35.9%) and a non-wholly owned subsidiary of Shui On Company Limited
“Board”	the board of directors of the Company
“Company”	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning given to that term under the Listing Rules
“connected transaction”	has the meaning given to that term under the Listing Rules
“Directors”	the directors of the Company
“Existing Business Services Agreement”	the framework business services agreement entered into on 5 November 2004 between the Company, Shui On and Synergis Shui On Shanghai in connection with the provision of property management and facility management and related services, details of which were announced by the Company in the announcement dated 14 December 2004
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“New Business Services Agreement”	the framework business services agreement entered into on 8 March 2007 between the Company, Billion World and Synergis Shui On Shanghai in connection with the provision of the Services
“PRC”	The People’s Republic of China
“Services”	property management and facility management and related services which may from time to time be provided by the Group through Synergis Shui On Shanghai and/or its subsidiaries in connection with the projects developed by the Shui On Group in Shanghai, Wuhan and Chongqing and any other projects as developed by the Shui On Group in the PRC
“Shui On”	Shui On Holdings Limited, a company incorporated in Hong Kong
“Shui On Group”	Billion World and its subsidiaries and associates, excluding Synergis Shui On Shanghai and its subsidiaries unless otherwise stated
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning given to that term under the Listing Rules
“Synergis Shui On Shanghai”	Synergis Shui On Management Services (Shanghai) Limited, a company incorporated in Hong Kong which is owned as to 50% indirectly by the Company and as to 50% directly by Billion World
“Transactions”	the provision of the Services by the Group through Synergis Shui On Shanghai and/or its subsidiaries to the Shui On Group under the New Business Services Agreement

By order of the Board
Leung Wai Yee
Company Secretary

Hong Kong, 8 March 2007

As at the date of this announcement, the Board comprises Professor Woo Chia Wei as the Independent Non-executive Chairman; Mrs. Fung Yeh Yi Hao, Yvette (Deputy Chairman) and Mr. Fan Cheuk Hung (Managing Director) as the Executive Directors; Mr. Kwong Ki Chi as the Non-executive Director; and Mr. Tsang Cheung, Mr. Tsui Yiu Wa, Alec and Mr. Nicholas David Swain as the Independent Non-executive Directors. Mr. Barry John Buttifant acts as the alternate Director to Mrs. Fung Yeh Yi Hao, Yvette.

Website: www.synergis.com.hk

“Please also refer to the published version of this announcement in The Standard.”