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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 Board announces that, on 9 October 2007, the Company entered into the Business Services Agreement with HCIH for the purpose of regulating the provision from time to time by the Group in the ordinary and usual course of business of the General Business Services to the HCIH Group.

The Group has been providing the General Business Services to the HCIH Group. In view of the increasing demand for the General Business Services by the HCIH Group, the Company has decided to enter into the Business Services Agreement with HCIH for regulating the provision of the General Business Services.

The Company is a 66.4% indirectly owned subsidiary of HCIH. HCIH is a substantial and controlling shareholder of the Company, and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the entering into of the Business Services Agreement between the Company and HCIH and the Transactions contemplated thereby will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company anticipates that the Transactions will have on an annual basis an aggregate value not exceeding 2.5% of any of the relevant percentage ratios (other than profits ratio) under Rule 14.07 of the Listing Rules. Therefore, the Transactions contemplated under the Business Services Agreement will constitute continuing connected transactions of the Company under Rule 14A.34(1) 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(1) of the Listing Rules, no Shareholders' approval for the Transactions will be required. Details of the Transactions will be disclosed in the Company's next published annual report and accounts and the Company will comply with the reporting and annual review requirements under Rule 14A.46 and Rules 14A.37 to 14A.40 of the Listing Rules in respect of the Transactions.

BUSINESS SERVICES AGREEMENT

Date: 9 October 2007

Parties: (1) the Company; and
(2) HCIH.

Type of services: The Group may from time to time during the term of the Business Services Agreement in the ordinary and usual course of business provide the General Business Services to the HCIH Group.

Basis for the provision of services: The relevant member(s) of the Group will enter into Subsidiary Agreement(s) with the relevant member(s) of the HCIH Group (or as the case may be, its/their agents (including property managers)) in respect of the provision of the General Business Services under the Business Services Agreement. Each Subsidiary Agreement shall set out the particulars and the terms and conditions upon which particular General Business Service shall be provided by the relevant member(s) of the Group to the relevant member(s) of the HCIH Group.

The terms of each Subsidiary Agreement must comply with the terms of the Business Services Agreement and in particular, the General Business Service to be provided under any Subsidiary Agreement must comply with the following basis:

- (a) 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 for the General Business Service shall be determined on arm's length negotiation by reference to the prevailing market price and having regard to the estimated costs of provision of the relevant service; and
- (c) total value of the General Business Services to be provided by the Group to the HCIH Group for any one financial year from 1 April to 31 March under the Business Services Agreement shall not exceed the respective annual cap ("Annual Cap") set out in the paragraph titled "Annual Caps" below.

ANNUAL CAPS

The General Business Services comprise the Property and Facility Management Services and other services like the cleaning services, copying services, laundry services, repair and maintenance services, security services, and other miscellaneous services. The total values of the General Business Services (in terms of revenue recognition) provided by the Group to the HCIH Group for the three financial years ended 31 March 2005, 31 March 2006 and 31 March 2007 and for the financial period from 1 April 2007 to 31 August 2007 respectively were approximately as follows:

<u>Financial year/period</u>	<u>Total value of services recognised</u>
1/4/2004 – 31/3/2005	HK\$0.27 million
1/4/2005 – 31/3/2006	HK\$0.11 million
1/4/2006 – 31/3/2007	HK\$0.36 million
1/4/2007 – 31/8/2007	HK\$0.76 million

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

<u>Financial year</u>	<u>Annual Cap</u>
1/4/2007 – 31/3/2008	HK\$3.5 million
1/4/2008 – 31/3/2009	HK\$3.5 million
1/4/2009 – 31/3/2010	HK\$3.5 million

The expected Annual Caps of HK\$3.5 million, HK\$3.5 million and HK\$3.5 million of the values of the Transactions to be recognised for the three financial years ending 31 March 2008, 31 March 2009 and 31 March 2010 respectively were arrived at by reference to (a) the existing service fees paid for the General Business Services provided by the Group and the expected increases in service fees; (b) the expected new and increased demand for repair and maintenance services to be provided to a property developed by the HCIH Group; and (c) the expected increase in demand for property management services to be provided to a property developed by the HCIH Group.

REASONS FOR ENTERING INTO OF THE BUSINESS SERVICES AGREEMENT

On 9 October 2007, the Company entered into the Business Services Agreement with HCIH for the purpose of regulating the provision from time to time by the Group of the General Business Services to the HCIH Group.

The Group has been providing the General Business Services to the HCIH Group. In view of the increasing demand for the General Business Services by the HCIH Group, the Company has decided to enter into the Business Services Agreement with HCIH for regulating the provision of the General Business Services.

It is intended that the Transactions contemplated under the Business Services Agreement will be entered into in the ordinary and usual course of business of the Group, and on normal commercial terms (or on terms no less favourable to the Group than terms available to or from independent third parties). The Directors consider that the Transactions contemplated under the Business Services Agreement will be consistent with the commercial objectives of the Group. The Directors (including the independent non-executive Directors) believe that the Transactions contemplated under the Business Services Agreement will be in the interests of the Company and the Shareholders as a whole, and are of the view that the terms of the Business Services Agreement and the expected Annual Caps as set out in the paragraph titled "Annual Caps" above are fair and reasonable so far as the Shareholders are concerned.

INFORMATION ABOUT THE COMPANY AND HCIH

The Company was incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange. The Group is a leading provider of comprehensive property management and facility management and related services in Hong Kong and the Mainland of China through established quality systems and the state-of-the-art technology.

The principal activities of the HCIH Group are, amongst other things, project management, development consultancy, property investment, sales and leasing agency, property development, and trading of and investment in securities.

The Company is a 66.4% indirectly owned subsidiary of HCIH. However, because of the Company's listing status on the Stock Exchange, the Group is entirely independent from the HCIH Group in terms of management, operations and finance function.

IMPLICATIONS UNDER THE LISTING RULES

HCIH is a substantial and controlling shareholder of the Company, and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the entering into of the Business Services Agreement between the Company and HCIH and the Transactions contemplated thereby will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As it is expected that the Transactions under the Business Services Agreement will have on an annual basis an aggregate value not exceeding 2.5% of any of the relevant percentage ratios (other than profits ratio) under Rule 14.07 of the Listing Rules, the Transactions will constitute continuing connected transactions of the Company under Rule 14A.34(1) 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(1) of the Listing Rules, no Shareholders' approval for the Transactions will be required. Details of the Transactions will be disclosed in the Company's next published annual report and accounts and the Company will comply with the reporting and annual review requirements under Rule 14A.46 and Rules 14A.37 to 14A.40 of the Listing Rules.

The Company will also 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, 31 March 2009 and 31 March 2010 will exceed such amount as calculated pursuant to Rule 14A.34 of the Listing Rules based on the financial information for the relevant year.

DEFINITIONS

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

"associates"	has the meaning given to that term under the Listing Rules;
"Board"	the board of directors of the Company;
"Business Services Agreement"	the business services agreement entered into between the Company and HCIH on 9 October 2007 in connection with the provision of the General Business Services by the Group to the HCIH Group, details of which are disclosed in this announcement;
"Company"	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of 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;
"controlling shareholder"	has the meaning given to that term under the Listing Rules;
"Directors"	the directors of the Company;
"General Business Services"	the Property and Facility Management Services, cleaning services, copying services, laundry services, repair and maintenance services, security services, and other miscellaneous services which may from time to time be provided by the Group to the HCIH Group (but excluding the sharing of office administrative services and company secretarial services etc. between the Group and the HCIH Group on a cost recovery basis);
"Group"	the Company and its subsidiaries and associates from time to time;

"HCIH"	Hsin Chong International Holdings Limited, a company incorporated in Bermuda with limited liability and is a substantial and controlling shareholder of the Company;
"HCIH Group"	HCIH and its subsidiaries and associates from time to time (which shall exclude the Group);
"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;
"Property and Facility Management Services"	the property management services and/or facility management services which may from time to time be provided by the Group to the HCIH Group for properties developed, leased or owned by the HCIH Group, including administrative services provided by the Group in the course of providing such property management services and/or facility management services;
"Shareholder(s)"	holder(s) of Shares;
"Shares"	share(s) of HK\$0.10 each in the capital of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary"	has the meaning given to that term under the Listing Rules;
"Subsidiary Agreement"	any agreement setting out the particulars and detailed terms and conditions upon which any particular General Business Service shall be provided by the Group to the HCIH Group, to be entered into from time to time among the contracting parties concerned;
"substantial shareholder"	has the meaning given to that term under the Listing Rules; and
"Transactions"	the provision of the General Business Services by the Group to the HCIH Group under the Business Services Agreement.

GENERAL INFORMATION

At the date of this announcement, the Board comprises Professor Woo Chia Wei as independent non-executive chairman; Ms. Fung Yeh Yi Hao, Yvette (deputy chairman) and Mr. Fan Cheuk Hung (managing director) as executive Directors; and Mr. Tsang Cheung, Mr. Tsui Yiu Wa, Alec and Mr. Nicholas David Swain as independent non-executive Directors. Mr. Barry John Buttifant is the alternate Director to Ms. Fung Yeh Yi Hao, Yvette.

PUBLICATION OF THIS ANNOUNCEMENT

This announcement is published on the Company's website at <http://www.synergis.com.hk> under "Investor Relations" and the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information".

By order of the Board
Synergis Holdings Limited
Leung Wai Yee
Company Secretary

Hong Kong, 9 October 2007

Website: <http://www.synergis.com.hk>

(* For identification purpose only)