SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 02340)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

RESULTS AND BUSINESS REVIEW

The board of directors (the "Board" or the "Directors") of Synergis Holdings Limited (the "Company" or "Synergis") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2007.

Financial Performance Review

For the six months ended 30 September 2007, Synergis reported consolidated revenue of HK$210.7 million, an increase of 25.6% as compared to the corresponding period last year. Gross profit increased by HK$5.6 million to HK$41.2 million, being 15.7% over the last corresponding period.

Profit attributable to equity holders of the Company for the period was HK$12.9 million, an increase of 15.5% as compared to the HK$11.1 million recorded for the corresponding period last year. Basic earnings per share increased to 3.9 HK cents for the period under review (2006: 3.4 HK cents).

Business Segment Results

Property Management and Facility Management Services

Synergis continues to expand its portfolio in the property management and facility management services market. Consolidated revenue, after inter-segment elimination, and profit contribution in the core business segment, recorded HK$186.9 million and HK$10.9 million with an increase of 29.1% and 56.7% respectively for the period compared with the same period last year. Other than gaining newly acquired contracts during the review period, one of the other reasons for the increase in revenue was the expansion of services offered to our existing clients in the facility management services portfolio.

Supporting Services to Property Management and Facility Management

The consolidated revenue of supporting services to the Group, after inter-segment elimination, increased by 3.7% to HK$23.8 million (2006: HK$23.0 million) over the corresponding period last year. Although all supporting services, except for cleaning services and membership programmes, reported an increase in revenue, the overall segment profit contributed by the supporting services as a percentage of revenues, for the period under review, declined to 14.8% (2006: 18.4%).

General and Administrative Expenses

Although costs were HK$2.9 million higher than the last corresponding period (an increase of 11%), general and administrative expenses decreased as a percentage of revenues, from 15.6% in the last corresponding period to 13.8% in the current period. These figures reflect the tight control policy imposed by the management on the Group's overhead and expenditure.

Business Review

Markets

Hong Kong

Despite the mature market and the highly competitive environment in the property management industry in Hong Kong, Synergis remains one of the market leaders and demonstrates its excellent client service by continuing to achieve a contract renewal rate in excess of 95% in the residential property segment in the period under review. For the six months ended 30 September 2007, Synergis managed a total of 241 sites in Hong Kong, an increase of 8% compared with the corresponding period last year. Such newly added residential contracts include, among others, The Kingston Hills (皇御山); Eagle Ridge; four senior staff quarters of The University of Hong Kong; and a large-scale Tenant Purchase Scheme estate - Tsui Lam Estate (翠林邨). The Company was also successful in building its long term relationship with the Hong Kong Housing Authority ("HKHA") and secured contracts for the provision of management services to the HKHA Customer Service Centre in May 2007 and security services for Blocks 1 and 2 of the HKHA Headquarters complex in July 2007.

Mainland of China

With a solid foundation and a team not only experienced in providing management services on the mainland of China but also has a good understanding of the needs and demands of our partners, our joint ventures with Shui On group in Shanghai and 北京金融街物業管理有限責任公司 (Beijing Financial Street Property Management Co., Ltd.) in Beijing both made positive contributions in the period. Upon the acquisition of Blocks 1 and 3 of Xihuan Plaza in Beijing by Citigroup, we were successfully appointed by them to provide property management services to the two office blocks in May 2007.

Our strategy is to become the dominant, trusted, long-term partner of reputable local and foreign real estate developers in China. During the period, we were awarded a consultancy contract for a mixed-use development project developed by Orient Overseas (International) Limited, in Changning district in Shanghai, with an area over 242,000 sq.m.

Macau

With a rising number of expatriate professionals and investment immigrants, there is an increased demand for quality properties and property management services in Macau, especially for high-end and investment grade properties. Synergis actively targets those developers that understand and value quality property management services. Our strong branding and proven track record in Hong Kong and the mainland of China have helped us to secure consultancy contracts with a local developer of high-end residential projects.

OUTLOOK

While Hong Kong remains the Group's operational base and major source of revenue in the foreseeable future, it is clear that the long-term growth of the Group lies in the business opportunities offered by the robust economic growth of the mainland of China, whether in the first, second or third tier cities. Under the newly approved instruction related to CEPA (Closer Economic Partnership Arrangement) issued by the Ministry of Construction of the People's Republic of China (中華人民共和國建設部) in November 2007, Synergis will be allowed to include its managed portfolios in Hong Kong and the mainland of China when applying for a property management qualification permit. As of 30 September 2007, Synergis is managing gross floor area of approximately 8.3 million sq.m. and 2.1 million sq.m. of residential and non-residential projects, respectively, in Hong Kong and the mainland of China, enabling Synergis to fulfill the managed category and site area requirements for a Grade 1 Permit. Once Synergis is able to secure a Grade 1 Permit, it will be able to provide facility and property management services to all types of properties in all cities in China, which will enhance our business expansion effort on the mainland of China as our operational platform will be readily scalable.

To align with our target clients' needs and cope with the competitive market place and the economic environment in which we operate, management is working diligently to identify suitable opportunities and strategic partners to complement our current core business areas, such as investment feasibility studies, and sales and leasing services. We believe this strategy can successfully enhance the level of "value" to our customers, and enable us to capture more opportunities in the market.

Given our sound financial standing and our confidence in maintaining our leadership position in the Hong Kong market, Synergis envisages maintaining a stable dividend policy.

INTERIM DIVIDEND

The Board is pleased to declare the payment of an interim dividend of 2.3 HK cents per share (2006: 2.3 HK cents per share) in cash for the six months ended 30 September 2007. The interim dividend will be paid on Thursday, 10 January 2008 to shareholders of the Company whose names appear on the registers of members of the Company on Thursday, 3 January 2008.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from Monday, 31 December 2007 to Thursday, 3 January 2008 (Hong Kong time), both days inclusive, during which period no transfer of shares of the Company will be registered. In order to ascertain shareholders' entitlement to the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:00 p.m. on Friday, 28 December 2007 (Hong Kong time). The principal share registrars of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2007

	Note	**Unaudited Six months ended 30 September 2007 HK$'000**	2006 HK$'000
Revenue	4	**210,698**	167,736
Cost of sales		**(169,487)**	(132,122)
Gross profit		**41,211**	35,614
Other income	5	**3,644**	3,270
General and administrative expenses		**(29,045)**	(26,157)
Operating profit		**15,810**	12,727
Share of (loss)/profit of jointly controlled entities		**(21)**	219
Share of profit of an associate		**209**	170
Profit before taxation		**15,998**	13,116
Taxation	8	**(2,663)**	(1,983)
Profit for the period		**13,335**	11,133
Attributable to:			
Equity holders of the Company		**12,863**	11,133
Minority interests		**472**	-
		13,335	11,133
Dividends	9	**7,636**	7,636
Earnings per share	10		
- basic		**3.9 cents**	3.4 cents
- diluted		**3.9 cents**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
At 30 September 2007

	Note	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**4,695**	5,550
Investment properties	11	**2,080**	2,060
Jointly controlled entity		**724**	743
Associate		**1,041**	832
Deferred tax assets		**439**	516
Total non-current assets		**8,979**	9,701
Current assets			
Contracting work-in-progress		**162**	60
Accounts receivable	12	**60,882**	54,854
Other receivables		**11,651**	12,271
Utility deposits and prepayments		**10,976**	7,087
Amounts due from related companies		**626**	465
Taxation recoverable		**-**	347
Bank balances and cash		**131,159**	142,527
Total current assets		**215,456**	217,611
Total assets		**224,435**	227,312
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	**33,200**	33,200
Reserves			
- Proposed interim/final dividends		**7,636**	13,280
- Others		**124,766**	119,280
		165,602	165,760
Minority interests		**1,379**	800
Total equity		**166,981**	166,560
LIABILITIES			
Non-current liabilities			
Long service payment liabilities		**260**	260
Deferred tax liabilities		**561**	649
Total non-current liabilities		**821**	909
Current liabilities			
Accounts payable	14	**28,821**	32,527
Other payables and accruals		**22,388**	24,245
Amount due to immediate holding company		**523**	542
Amounts due to related companies		**1,765**	1,786
Taxation payable		**3,136**	743
Total current liabilities		**56,633**	59,843
Total liabilities		**57,454**	60,752
Total equity and liabilities		**224,435**	227,312
Net current assets		**158,823**	157,768
Total assets less current liabilities		**167,802**	167,469

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2007

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital HK$'000	**Share premium HK$'000**	**Merger reserve HK$'000**	**Employee share option reserve HK$'000**	**Exchange reserve HK$'000**	**Retained profits HK$'000**	**Total HK$'000**	**Minority interests HK$'000**	**Total equity HK$'000**
At 1 April 2007	**33,200**	**25,913**	**1,513**	**498**	**99**	**104,537**	**165,760**	**800**	**166,560**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**12,863**	**12,863**	**472**	**13,335**
2006/2007 final dividend paid	**-**	**-**	**-**	**-**	**-**	**(13,280)**	**(13,280)**	**-**	**(13,280)**
Share option scheme	**-**	**-**	**-**	**167**	**-**	**-**	**167**	**-**	**167**
Currency translation differences	**-**	**-**	**-**	**-**	**92**	**-**	**92**	**107**	**199**
At 30 September 2007	**33,200**	**25,913**	**1,513**	**665**	**191**	**104,120**	**165,602**	**1,379**	**166,981**

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Employee share option reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 April 2006	33,200	25,913	1,513	-	55	105,990	166,671	171	166,842
Profit for the period	-	-	-	-	-	11,133	11,133	-	11,133
2005/2006 final dividend paid	-	-	-	-	-	(14,940)	(14,940)	-	(14,940)
Currency translation differences	-	-	-	-	28	-	28	-	28
At 30 September 2006	33,200	25,913	1,513	-	83	102,183	162,892	171	163,063

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 September 2007

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Net cash (used in)/generated from operating activities	**(281)**	3,248
Cash flow from investing activities		
Purchase of property, plant and equipment	**(475)**	(1,156)
Proceeds from disposal of property, plant and equipment	**-**	17
Interest received	**2,668**	2,595
Net cash from investing activities	**2,193**	1,456
Cash flow from financing activities		
Dividends paid	**(13,280)**	(14,940)
Net cash used in financing activities	**(13,280)**	(14,940)
Net decrease in cash and cash equivalents	**(11,368)**	(10,236)
Cash and cash equivalents at the beginning of the period	**142,527**	137,432
Cash and cash equivalents at the end of the period	**131,159**	127,196
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	**131,159**	127,196

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General Information

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company on 4 August 2003. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The Group is principally engaged in the provision of property management and facility management services and related services in Hong Kong and the mainland of China.

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 October 2003.

These unaudited condensed consolidated interim financial statements ("condensed consolidated financial statements") are presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated, and have been approved for issue by the Board on 13 December 2007.

2. Basis of Preparation

These condensed consolidated financial statements for the six months ended 30 September 2007 have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2007 which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

3. Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those used and as described in the Group's audited financial statements for the year ended 31 March 2007.

The following new standard, amendment to standards and interpretations are mandatory for financial year ending 31 March 2008. The Group adopted those which are relevant to its operations:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the above new standard, amendment to standards and interpretations did not result in substantial changes in the Group's results of operations and financial position or result in any significant change in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 required additional disclosures to be made in the annual financial statements of the Group.

3. Significant Accounting Policies (continued)

The HKICPA has issued the following new standard, amendment to standards and interpretations which are not effective for the year ending 31 March 2008 and these have not been early adopted by the Group.

HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC)-Int 12	Service Concession Arrangements

The Group is in the process of making an assessment of the impacts of these new standard, amendment to standards and interpretations and is not yet in a position to state whether any substantial changes to Group's significant accounting policies and presentation of the financial statements will be resulted.

4. Revenue

The Group is principally engaged in the provision of property management and facility management services, security services, cleaning services, laundry services, repair and maintenance works, trading of related products and membership programmes. Revenue recognised during the period is as follows:

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Revenue		
Property management and facility management services	**186,875**	144,768
Security services	**4,811**	4,653
Cleaning services	**5,184**	5,417
Laundry services	**1,471**	1,412
Repair and maintenance works	**7,684**	7,350
Trading of related products	**3,987**	3,321
Membership programmes	**686**	815
	210,698	167,736

5. Other Income

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Other gains, net		
Net exchange gain	**4**	-
Gain on disposal on property, plant and equipment	**-**	14
Revaluation gain on investment properties	**20**	-
	24	14
Others		
Copying services	**259**	168
Rental income	**98**	85
Interest income on bank deposits	**2,668**	2,595
Miscellaneous income	**595**	408
	3,620	3,256
	3,644	3,270

6. Segment Information

(a) Primary reporting format – business segments

The Group is organised into two major business segments, being provision of property management and facility management services and provision of supporting services to property management and facility management.

	Unaudited Six months ended 30 September 2007		
	Property management and facility management services HK$'000	**Supporting services to property management and facility management HK$'000**	**Total HK$'000**
Segment revenue	**187,000**	**28,045**	**215,045**
Inter-segment transactions	**(125)**	**(4,222)**	**(4,347)**
Segment revenue of the Group	**186,875**	**23,823**	**210,698**
Segment results of the Group	**10,948**	**3,534**	**14,482**
Unallocated corporate expenses, net of income			**(1,340)**
Interest income			**2,668**
Operating profit			**15,810**
Share of loss of a jointly controlled entity	**(21)**	**-**	**(21)**
Share of profit of an associate	**209**	**-**	**209**
Profit before taxation			**15,998**
Taxation			**(2,663)**
Profit for the period			**13,335**

	Unaudited Six months ended 30 September 2006		
	Property management and facility management services HK$'000	Supporting services to property management and facility management HK$'000	Total HK$'000
Segment revenue	144,768	25,341	170,109
Inter-segment transactions	-	(2,373)	(2,373)
Segment revenue of the Group	144,768	22,968	167,736
Segment results of the Group	6,988	4,230	11,218
Unallocated corporate expenses, net of income			(1,086)
Interest income			2,595
Operating profit			12,727
Share of profits of jointly controlled entities	219	-	219
Share of profit of an associate	170	-	170
Profit before taxation			13,116
Taxation			(1,983)
Profit for the period			11,133

6. Segment Information (continued)

(b) Secondary reporting format – geographical segments

Over 90% of the activities of the Group during the period were carried out in Hong Kong. Accordingly, a geographical analysis is not presented.

7. Expenses by Nature

Expenses included in cost of sales and general and administrative expenses are analysed as follows:

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Staff costs, including directors' emoluments	**145,790**	116,721
Depreciation	**1,348**	1,568
Loss on disposal of property, plant and equipment	**3**	-
Operating lease rental on land and buildings	**1,995**	1,756
Net exchange loss	**-**	3
Other expenses	**49,396**	38,231
Total cost of sales and general and administrative expenses	**198,532**	158,279

8. Taxation

Hong Kong profits tax has been provided for at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the period. The income tax of the mainland of China has been calculated on the estimated assessable profits for the year at the rate of 33% (2006: Nil).

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the period	**2,420**	2,100
Overseas tax		
- provision for the period	**277**	-
- over-provision in prior years	**(23)**	-
Deferred taxation relating to the origination and reversal of temporary differences	**(11)**	(117)
	2,663	1,983

9. Dividends

	Unaudited Six months ended 30 September	
	2007	2006
	HK$'000	HK$'000
Interim dividend of 2.3 HK cents (2006: 2.3 HK cents) per ordinary share	**7,636**	7,636

At the Board meeting held on 13 December 2007, the Board has resolved to declare the payment of an interim dividend of 2.3 HK cents per share for the year ending 31 March 2008. This interim dividend is not reflected as a dividend payable in these condensed consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 March 2008.

10. Earnings per Share

(a) Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 September	
	2007	2006
Profit attributable to equity holders of the Company (HK$'000)	**12,863**	11,133
Weighted average number of ordinary shares in issue (in thousands)	**332,000**	332,000
Basic earnings per share (HK cents per share)	**3.9**	3.4

(b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, being the share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average half year market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. There is no diluted earnings per share for the period ended 30 September 2006.

	Unaudited Six months ended 30 September 2007
Profit attributable to equity holders of the Company (HK$'000)	**12,863**
Weighted average number of ordinary shares in issue (in thousands)	**332,000**
Adjustments for share options (in thousands)	**511**
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**332,511**
Diluted earnings per share (HK cents per share)	**3.9**

11. Capital Expenditure

	Unaudited	
	Investment properties HK$'000 (Note)	**Property, plant and equipment HK$'000**
Opening net book value at 1 April 2007	**2,060**	**5,550**
Additions	**-**	**475**
Disposals	**-**	**(3)**
Depreciation	**-**	**(1,348)**
Fair value gains	**20**	**-**
Currency translation differences	**-**	**21**
Closing net book value at 30 September 2007	**2,080**	**4,695**

	Audited	
	Investment properties HK$'000	Property, plant and equipment HK$'000
Opening net book value at 1 April 2006	2,040	6,255
Additions	-	2,424
Disposals	-	(10)
Depreciation	-	(3,093)
Fair value gains	20	-
Liquidation of a subsidiary	-	(28)
Currency translation differences	-	2
Closing net book value at 31 March 2007	2,060	5,550

Note :
Investment properties were revalued at 30 September 2007 on the basis of their open market value by independent professional property valuer, Knight Frank Hong Kong Limited.

12. Accounts Receivable

The credit period of the Group's accounts receivable generally ranges from one to two months. The ageing analysis at the respective balance sheet date is as follows:

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
0 to 30 days	**28,873**	27,731
31 to 60 days	**14,519**	12,296
61 to 90 days	**11,213**	7,400
Over 90 days	**6,277**	7,427
	60,882	54,854

13. Share Capital

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
Authorised:		
10,000,000,000 ordinary shares of HK$0.10 each	**1,000,000**	1,000,000
Issued and fully paid:		
332,000,000 ordinary shares of HK$0.10 each	**33,200**	33,200

14. Accounts Payable

The credit period of the Group's accounts payable generally ranges from one to two months. Their ageing analysis at the respective balance sheet date is as follows:

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
0 to 30 days	**20,201**	22,287
31 to 60 days	**5,559**	5,221
61 to 90 days	**583**	3,468
Over 90 days	**2,478**	1,551
	28,821	32,527

REVIEW OF FINANCIAL POSITION

Capital Resources and Liquidity

Liquidity and financial resources of the Group at the end of September 2007 remained strong with net working capital at HK$158.8 million, of which HK$215.5 million were liquid assets. Current ratio stood at 3.8:1 (31 March 2007: 3.6:1), and was stable compared to the last balance sheet date.

Cash Flows

Total cash and bank balances at the end of the period decreased by HK$11.4 million to HK$131.2 million as compared to 31 March 2007. Net cash used in operating activities during the period amounted to HK$0.3 million, a decrease of HK$3.5 million compared to the same period last year (2006: net cash generated from operation HK$3.2 million). The decrease was mainly due to the longer payment cycle normally associated with newly acquired government contracts. Management closely monitors the payment cycle of the accounts receivable and it is anticipated that the average turnover day of receivables will decrease in the second half of the financial year.

Banking Facilities

The Group has significant internal cash and banking facilities available to both finance its operations and take advantage of potential business opportunities. At 30 September 2007, the Group had HK$70.0 million (31 March 2007: HK$69.0 million) of unutilised banking facilities provided by its relationship banks. The utilised banking facilities mainly represented bond guarantees issued to customers on normal business operations. The Group had no borrowings at 30 September 2007.

Treasury Policy

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign exchange risk. When appropriate, hedging instruments, including forward contracts, may be used to manage any foreign exchange exposure. The majority of the Group's assets and liabilities is denominated in Hong Kong Dollar and hence the Group has limited exposure to foreign exchange risk. The Group's banking facilities are principally on a floating rate basis and interest rate swaps will be used to manage the interest rate risk for any short to medium term borrowings, when deemed appropriate. In the light of the net cash position, with no bank debt, the Group's exposure to interest rate fluctuation is minimal. It is the policy of the Group not to use financial derivatives for speculative purposes.

HUMAN RESOURCES

At 30 September 2007, the Group employed a total of approximately 5,200 (2006: approximately 4,200) staff in Hong Kong and the mainland of China.

The Group sets its remuneration policy by reference to the prevailing market conditions and to formulate a performance-based reward system with a view to sustaining market competitiveness for attracting and retaining high calibre staff. The remuneration packages of Hong Kong staff include basic salary, discretionary bonus, share options granted by reference to individual performance and other benefits such as medical scheme and contributions to retirement funds. Staff in mainland China are remunerated in line with the domestic market terms and welfare policy.

Incentive bonus scheme is set up for senior management staff in order to provide them with initiatives to align their performance with the overall profitability and development of the Group. Such management bonus is calculated on a pre-approved formula tied in with the Group's profitability.

The management sees it as an important task to maintain a close relationship with its staff. Emphasis is put on enhancing internal communication through meetings, workshops and publicising regular internal newsletters. Staff development programmes and training sessions are provided to enhance staff skills and knowledge as a whole. Staff demonstrating superior performance are offered opportunities for career development and skills acquisition through job re-assignments and advancement at the Group's diverse management portfolio.

RESIGNATION OF ALTERNATE DIRECTOR

The Board announces that Mr. Barry John Buttifant has tendered his resignation as an alternate director to Ms. Fung Yeh Yi Hao, Yvette, an executive director and the deputy chairman of the Board, with effect from 1 January 2008 in order to devote more time to his own business affairs. The Board confirms that there is no disagreement with Mr. Barry John Buttifant nor are there any matters relating to his resignation which need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its appreciation for Mr. Barry John Buttifant's valuable contributions to the Company during his tenure of services.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

REVIEW BY AUDIT COMMITTEE AND AUDITORS

The audit committee of the Company comprises three members, namely, Mr. Tsang Cheung (chairman of the audit committee), Professor Woo Chia Wei and Mr. Tsui Yiu Wa, Alec. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 September 2007 have been reviewed by the audit committee of the Company and also by the Company's auditors, PricewaterhouseCoopers.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry of all the directors of the Company, all the directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2007.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and complied with the code provisions and certain recommended best practices set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2007, except for the deviation from code provision A.4.1 of the CG Code.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing non-executive directors of the Company are appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement and re-election at annual general meetings of the Company at least once every three years in accordance with the provisions of the Company's bye-laws. The Company is currently of the view that the requirement to have all the non-executive directors to retire and stand for re-election at annual general meetings of the Company has already provided the shareholders with the right to vote for approving the continuation of the offices of the non-executive directors.

The corporate governance practices adopted by the Company during the six months ended 30 September 2007 were in line with those set out in the corporate governance report as contained in the Company's 2006/2007 annual report.

PUBLICATION OF THIS INTERIM RESULTS ANNOUNCEMENT

This interim results 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
Fan Cheuk Hung
Managing Director

Hong Kong, 13 December 2007

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.

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

(For identification purpose only)*