SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 02340)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2008

ANNUAL RESULTS

The board of directors (the "Board" or the "Directors") of Synergis Holdings Limited (the "Company" or "Synergis") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the nine months ended 31 December 2008 with comparative figures for the last financial year.

CONSOLIDATED INCOME STATEMENT
For the nine months ended 31 December 2008

	Note	**Nine months ended 31 December 2008 HK$'000**	Year ended 31 March 2008 HK$'000
Revenue	3	**350,540**	430,488
Cost of sales	6	**(282,159)**	(344,141)
Gross profit		**68,381**	86,347
Other income	4	**5,738**	6,172
General and administrative expenses	6	**(49,645)**	(60,439)
Operating profit		**24,474**	32,080
Share of profit/(loss) of a jointly controlled entity		**50**	(4)
Loss on disposal of a jointly controlled entity		**(363)**	-
Share of profit of an associate		**513**	533
Profit before taxation		**24,674**	32,609
Taxation	7	**(3,709)**	(5,413)
Profit for the period/year		**20,965**	27,196
Attributable to:			
Equity holders of the Company		**21,152**	26,304
Minority interests		**(187)**	892
		20,965	27,196
Dividends	8	**68,392**	24,900
Earnings per share	9		
- basic		**6.4 cents**	7.9 cents
- diluted		**6.4 cents**	7.9 cents

(For identification purpose only)*

BALANCE SHEETS
As at 31 December 2008

		Group		Company	
		31 December 2008	31 March 2008	**31 December 2008**	31 March 2008
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment		**11,813**	3,789	**-**	-
Investment properties		**2,000**	2,080	**-**	-
Subsidiaries		**-**	-	**84,414**	84,414
Jointly controlled entity		**-**	818	**-**	-
Associate		**1,703**	1,472	**-**	-
Prepayments		**-**	6,504	**-**	-
Deferred tax assets		**183**	292	**-**	84
Total non-current assets		**15,699**	14,955	**84,414**	84,498
Current assets					
Contracting work-in-progress		**5**	156	**-**	-
Accounts and other receivables	10	**90,922**	69,436	**-**	-
Utility deposits and prepayments		**4,937**	4,928	**299**	211
Amount due from immediate holding company		**-**	80	**-**	-
Amounts due from subsidiaries		**-**	-	**56,936**	49,380
Amounts due from related companies		**-**	7	**-**	-
Amounts due from fellow subsidiaries		**223**	-	**-**	-
Taxation recoverable		**17**	97	**-**	-
Cash and cash equivalents		**75,369**	136,710	**11,794**	35,250
Total current assets		**171,473**	211,414	**69,029**	84,841
Total assets		**187,172**	226,369	**153,443**	169,339
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		**33,200**	33,200	**33,200**	33,200
Reserves					
- Proposed dividends		**8,300**	17,264	**8,300**	17,264
- Others		**74,044**	121,492	**109,215**	117,344
		115,544	171,956	**150,715**	167,808
Minority interests		**292**	1,985	**-**	-
Total equity		**115,836**	173,941	**150,715**	167,808

BALANCE SHEETS
As at 31 December 2008

	Note	Group		Company	
		31 December 2008	31 March 2008	**31 December 2008**	31 March 2008
		HK$'000	HK$'000	**HK$'000**	HK$'000
LIABILITIES					
Non-current liabilities					
Long service payment liabilities		**945**	314	**-**	-
Deferred tax liabilities		**1,610**	412	**-**	-
Total non-current liabilities		**2,555**	726	**-**	-
Current liabilities					
Accounts payable and accruals	11	**65,200**	47,811	**2,585**	1,531
Amount due to intermediate holding company		**134**	-	**-**	-
Amounts due to related companies		**-**	1,750	**-**	-
Amounts due to fellow subsidiaries		**460**	-	**-**	-
Taxation payable		**2,987**	2,141	**143**	-
Total current liabilities		**68,781**	51,702	**2,728**	1,531
Total liabilities		**71,336**	52,428	**2,728**	1,531
Total equity and liabilities		**187,172**	226,369	**153,443**	169,339
Net current assets		**102,692**	159,712	**66,301**	83,310
Total assets less current liabilities		**118,391**	174,667	**150,715**	167,808

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2008

	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Merger reserve**	**Employee share option reserve**	**Exchange reserve**	**Retained profits**	**Total**	**Minority interests**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2007	33,200	25,913	1,513	498	99	104,537	165,760	800	166,560
Currency translation differences	-	-	-	-	493	-	493	184	677
Net gain recognised directly in equity	-	-	-	-	493	-	493	184	677
Profit for the year	-	-	-	-	-	26,304	26,304	892	27,196
Total recognised income for the year	-	-	-	-	493	26,304	26,797	1,076	27,873
Share option scheme	-	-	-	315	-	-	315	-	315
Partial disposal of equity interest of a subsidiary	-	-	-	-	-	-	-	109	109
2006/2007 final dividend paid (note 8)	-	-	-	-	-	(13,280)	(13,280)	-	(13,280)
2007/2008 interim divided paid (note 8)	-	-	-	-	-	(7,636)	(7,636)	-	(7,636)
	-	-	-	315	-	(20,916)	(20,601)	109	(20,492)
At 31 March 2008	33,200	25,913	1,513	813	592	109,925	171,956	1,985	173,941
At 1 April 2008	33,200	25,913	1,513	813	592	109,925	171,956	1,985	173,941
Currency translation differences	-	-	-	-	227	-	227	149	376
Net gain recognised directly in equity	-	-	-	-	227	-	227	149	376
Profit/(loss) for the period	-	-	-	-	-	21,152	21,152	(187)	20,965
Total recognised income for the period	-	-	-	-	227	21,152	21,379	(38)	21,341
Cancellation of share option	-	-	-	(813)	-	813	-	-	-
Disposal of subsidiaries	-	-	-	-	(435)	-	(435)	(2,091)	(2,526)
Advance from minority interests	-	-	-	-	-	-	-	436	436
2007/2008 final dividend paid (note 8)	-	-	-	-	-	(17,264)	(17,264)	-	(17,264)
2008 interim divided paid (note 8)	-	-	-	-	-	(60,092)	(60,092)	-	(60,092)
	-	-	-	(813)	(435)	(76,543)	(77,791)	(1,655)	(79,446)
At 31 December 2008	**33,200**	**25,913**	**1,513**	**-**	**384**	**54,534**	**115,544**	**292**	**115,836**

CONSOLIDATED CASH FLOW STATEMENT
For the nine months ended 31 December 2008

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Cash flows from operating activities		
Cash generated from operations	**24,977**	14,584
Income taxes paid	**(745)**	(3,803)
Net cash generated from operating activities	**24,232**	10,781
Cash flows from investing activities		
Purchase of property, plant and equipment	**(11,426)**	(844)
Proceeds from disposal of property, plant and equipment	**276**	17
Proceeds from partial disposal of equity interest of a subsidiary	**-**	55
Proceeds from disposal of a jointly controlled entity	**425**	-
Disposal of subsidiaries, net of cash disposed of	**321**	-
Interest received	**1,532**	4,584
Dividend income from an associate	**342**	-
Net cash (used in)/generated from investing activities	**(8,530)**	3,812
Cash flows from financing activity		
Dividends paid	**(77,356)**	(20,916)
Net cash used in financing activity	**(77,356)**	(20,916)
Net decrease in cash and cash equivalents	**(61,654)**	(6,323)
Cash and cash equivalents at the beginning of the period/year	**136,710**	142,527
Exchange gain on cash and cash equivalents	**313**	506
Cash and cash equivalents at the end of the period/year	**75,369**	136,710
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	**75,369**	136,710

Notes to the Financial Statements

1. Change of financial year end date

The financial year end date of the Company has been changed from 31 March to 31 December commencing from the financial period ended 31 December 2008 in order to be co-terminus with its parent company after the acquisition of its controlling shareholding interest by Hsin Chong Construction Group Ltd. ("HCCG") on 29 August 2008. Details of which were set out in the announcement dated 5 December 2008. Accordingly, this set of preliminary results covers the nine months period from 1 April 2008 to 31 December 2008. Attention should be drawn to the fact that the comparative figures presented herein are for the twelve months period ended 31 March 2008. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets and financial liabilities, which are stated at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Interpretations effective in current period but not relevant to the Group's operations

The following interpretations are mandatory for accounting periods beginning on or after 1 April 2008 but they are not relevant to the Group's operations:

HK(IFRIC) – Int 12	Services Concession Arrangement
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

(b) Standards, revised standards and amendments that are not yet effective and have not been early adopted by the Group

The following standards, revised standards and amendments have been published that are mandatory for the accounting periods of the Group beginning on or after 1 January 2009 or later periods that are relevant to the Group's operation but the Group has not early adopted:

	Effective for accounting periods beginning on or after
HKAS 1 (Revised) "Presentation of Financial Statements"	1 January 2009
HKAS 23 (Revised) "Borrowing Costs"	1 January 2009
HKAS 27 (Revised) "Consolidated and Separate Financial Statements"	1 July 2009
HKAS 32 and HKAS 1 (Amendments) "Puttable Financial Instruments and Obligations Arising on Liquidation"	1 January 2009
HKAS 39 (Amendment) – Financial Instruments: Recognition and Measurements – Eligible Hedged Items	1 July 2009
Amendments to HKFRS 1 – First-time adoption of HKFRS and HKAS 27 – Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
HKFRS 2 (Amendment) "Share-based Payment-Vesting Conditions and Cancellations"	1 January 2009
HKFRS 3 (Revised) "Business Combination"	1 July 2009
HKFRS 8 "Operating Segments"	1 January 2009

2. **Basis of preparation** (Continued)

(b) *Standards, revised standards and amendments that are not yet effective and have not been early adopted by the Group (Continued)*

Improvements to HKFRSs – Amendments to:

HKAS 1 (Revised) – Presentation of Financial Statement	1 January 2009
HKAS 7 – Cash Flow Statements	1 January 2009
HKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2009
HKAS 10 – Events After the Balance Sheet Date	1 January 2009
HKAS 16 – Property, Plant and Equipment	1 January 2009
HKAS 18 – Revenue	1 January 2009
HKAS 19 – Employee Benefits	1 January 2009
HKAS 27 – Consolidated and Separate Financial Statements	1 January 2009
HKAS 28 – Investments in Associates	1 January 2009
HKAS 31 – Interests in Joint Ventures	1 January 2009
HKAS 34 – Interim Financial Reporting	1 January 2009
HKAS 36 – Impairment of Assets	1 January 2009
HKAS 39 – Financial Instruments: Recognition and Measurement	1 January 2009
HKAS 40 – Investment Property	1 January 2009
HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
HKFRS 7 – Financial Instruments: Disclosures	1 January 2009

The Group has not early adopted the above standards, revised standards and amendments (the "New Standards") and is in the process of making an assessment of the impact of the New Standards. The Group anticipates that the adoption of the New Standards will not have material impact on the results and financial position of the Group. However, the adoption of HKAS 1 (Revised) and HKFRS 8 may result in new or amended disclosures.

3. **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/year is as follows:

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Revenue		
Property management and facility management services	**315,583**	381,982
Security services	**5,296**	9,754
Cleaning services	**7,923**	10,950
Laundry services	**2,574**	3,020
Repair and maintenance works	**12,086**	15,498
Trading of related products	**7,004**	8,268
Membership programmes	**74**	1,016
	350,540	430,488

4. Other income

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Other gains, net		
Net exchange gain	**69**	155
Revaluation gain on investment properties	**-**	20
Gain on disposal of subsidiaries	**2,394**	-
Gain on disposal of property, plant and equipment	**185**	2
	2,648	177
Others		
Copying services	**332**	494
Rental income	**146**	196
Interest income on bank deposits	**1,532**	4,584
Miscellaneous income	**1,080**	721
	3,090	5,995
	5,738	6,172

5. 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.

	Nine months ended 31 December 2008		
	Property management and facility management services HK$'000	**Supporting services to property management and facility management HK$'000**	**Total HK$'000**
Segment revenue	**315,718**	**41,236**	**356,954**
Inter-segment transactions	**(135)**	**(6,279)**	**(6,414)**
Segment revenue of the Group	**315,583**	**34,957**	**350,540**
Segment results of the Group	**22,825**	**3,851**	**26,676**
Unallocated corporate expenses, net of income			**(3,734)**
Interest income			**1,532**
Operating profit			**24,474**
Share of profit of a jointly controlled entity	**50**	**-**	**50**
Loss on disposal of a jointly controlled entity	**(363)**	**-**	**(363)**
Share of profit of an associate	**513**	**-**	**513**
Profit before taxation			**24,674**
Taxation			**(3,709)**
Profit for the period			**20,965**
Segment assets	**151,785**	**21,169**	**172,954**
Associate	**1,703**	**-**	**1,703**
Unallocated assets			**12,315**
Taxation recoverable			**17**
Deferred tax assets			**183**
Total assets			**187,172**
Segment liabilities	**55,851**	**7,704**	**63,555**
Unallocated liabilities			**3,184**
Taxation payable			**2,987**
Deferred tax liabilities			**1,610**
Total liabilities			**71,336**
Capital expenditure	**11,370**	**56**	**11,426**
Depreciation	**2,925**	**98**	**3,023**

5. **Segment Information** (Continued)

(a) Primary reporting format – business segments (Continued)

	Year ended 31 March 2008		
	Property management and facility management services HK$'000	Supporting services to property management and facility management HK$'000	Total HK$'000
Segment revenue	382,245	56,686	438,931
Inter-segment transactions	(263)	(8,180)	(8,443)
Segment revenue of the Group	381,982	48,506	430,488
Segment results of the Group	22,752	7,047	29,799
Unallocated corporate expenses, net of income			(2,303)
Interest income			4,584
Operating profit			32,080
Share of loss of a jointly controlled entity	(4)	-	(4)
Share of profit of an associate	533	-	533
Profit before taxation			32,609
Taxation			(5,413)
Profit for the year			27,196
Segment assets	164,065	24,077	188,142
Jointly controlled entity	818	-	818
Associate	1,472	-	1,472
Unallocated assets			35,548
Taxation recoverable			97
Deferred tax assets			292
Total assets			226,369
Segment liabilities	41,456	5,134	46,590
Unallocated liabilities			3,285
Taxation payable			2,141
Deferred tax liabilities			412
Total liabilities			52,428
Capital expenditure	798	46	844
Depreciation	2,437	223	2,660

(b) Secondary reporting format – geographical segments

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

6. Expenses by Nature

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

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Staff costs, including directors' emoluments	**245,342**	302,951
Depreciation	**3,023**	2,660
Auditors' remuneration	**888**	859
Operating lease rental on land and buildings	**3,582**	3,946
Loss on partial disposal of equity interest of a subsidiary	**-**	54
Revaluation loss on investment properties	**80**	-
Other expenses	**78,889**	94,110
Total cost of sales and general and administrative expenses	**331,804**	404,580

7. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (31 March 2008: 17.5%) on the estimated assessable profits for the period/year.

Taxation on other overseas profits has been calculated on the estimated assessable profits for the period/year at the rates of taxation prevailing in the countries in which the subsidiaries of the Group operate.

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the period/year	**2,227**	4,843
- over provision in prior years	**(210)**	-
Overseas tax		
- provision for the period/year	**99**	544
- under provision in prior years	**286**	39
Deferred taxation	**1,307**	(13)
	3,709	5,413

8. Dividends

(a) Dividends payable to equity holders of the Company attributable to period/year:

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Interim dividend declared and paid of HK$0.181 (31 March 2008 : 2.3 HK cents) per ordinary share	**60,092**	7,636
Final dividend proposed of 2.5 HK cents (31 March 2008: 5.2 HK cents) per ordinary share	**8,300**	17,264
	68,392	24,900

(b) Dividends payable to equity holders of the Company attributable to the previous financial year, approved and paid during the period/year:

	Nine months ended 31 December 2008 HK$'000	Year ended 31 March 2008 HK$'000
Final dividend of 5.2 HK cents (31 March 2008: 4.0 HK cents) per ordinary share	**17,264**	13,280

At a meeting held on 27 March 2009, the board of directors of the Company has resolved to recommend the payment of a final dividend of 2.5 HK cents per ordinary share for the nine months ended 31 December 2008. This proposed final dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 December 2009.

9. Earnings Per Share

(a) Basic earnings per share

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/year.

	Nine months ended 31 December 2008	Year ended 31 March 2008
Profit attributable to equity holders of the Company (HK$'000)	**21,152**	26,304
Weighted average number of ordinary shares in issue (in thousands)	**332,000**	332,000
Basic earnings per share (HK cents per share)	**6.4**	7.9

9. Earnings Per Share (Continued)

(b) Diluted earnings per share

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 at the average year market 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 that all the share options are exercised. There is no dilutive instruments for the nine months ended 31 December 2008 as all share options have been cancelled following the acceptance of the mandatory unconditional cash offer made by HCCG which was closed on 26 September 2008.

	Year ended 31 March 2008
Profit attributable to equity holders of the Company (HK$'000)	26,304
Weighted average number of ordinary shares in issue (in thousands)	332,000
Adjustments for share options (in thousands)	1,320
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	333,320
Diluted earnings per share (HK cents per share)	7.9

10. Accounts and Other Receivables

	Group	
	31 December 2008 HK$'000	31 March 2008 HK$'000
Accounts receivable	**77,927**	58,665
Retention receivables	**1,658**	1,352
Other receivables	**11,337**	9,419
	90,922	69,436

The credit period of the Group's accounts receivable generally ranges from 30 to 90 days. The ageing analysis of accounts receivable by invoice date is as follows:

	31 December 2008 HK$'000	31 March 2008 HK$'000
0 to 30 days	**31,625**	26,577
31 to 60 days	**20,455**	15,781
61 to 90 days	**15,141**	11,207
Over 90 days	**10,706**	5,100
	77,927	58,665

The majority of the Group's accounts receivable are denominated in Hong Kong dollars.

11. Accounts Payable and Accruals

	Group		Company	
	31 December 2008 HK$'000	31 March 2008 HK$'000	**31 December 2008 HK$'000**	31 March 2008 HK$'000
Accounts payable	**35,492**	24,284	**-**	-
Retention payable	**432**	246	**-**	-
Other payable and accruals	**29,276**	23,281	**2,585**	1,531
	65,200	47,811	**2,585**	1,531

The credit period of the Group's accounts payable generally ranges from 30 to 60 days. The ageing analysis of accounts payable is as follows:

	Group	
	31 December 2008 HK$'000	31 March 2008 HK$'000
0 to 30 days	**23,816**	16,838
31 to 60 days	**5,995**	4,908
61 to 90 days	**2,730**	1,711
Over 90 days	**2,951**	827
	35,492	24,284

The majority of the Group's accounts payable are denominated in Hong Kong dollars.

FINAL DIVIDEND

Given the strong cash position of the Group, the Board recommended the payment of a final dividend of 2.5 HK cents per share (31 March 2008: 5.2 HK cents per share) for the nine months ended 31 December 2008. Subject to shareholders' approval at the forthcoming 2009 annual general meeting of the Company, the proposed final dividend will be paid on Tuesday, 19 May 2009 to shareholders whose names appear on the registers of members of the Company on Monday, 11 May 2009.

Together with the special interim dividend of 18.1 HK cents per share (31 March 2008: interim dividend of 2.3 HK cents per share) already paid, total dividends for the nine months will amount to 20.6 HK cents per share (31 March 2008: 7.5 HK cents per share), which represents a payout ratio of 323.3% on the earnings for the nine months period.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from Thursday, 7 May 2009 to Monday, 11 May 2009 (both days inclusive), during which period no transfer of shares will be registered. In order to ascertain shareholders' entitlement to the attendance of the forthcoming 2009 annual general meeting of the Company and the proposed final 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, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 May 2009. The principal share registrars of the Company is Butterfield Fulcrum Group (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda.

MANAGEMENT DISCUSSION AND FINANCIAL ANALYSIS

Financial Performance

The financial year end date of the Company has been changed from 31 March to 31 December commencing from the financial period ended 31 December 2008 in order to be co-terminus with its parent company after the acquisition of its controlling shareholding interest by Hsin Chong Construction Group Ltd. ("HCCG") on 29 August 2008. Details of which were set out in the announcement dated 5 December 2008. Accordingly, this set of preliminary results covers the nine months period from 1 April 2008 to 31 December 2008. Attention should be drawn to the fact that the comparative figures presented herein are for the twelve months period ended 31 March 2008. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

Despite the outbreak of the US credit crisis since the fourth quarter of 2008 which has had considerable impact on the global economy, the Company saw its consolidated revenue reaching HK$350.5 million for the nine months ended 31 December 2008 (31 March 2008: HK$430.5 million). Gross profit recorded HK$68.4 million with a stable profit margin kept at 19.5%. The period under review witnessed the strengthening of our business fundamentals. One of the key factors in the Group's ability to achieve satisfactory result in both revenue and profit amidst the dramatic changes in the economy and intense competition within the property and facility management market was the recognition of our quality services by clients. This was evidenced by our continued expansion of our customer base, notably being successfully awarded a new Property Service Contract ("PSC") Batch 2 by the Hong Kong Housing Authority ("HKHA") during the period under review and providing additional value-added services to our existing customers.

Synergis always emphasizes on cost control and operational efficiency. The general and administrative expenses, as a percentage to revenue, remained steady at 14.2%. Profit attributable to equity holders of the Company was HK$21.2 million (31 March 2008: HK$26.3 million). Basic earnings per share for the nine months ended 31 December 2008 was 6.4 HK cents (31 March 2008: 7.9 HK cents).

Business and Operations Review

Overview

Triggered by the subprime mortgage crisis, the financial debacle in the United States has evolved into a global contagion, with its adverse impact being substantially felt and spread into Hong Kong and the Chinese Mainland in the second half of 2008. While the real estate market feels the chill from the financial fallout, the property and facility management market remains quite stable with competition remaining strong.

Hong Kong and Macau

Being one of the market leaders, Synergis continues to expand its managed portfolio in the period under review. For the nine months ended 31 December 2008, Synergis managed a total of 244 sites, including approximately 161,500 residential units in Hong Kong. The increase in residential units under management was particularly impressive, which is approximately 31% higher compared with the previous reporting period. Such newly added contracts comprise large-scale residential developments such as Tung Tao Court, a new Home Ownership Scheme estate, and a large-scale Tenant Purchase Scheme estate - Tsui Ping (North) Estate. The Group has also successfully secured two PSC with 3-year contract terms starting from 1 September 2008, comprising 8 public rental estates and covering 28,767 residential units.

On 15 October 2008, the Chief Executive of HKSAR, Mr. Donald Tsang announced in his Policy Address 2008/09 that the review of the Wage Protection Policy in October 2008 was completed and the Government will further proceed with the legislative work. To prepare for the full launch of this legislation, management has already communicated the impact of this policy to our clients and gained their support to provide budget for the salary adjustments for those front-line staff. This means that the minimum wage legislation, when implemented, would have minimal financial impact on the Group.

As noted in our FY2007/08 Annual Report, Macau is an important target market due to its rapid development of high quality residential and commercial projects in the past few years. Despite the recent changes in Macau government's policies on gaming and the imposition of visa restrictions, which have cooled down the pace of business growth, the Group is optimistic that the long-term market dynamics is strong and the demand for quality property and facility management services from both institutional and residential customers is high. Our management team is working closely with a developer in Macau on its premium properties' consultancy services, and we are confident that as we forge a closer relationship with this developer, Synergis will be able to tap more into this promising market.

Chinese Mainland

Synergis places strong focus on the development of Chinese Mainland business. With a solid foundation, experienced management team and strenuous business development efforts, we have made significant strides in obtaining consulting and management service contracts from renowned developers and real estate investment funds in Shanghai, Suzhou and Beijing.

In Beijing, with the grand opening of the anchor tenant Jusco in the Zhongguancun International Mall Phase 1 in October 2008, Synergis was awarded a 3-year facility management contract to manage all the critical electrical and mechanical systems for the shopping mall with an area over 156,000 sq.m. In addition, Synergis' team is also providing consultancy and pre-management services for a grade A office (36,000 sq.m.) and a trendy retail mall (76,773 sq.m.) in Zhongguancun, Beijing, for ECM China, a Czech-based investment fund. We were also awarded a pre-management contract for the World City in Chaoyang District, Beijing, which is a premium mixed development with serviced apartments and retail facilities with an area of 119,000 sq.m.

During the reporting period, we also started to provide consultancy services to the prestigious residential and commercial properties developed by the New Heritage Holdings Ltd., with an area over 526,600 sq.m. in Suzhou.

After several years of joint venture partnership with Shui On Land Limited (“Shui On”), it has been decided by the joint venture partner to change the corporate relationship from a joint venture model to an independent management advisory model. Under this arrangement, Synergis will continue to work closely with Shui On’s management team to provide management service to the existing and new developments of Shui On.

Property and Facility Management Services

The contribution to the Group’s revenue from property and facility management services segment continued to grow from 88.7% to 90.0%, amounting to HK$315.6 million for the period under review. The nine months result on profit contribution was HK$22.8 million which was comparable to the full year performance recorded in last year. One of the key factors for the remarkable growth in the core business was the success in securing a PSC in the Batch 2 tender, which covers 8 public rental estates with a total of 28,767 residential units.

Supporting Services to Property Management and Facility Management

The consolidated revenue of supporting services to the Group, after inter-segment elimination, was HK$35.0 million (31 March 2008: HK$48.5 million). All services, except for the cleaning services, security services and membership programmes, reported a steady performance during the period under review. The surging raw material and high labor cost before the burst of financial crisis exerted pressures on the cleaning services business. As a result, the overall segment profit contributed by the supporting services, as a percentage of revenue, declined to 11.0% (31 March 2008: 14.5%).

General and Administrative Expenses

Despite the fact that there was a one-off legal and other expenses in relation to the acquisition of the Company by HCCG during the period under review, the general and administrative expenses, as a percentage of revenue, were kept at 14.2% (i.e. HK$49.6 million) as compared with last year’s level. In view of the coming economic downturn, management will strive to maintain a balance between achieving cost effectiveness and investing in business development for the future.

Outlook

Hong Kong

Entering 2009, the global economic downturn triggered by intensifying financial market turbulence has started to affect the Hong Kong economy. Domestic demand has slowed down after a long period of exceptionally strong performance and it is reported that the GDP has declined by 1% to 2% in the fourth quarter of 2008 compared with the fourth quarter of 2007, and it is expected Hong Kong may face a tough time in the first and second quarters of 2009.

In this challenging economy, private and public organizations will continue to concentrate on cost controls and development of their core businesses, thereby providing more outsourcing opportunities for property and facility management business. Under these circumstances, and to cope with increasing market competition, our focus will be to continue to diversify our customer base and grow with our customers by providing additional value-added services. For instance, management will further develop our long-term business relationships with The Link and the HKHA, who have indicated similar strategic visions of streamlining their respective outsourcing models by maintaining or even expanding their relationships with the top performers. Given our proven track records, client-focused IT infrastructure, talented and committed staff, management is confident that the Group is well positioned to capture these business opportunities.

With the release of the latest 2009/10 Budget by the Financial Secretary in February 2009, The Budget initiative "Operation Building Bright" aims to create 10,000 construction and renovation jobs and to help owners improve building safety. A HK$1 billion special operation will run for two years to provide subsidies and one-stop technical assistance to help owners of 1,000 old buildings conduct repairs. A proposal will shortly be presented to the Legislative Council's Development Panel for discussion and it is expected the initiative will be launched in May 2009. The Group will capture this renovation business opportunity by providing comprehensive repair and project management services.

Chinese Mainland

To fend off the worsening global financial crisis, in the fourth quarter of 2008, the Chinese Mainland government moved to boost the property market as part of a stimulus package. Although the effects of the government's stimulus measures are yet to be known, the Group considers the general real estate market outlook to remain slow in the medium and long term. However, as the Chinese Mainland still ranks high for real estate investment given the weak position in other countries around the world, we believe demand for high quality property management services will not be dampened given the need to sustain the quality and value of our target clients' property portfolios, as well as owners' branding reputation.

With the acquisition by Mission Hills Group ("MHG") and the synergistic effects with our parent company HCCG, the management is optimistic on the prospects of the Group. Through business collaboration with Mission Hills Golf Club Limited, the Group can expand its geographical coverage in the Chinese Mainland and participate in MHG's and HCCG's future investment projects in relation to the development of middle to high-end residential properties in the first and second-tier cities by providing high quality property management services to these properties.

In view of the above, we will take significant steps to intensify our strategic focus, add further capability to our service mix and position the Company to capitalize on emerging growth opportunities in challenging market conditions. The Group will adhere to its focused approach of business expansion by concentrating on the first-tier cities and expanding our geographical platform into other important second-tier cities. Besides, management will continue to accelerate our growth through setting up new strategic business areas which can complement the Group's current core business. In near term, we will set up a new business arm to provide project research and planning, leasing and agency business, in order to fulfil the property needs of the sophisticated property owners and institutional investors. It is the Group's strategy to act as an integrated, full service real estate firm dedicated to achieving our clients' property goals and needs.

REVIEW OF FINANCIAL POSITION

Capital Resources and Liquidity

Liquidity and financial resources remain strong. The Group continues to adopt a prudent approach in managing its financial resources. The Group's total equity were HK$115.8 million at balance date (31 March 2008: HK$173.9 million). Detailed movement of total equity for the nine months ended 31 December 2008 is shown in the Consolidated Statement of Changes in Equity. At 31 December 2008, HK$171.5 million out of the total assets of HK$187.2 million were liquid assets, with the current ratio stated at 2.5:1 (31 March 2008: 4.1:1). Total cash and bank balances, at the balance date, amounted to HK$75.4 million, a decrease of 44.9%, over the balance sheet date last year reflecting the impact from the distribution of interim cash dividend in November 2008.

Cash Flow

Free cash flow per operating profit increased from 31.2% to 57.9% due to the significant increase in the cash generated from operations. The substantial increase in the amount of accounts receivables by HK$19.3 million was mainly associated with the newly awarded PSC Batch 2. It usually takes a longer time in aligning the verification process and billing process with the HKHA when a new PSC is awarded. On the other hand, the payments to suppliers in relation to the newly awarded PSC were also deferred. Until recently, the documentation procedures have been compromised with the HKHA and thus both accounts receivables and accounts payables in relation with the PSC Batch 2 are gradually reducing. As of the date of this announcement, all accounts receivables that related to PSC Batch 2 have been settled. As mentioned in last annual report, there were prepaid costs of approximately HK$6.5 million included in prepayments which were for the development of system infrastructures. Such system was launched during the period under review and the relevant costs were then recognised as fixed assets. As a result, there was a substantial decrease in prepayments. Taken into account of the above factors, the cash generated from operations during the period was HK$25.0 million (31 March 2008: HK$14.6 million). Other major cash outflows were mainly for payment of dividends, including the interim cash dividend of HK$60.1 million paid in November 2008, in aggregate of HK$77.4 million (31 March 2008: HK$20.9 million).

Banking Facilities

The Group finances its operations from internal financial resources. The Group has sufficient internal cash and banking facilities to finance its operations and take advantage of potential business opportunities. At 31 December 2008, the Group had HK$37.5 million (31 March 2008: HK$54.7 million) of unutilized banking facilities provided by its relationship banks. The Group had no borrowings at 31 December 2008.

Treasury Policy

The Group monitors closely the 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 income and the majority of assets and liabilities are denominated in Hong Kong dollars and the Group therefore 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 31 December 2008, the Group employed a total of 4,697 (31 March 2008 : approximately 5,300) staff in Hong Kong and the Chinese Mainland.

In view of the rapid growth of the Group, competent and stable workforce is essential for meeting the Group's operational needs. The Group has developed a competence-based HR system which is unique for Synergis and will be used for recruiting the right people, developing staff and retaining high caliber staff for the Group's sustaining growth.

The Group sets its remuneration policy by referencing prevailing market conditions. The Group has formulated a performance-based reward system with a view to sustaining market competitiveness for attracting and retaining high caliber staff. The remuneration packages of Hong Kong staff include basic salary, discretionary bonus, share options and other benefits such as medical scheme and contribution to retirement funds. Employees on the Chinese Mainland are remunerated in accordance with local market terms and welfare policies.

Incentive bonus scheme and share options scheme are set up for senior management staff 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 formula, tied to the Group's net profit, approved by the Board.

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

The audit committee of the Company comprises three members, namely, Mr. David Yu Hon To (chairman of the audit committee), Mr. Wong Tsan Kwong and Mr. Tenniel Chu. The audit committee with the presentation by the management and the Company's auditors, PricewaterhouseCoopers, have reviewed the consolidated financial statements for the nine months ended 31 December 2008 of the Group.

REVIEW OF THIS ANNOUNCEMENT

The figures in this results announcement have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the nine months ended 31 December 2008. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

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") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct regarding securities transactions by the 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 nine months ended 31 December 2008.

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 nine months ended 31 December 2008, except for 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 is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation 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 nine months ended 31 December 2008 were in line with those set out in the corporate governance report as contained in the Company's 2007/2008 annual report.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board of the Company announces that the principal place of business in Hong Kong of the Company has been changed to 10/F., Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong with effect from 27 March 2009.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT

This annual results announcement is published on the Company's website at http://www.synergis.com.hk and the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk.

By order of the Board
Synergis Holdings Limited
Fan Cheuk Hung
Managing Director

Hong Kong, 27 March 2009

As at the date of this announcement, the Board comprises Dr. David Chu Shu Ho as the non-executive chairman; Mr. Wong Ying Wai (executive deputy chairman) and Mr. Fan Cheuk Hung (managing director) as executive directors; Mr. Tenniel Chu and Mr. Barry John Buttifant as non-executive directors; and Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as independent non-executive directors.

website : www.synergis.com.hk