SYNERGIS 新昌
total management solutions 整全管理

SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

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 June 2009.

The financial year end date has been changed from 31 March to 31 December, with effect from the financial period ended 31 December 2008 to co-terminate with that of our parent company. Accordingly, the six months period for 2009 is from 1 January 2009 to 30 June 2009, while that of 2008 was from 1 April 2008 to 30 September 2008.

Financial Performance Review

Synergis reported consolidated revenue of HK$260.8 million for the six months ended 30 June 2009 (30 September 2008: HK$225.5 million), an increase of 15.6% when compared with previous interim reporting period. Gross profit increased by HK$5.7 million to HK$49.7 million, being 12.9% over the previous interim reporting period.

Profit attributable to equity holders of the Company for the period was HK$14.3 million, an increase of 9.6% when compared with previous interim reporting period. Basic earnings per share increased to 4.3 HK cents for the period under review (30 September 2008: 3.9 HK cents).

Business Review

Overview

The first half of 2009 remained a challenging period. The subprime crisis occurred in late 2008 has driven the global economy into a financial crisis of such magnitude that almost every country in the world experienced a severe downturn. The strike was so strong that most of Asia struggled and the Hong Kong and the Chinese Mainland market were also affected. Yet, with the stimulus package implemented by the PRC government as well as its moderate relaxed monetary policy, market panic has eased and the hard-hit property market also began to show signs of stabilization in recent months. Against this dramatic and turbulent background, Synergis grasped this window of opportunity to expand our service capabilities in the Chinese Mainland.

** For identification purpose only*

Hong Kong

Although property and facility management industry is rather resistant to economic downturn, this market remains highly competitive. With a solid foundation, leadership position and focus on providing customized and cost effective solutions to our customers, Synergis is successful in expanding its customer base and service offerings for existing clients. In the 2008 Annual Report, we stated that we were well positioned to capture the outsourcing business opportunity offered by the Link Management Limited ("the Link") because Synergis adopted a partnering approach and was committed to meeting the high standard requirements and expectations of the Link's management and customers. I am therefore delighted to announce that the Group has been awarded three car park management contracts from the Link in July 2009 and commenced providing services in mid July 2009. These contracts cover 116 sites spanning across HK Island, Kowloon and New Territories West with a total of 49,621 car park spaces, and will greatly enhance our market penetration in Hong Kong and provide even greater focus to demonstrate our capabilities in car park management and operations.

In addition to the above-mentioned remarkable success, the Group has also successfully won several facility management contracts from renowned corporate clients, including Hong Kong Wetland Park and MTR Corporation Limited. We have also expanded our scope of services to a leading global wealth management and investment banking financial firm ranging from facility management workplace administration services to hospitality services such as catering, tea lady service and reception service needs.

Chinese Mainland

Property Management Services

With a solid foundation, experienced management team and strenuous business development efforts, Synergis has made significant strides in obtaining consulting and management service contracts from other renowned developers in Shanghai, Beijing, Hefei and Shenzhen during the period.

In Beijing, we start providing management services to an integrated complex, World City in January 2009. Located in the Central Business District, World City comprises three blocks of high-end residential apartments, a shopping arcade and a car park with a gross floor area ("GFA") over 120,000m^2.

Since May 2009, Synergis has provided management services to Channel 1, a six-storey shopping mall with an underground car park amounting to a GFA of 42,000m^2. Channel 1 is a trendy shopping mall invested by the Blackstone Group and located in a prime shopping area in Shanghai.

Leveraging our experience and reputation, Synergis has expanded its geographic coverage to other second tier cities. We started providing property management consultancy services to a large-scale commercial complex named West Centre in Hefei. It consists of a grade A office, serviced apartments, luxury residential blocks and retail facility with GFA of 280,000m^2. When completed, it will be a landmark in the city.

Assets Management Services

Considering that the long-term growth of the Group lies in the Chinese Mainland market and the need to expand our service offerings to fully explore the huge potential of the market opportunities, we have set up a dedicated business arm to offer Asset Management Services ("AMS") to sophisticated property owners and institutional real estate investors. AMS covers the entire property cycle: from initial acquisition to daily operations management, including pre-development feasibility studies and market positioning, post-development marketing, sales and leasing, tenancy management, promotion, advertising, financial management and property management. Under this model, we provide our clients all their real estate needs with the aim of enhancing their asset value.

With the dedicated efforts of our Beijing team during the consultancy and pre-management services for ECMall and Metropolis Tower since mid-2008, and our new unique AMS business model, Synergis has successfully obtained a two-year AMS contract for these two projects in July 2009. ECMall is a lifestyle shopping mall targeting to open in late September 2009 with a GFA of approximately 30,000m^2, while Metropolis Tower is a grade A office building with a GFA of 25,400m^2. Both projects are located in Zhongguancun, Beijing and owned by ECM China, HSBC Nan Fung Fund and Metro Holdings Limited.

Macau

As Macau is another important target market due to its rapid development of high quality residential and commercial projects, Synergis has further tapped into this market by establishing a joint venture with a company in association with San You Development Co. Ltd. ("San You") This new joint-venture will provide management services to San You's latest development – The Residencia in October 2009. The Residencia is a prestigious mixed development comprises five residential blocks, a serviced apartment, a hotel and a shopping arcade with GFA of 1.27 million sq. ft.

Financial Review

Business Segment Results

Property Management and Facility Management Services

The consolidated revenue and the profit before taxation of our core business, after inter-segment elimination, reported a growth of 15.6% and 16.4% to HK$233.8 million and HK$16.9 million respectively. The remarkable growth in the revenue and profit before taxation reflected a full period contribution from Property Service Contract ("PSC") Batch 2 that was awarded by the Hong Kong Housing Authority (the "HKHA") in September 2008 and the extension of work scope from other PSC. Besides, riding on our experience in managing large-scale residential units developed by the HKHA, Synergis has been awarded a contract for a large-scale Tenant Purchase Scheme estate-Shan King Estate from incorporated owners which comprises 8,644 units during the period under review.

Supporting Services to Property Management and Facility Management

The repair and maintenance business and cleaning business were the main drivers for the growth in the revenue and profit contribution of the supporting services segment. Repair and maintenance services increased by approximately 54.9% and 34.5% in its revenue and gross profit. Except for the steady growth from normal repair and maintenance business, Synergis started providing its professional advice on energy saving to its clients during the period under review. For cleaning business, the outbreak of swine flu during the period raised the public concern on hygiene again since Severe Acute Respiratory Syndrome in mid-2003. As a result, the consolidated revenue of supporting services and the overall segment profit before taxation to the Group, after inter-segment elimination, increased to HK$27.0 million and HK$3.5 million (30 September 2008: HK$23.3 million and HK$2.7 million) respectively.

General and Administrative Expenses

General and administrative expenses increased slightly by 2.0% to HK$32.3 million (30 September 2008: HK$31.6 million). Despite the economic recession, Synergis kept on investing in its people by recognizing that staff is valuable asset to the Company. As such, those staff who were identified as high flyers were rewarded during the period under review and we continue to recruit caliber people in order to cater for the rapid business growth in the Chinese Mainland. Other general and administrative expenses were under the tight control by the management with the principle that money spent should bring along benefit. As a result, the percentage of general and administrative expenses to revenue decreased from 14.0% in the previous interim reporting period to 12.4%.

BUSINESS OUTLOOK

Hong Kong

As a core member of Hsin Chong Construction Group Ltd. ("HCCG"), our vision is to be the leader in construction and property-related services. In view of the competitive and mature property and facility management market in Hong Kong, Synergis is actively exploring new value-added services for our clients and expanding our business lines. One of such new potential business lines is the HK$1 billion "Operation Building Bright" initiative launched by the government in mid 2009 which received overwhelming responses. This scheme will provide subsidies and one-stop technical assistance to assist owners of about 1,000 old buildings to carry out repair works. It is estimated that the tendering of contractor appointment will commence in the later half of this year. Hence, the Group is considering to provide comprehensive proposals to include repair and project management services to the owners' corporations and it is believed that the Group will be benefit from this business opportunity.

In addition, energy saving and environmental management is becoming a global focus. In April, the $450 million Building Energy Efficiency Funding Schemes were formally launched with funding from the Environment and Conservation Fund of Hong Kong Government. The funding schemes provide subsidies to incentivise building owners to conduct energy-cum-carbon audits and energy efficiency projects for their buildings. Financial incentives will be provided to encourage building owners to carry out alteration, addition or improvement works to upgrade the energy efficiency performance of their building services installations. In response to this environmentally friendly initiative, Synergis has established a dedicated task force to assist our clients in the application process and in exploring other energy efficient technology and products.

Chinese Mainland

In response to a worsened economic outlook, the Mainland Chinese government moved swiftly to stimulate domestic demand by relaxing the bank credits since December 2008. Augmented by the effective implementation of government's recent stimulating economic measures, Chinese Mainland is in an enviable position to recover ahead of most other economies and management believes its long-term economic prospects in the Chinese Mainland remain positive. The property market has already begun to show signs of stabilization from the substantial increase in transaction volume and rising price throughout the country. Foreign investment in real estate market is expected to be more buoyant and the continuous demand for high quality real estate services will provide ample business opportunities to service providers like Synergis.

With a group relationship with the Mission Hills Group ("MHG") through the controlling interests of HCCG, Synergis has started providing consultancy service to the property management operation of the MHG since April this year. Synergis may have the opportunity to participate in MHG's future investment projects.

With our new launch of AMS business model and dedicated professional team, we will focus on building up a solid operation platform and project showcase to enhance up our brand in the market. We will also identify those underperforming retail malls in targeted cities and make value enhancement recommendations to the owners.

At the same time, we will continue to look for suitable strategic partners who share in our vision, development strategy and mission and who can add value to our projects. We will collaborate with them and target those investment funds and developers who wish to sustain the quality and value of their property portfolios as well as their own branding. The Group will continue its focused approach in business expansion by concentrating in first tier cities and expanding our geographical platform into other important second tier and third tier cities. We believe our unique business model and proven expertise will enable us to capitalize upon the strong economic and property market growth in the coming year.

INTERIM DIVIDEND

The Board has resolved to declare the payment of interim dividend of 2.5 HK cents per share for the six months ended 30 June 2009 (30 September 2008: Nil) payable on or around Tuesday, 20 October 2009 to shareholders whose names appear on the registers of members of the Company on Thursday, 8 October 2009.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from Monday, 5 October 2009 to Thursday, 8 October 2009 (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 4:30 p.m. on Friday, 2 October 2009. The principal share registrars of the Company is Butterfield Fulcrum Group (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	**Unaudited Six months ended 30 June 2009 HK$'000**	Unaudited Six months ended 30 September 2008 HK$'000
Revenue	4	**260,763**	225,498
Cost of sales	7	**(211,077)**	(181,499)
Gross profit		**49,686**	43,999
Other income	5	**882**	2,649
General and administrative expenses	7	**(32,268)**	(31,638)
Operating profit		**18,300**	15,010
Share of profit of a jointly controlled entity		**-**	33
Share of (loss)/profit of an associate		**(441)**	350
Gain on liquidation of an associate		**82**	-
Profit before taxation		**17,941**	15,393
Taxation	8	**(3,628)**	(2,443)
Profit for the period		**14,313**	12,950
Attributable to:			
Equity holders of the Company		**14,323**	13,074
Minority interests		**(10)**	(124)
		14,313	12,950
Dividends	9	**8,300**	-
Earnings per share	10		
- basic		**4.3 cents**	3.9 cents
- diluted		**4.3 cents**	3.9 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Profit for the period	**14,313**	12,950
Other comprehensive (loss)/income:		
Exchange differences on translating foreign operations	**(5)**	937
Exchange differences on liquidation of an associate	**(162)**	-
Other comprehensive (loss)/income for the period, net of tax	**(167)**	937
Total comprehensive income for the period	**14,146**	13,887
Total comprehensive income attributable to:		
Equity holders of the Company	**14,157**	13,425
Minority interests	**(11)**	462
	14,146	13,887

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2009

	Note	**Unaudited 30 June 2009 HK$'000**	Audited 31 December 2008 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**14,297**	11,813
Investment properties	11	**2,000**	2,000
Associate		**-**	1,703
Deferred tax assets		**181**	183
Total non-current assets		**16,478**	15,699
Current assets			
Contracting work-in-progress		**67**	5
Accounts receivable	12	**70,485**	77,927
Retention and other receivables		**13,540**	12,995
Utility deposits and prepayments		**7,852**	4,937
Amount due from an intermediate holding company		**6**	-
Amounts due from fellow subsidiaries		**82**	223
Taxation recoverable		**65**	17
Cash and cash equivalents		**78,564**	75,369
Total current assets		**170,661**	171,473
Total assets		**187,139**	187,172
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	**33,200**	33,200
Reserves			
- Proposed dividends		**8,300**	8,300
- Others		**79,901**	74,044
		121,401	115,544
Minority interests		**281**	292
Total equity		**121,682**	115,836

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET *(CONTINUED)*
AS AT 30 JUNE 2009

	Note	**Unaudited 30 June 2009 HK$'000**	Audited 31 December 2008 HK$'000
LIABILITIES			
Non-current liabilities			
Long service payment liabilities		**1,005**	945
Deferred tax liabilities		**1,516**	1,610
Total non-current liabilities		**2,521**	2,555
Current liabilities			
Accounts payable	14	**32,647**	35,492
Retention payables, other payables and accruals		**25,742**	29,708
Amount due to an intermediate holding company		**-**	134
Amounts due to fellow subsidiaries		**1,015**	460
Taxation payable		**3,532**	2,987
Total current liabilities		**62,936**	68,781
Total liabilities		**65,457**	71,336
Total equity and liabilities		**187,139**	187,172
Net current assets		**107,725**	102,692
Total assets less current liabilities		**124,203**	118,391

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited								
	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 January 2009	**33,200**	**25,913**	**1,513**	**-**	**384**	**54,534**	**115,544**	**292**	**115,836**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**14,323**	**14,323**	**(10)**	**14,313**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(166)**	**-**	**(166)**	**(1)**	**(167)**
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**-**	**(166)**	**14,323**	**14,157**	**(11)**	**14,146**
2008 final dividend paid	**-**	**-**	**-**	**-**	**-**	**(8,300)**	**(8,300)**	**-**	**(8,300)**
At 30 June 2009	**33,200**	**25,913**	**1,513**	**-**	**218**	**60,557**	**121,401**	**281**	**121,682**

	Unaudited								
	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 2008	33,200	25,913	1,513	813	592	109,925	171,956	1,985	173,941
Profit/(loss) for the period	-	-	-	-	-	13,074	13,074	(124)	12,950
Other comprehensive income	-	-	-	-	351	-	351	586	937
Total comprehensive income for the period	-	-	-	-	351	13,074	13,425	462	13,887
2007/2008 final dividend paid	-	-	-	-	-	(17,264)	(17,264)	-	(17,264)
Cancellation of share option	-	-	-	(652)	-	652	-	-	-
	-	-	-	(652)	-	(16,612)	(17,264)	-	(17,264)
At 30 September 2008	33,200	25,913	1,513	161	943	106,387	168,117	2,447	170,564

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Net cash generated from operating activities	**15,892**	19,113
Cash flow from investing activities		
Purchase of property, plant and equipment	**(4,435)**	(8,408)
Proceeds from disposal of property, plant and equipment	**-**	165
Interest received	**40**	1,155
Dividend income from an associate	**-**	342
Increase in bank deposits over three months	**-**	(570)
Net cash used in investing activities	**(4,395)**	(7,316)
Cash flow from financing activity		
Dividends paid	**(8,300)**	(17,264)
Net cash used in financing activity	**(8,300)**	(17,264)
Net increase/(decrease) in cash and cash equivalents	**3,197**	(5,467)
Cash and cash equivalents at the beginning of the period	**75,369**	136,710
Exchange (loss)/gain on bank balances and cash	**(2)**	347
Cash and cash equivalents at the end of the period	**78,564**	131,590
Analysis of balances of cash and cash equivalents:		
Deposits, cash and bank balances	**78,564**	132,160
Less: Bank deposits over three months	**-**	(570)
Cash and cash equivalents	**78,564**	131,590

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1 General Information

Synergis Holdings Limited (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 Company and its subsidiaries (together the "Group") are principally engaged in the provision of property management and facility management services and related services in Hong Kong, the Chinese Mainland and Macau.

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

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. Accordingly, this set of interim results covers the six months period from 1 January 2009 to 30 June 2009 while the financial data of the previous interim reporting period was from 1 April 2008 to 30 September 2008.

This unaudited condensed consolidated interim financial information ("condensed consolidated interim financial information") are presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated, and has been approved for issue by the board of directors (the "Board") on 11 September 2009.

2 Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2009 has 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 (the "Listing Rules").

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the nine months ended 31 December 2008 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

3 Accounting Policies

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the nine months ended 31 December 2008, except that the Group has adopted the following new/revised HKFRSs that are mandatory for the first time for the financial year beginning 1 January 2009 and which are relevant to its operations.

3 Accounting Policies *(Continued)*

- HKAS 1 (revised) "Presentation of financial statements"

  The revised standard prohibits the presentation of items of income and expenses (relating to non-owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income.

- HKFRS 8 "Operating Segments"

  It replaces HKAS 14 "Segment reporting" and requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The adoption of this standard has no significant impact on the results and financial position of the Group except for some presentation changes.

- Amendment to HKAS 36 "Impairment of Assets"

  Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will make relevant disclosures in its financial statements ending 31 December 2009 where applicable.

The HKICPA has issued a number of new standards, interpretations and amendments to standards which are not effective for accounting period beginning 1 January 2009. The Group has not early adopted these new and revised HKFRSs.

4 Revenue

Revenue recognised during the period is as follows:

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Revenue		
Property management and facility management services	**233,788**	202,229
Security services	**2,618**	3,917
Cleaning services	**5,574**	5,512
Laundry services	**1,664**	1,747
Repair and maintenance works	**12,021**	7,758
Trading of related products	**5,007**	4,267
Membership programmes	**91**	68
	260,763	225,498

5 Other Income

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Other gains		
Net exchange gain	**-**	83
Gain on disposal of property, plant and equipment	**-**	82
	-	165
Others		
Copying services	**300**	189
Rental income	**85**	98
Interest income on bank deposits	**40**	1,155
Miscellaneous income	**457**	1,042
	882	2,484
	882	2,649

6 Segment Information

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are (1) property management and facility management services and (2) supporting services to property management and facility management.

(i) Segment profit or loss

	Unaudited Six months ended 30 June 2009		
	Property management and facility management services	**Supporting services to property management and facility management**	**Total**
	HK$'000	**HK$'000**	**HK$'000**
Segment revenue	**233,788**	**34,263**	**268,051**
Inter-segment transactions	**-**	**(7,288)**	**(7,288)**
Segment revenue of the Group	**233,788**	**26,975**	**260,763**
Segment EBITDA of the Group	**19,111**	**3,514**	**22,625**
Depreciation	**(1,867)**	**(80)**	**(1,947)**
Finance income	**18**	**22**	**40**
Share of loss of an associate	**(441)**	**-**	**(441)**
Gain on liquidation of an associate	**82**	**-**	**82**
Segment profit before taxation	**16,903**	**3,456**	**20,359**
Taxation	**(3,041)**	**(612)**	**(3,653)**
Segment profit for the period	**13,862**	**2,844**	**16,706**

6 Segment Information *(Continued)*

(i) Segment profit or loss (Continued)

	Unaudited Six months ended 30 September 2008		
	Property management and facility management services HK$'000	Supporting services to property management and facility management HK$'000	Total HK$'000
Segment revenue	202,365	27,460	229,825
Inter-segment transactions	(136)	(4,191)	(4,327)
Segment revenue of the Group	202,229	23,269	225,498
Segment EBITDA of the Group	15,424	2,769	18,193
Depreciation	(1,961)	(69)	(2,030)
Finance income	676	29	705
Share of profit of a jointly controlled entity	33	-	33
Share of profit of an associate	350	-	350
Segment profit before taxation	14,522	2,729	17,251
Taxation	(1,881)	(500)	(2,381)
Segment profit for the period	12,641	2,229	14,870

(ii) Segment assets

	Property management and facility management services HK$'000	**Supporting services to property management and facility management HK$'000**	**Total HK$'000**
Unaudited			
At 30 June 2009			
Segment assets	**163,446**	**23,248**	**186,694**
Taxation recoverable	**-**	**5**	**5**
Deferred tax assets	**-**	**181**	**181**
Total segment assets	**163,446**	**23,434**	**186,880**
Audited			
At 31 December 2008			
Segment assets	153,368	21,511	174,879
Taxation recoverable	-	17	17
Deferred tax assets	-	183	183
Total segment assets	153,368	21,711	175,079

6 Segment Information *(Continued)*

A reconciliation of reportable segment profit or loss and assets is provided as follows:

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Profit or loss		
Segment profits for the period	**16,706**	14,870
Corporate finance income	**-**	450
Corporate overheads	**(2,418)**	(2,308)
Profit before income tax	**14,288**	13,012
Corporate taxation	**25**	(62)
Profit for the period	**14,313**	12,950

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Assets		
Total assets for reportable segments	**186,880**	175,079
Other unallocated assets	**259**	12,093
Total assets	**187,139**	187,172

The Group is mainly domiciled in Hong Kong. Over 90% of the activities of the Group during the period were carried out in Hong Kong. As at 30 June 2009, the total of non-current assets, other than deferred tax assets, located in Hong Kong were HK$15,436,000 (31 December 2008: HK$13,267,000); and the total of the non-current assets located in other countries were HK$861,000 (31 December 2008: HK$2,249,000). For the six months ended 30 June 2009, revenue of approximately HK$107,919,000 (30 September 2008: HK$79,312,000) was derived from two single external customers. This revenue was attributable to the property management and facility management services.

7 Expenses by Nature

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

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Staff costs, including directors' emoluments	**183,409**	157,843
Depreciation	**1,947**	2,030
Loss on disposal of property, plant and equipment	**2**	-
Operating lease rental on land and buildings	**2,107**	2,894
Other expenses	**55,880**	50,370
Total cost of sales and general and administrative expenses	**243,345**	213,137

8 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (30 September 2008: 16.5%) on the estimated assessable profits for the period.

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

	Unaudited Six months ended 30 June 2009 HK$'000	Unaudited Six months ended 30 September 2008 HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the period	**3,356**	841
- under-provision in prior years	**364**	58
Overseas tax		
- provision for the period	**-**	98
- under-provision in prior years	**-**	285
Deferred taxation	**(92)**	1,161
	3,628	2,443

9 Dividends

At a meeting held on 11 September 2009, the Board has resolved to declare the payment of an interim dividend of 2.5 HK cents per ordinary share for the six months ended 30 June 2009 (30 September 2008: Nil). This interim dividend is not reflected as a dividend payable in this condensed consolidated interim financial information, but will be reflected as an appropriation of retained profits for the year ending 31 December 2009.

10 Earnings Per Share

(i) 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.

	Unaudited Six months ended 30 June 2009	Unaudited Six months ended 30 September 2008
Profit attributable to equity holders of the Company (HK$'000)	**14,323**	13,074
Weighted average number of ordinary shares in issue (in thousands)	**332,000**	332,000
Basic earnings per share (HK cents per share)	**4.3**	3.9

(ii) 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 half 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 six months ended 30 June 2009 as all the share options have been cancelled following the acceptance of the mandatory unconditional cash offer made by Hsin Chong Construction Group Ltd. which was closed on 26 September 2008.

10 Earnings Per Share *(Continued)*

(ii) Diluted earnings per share (Continued)

	Unaudited Six months ended 30 September 2008
Profit attributable to equity holders of the Company (HK$'000)	13,074
Weighted average number of ordinary shares in issue (in thousands)	332,000
Adjustments for share options (in thousands)	546
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	332,546
Diluted earnings per share (HK cents per share)	3.9

11 Property, Plant and Equipment and Investment Properties

	Unaudited	
	Investment properties HK$'000	**Property, plant and equipment HK$'000**
Opening net book value at 1 January 2009	**2,000**	**11,813**
Additions	**-**	**4,435**
Disposals	**-**	**(2)**
Depreciation	**-**	**(1,947)**
Exchange differences	**-**	**(2)**
Closing net book value at 30 June 2009	**2,000**	**14,297**
Opening net book value at 1 April 2008	2,080	3,789
Additions	-	8,408
Disposals	-	(83)
Depreciation	-	(2,030)
Exchange differences	-	33
Closing net book value at 30 September 2008	2,080	10,117

Note:
Investment properties were revalued at 30 June 2009 on the basis of their open market value by an independent professional property valuer, Knight Frank Petty Limited.

12 Accounts Receivable

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days. (31 December 2008: 30 to 90 days). The ageing analysis of accounts receivable by invoice date is as follows:

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
0 to 30 days	**35,477**	31,625
31 to 60 days	**21,530**	20,455
61 to 90 days	**10,428**	15,141
Over 90 days	**3,050**	10,706
	70,485	77,927

13 Share Capital

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'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 30 to 60 days. The ageing analysis of accounts payable is as follows:

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
0 to 30 days	**19,612**	23,816
31 to 60 days	**5,276**	5,995
61 to 90 days	**1,604**	2,730
Over 90 days	**6,155**	2,951
	32,647	35,492

REVIEW OF FINANCIAL POSITION

Capital Resources and Liquidity

Liquidity and financial resources remained strong. The Group continues to adopt a prudent approach in managing its financial resources. The Group's total equity was HK$121.7 million at the balance sheet date (31 December 2008: HK$115.8 million). Total assets were HK$187.1 million, out of which HK$170.7 million was liquid assets. Current ratio slightly increased to 2.7:1 when compared with 2.5:1 as reported in last balance sheet date.

Cash Flows

Total cash and cash equivalents at the end of the period increased by HK$3.2 million to HK$78.6 million as compared to 31 December 2008. Net cash from operating activities during the period amounted to HK$15.9 million, a decrease of HK$3.2 million compared to the interim period last year (30 September 2008: HK$19.1 million). The decrease was mainly due to the recognition of full year tax payment upon the change of accounting year end in last year. Other major cash outflow was the purchase of fixed assets of HK$4.4 million and the FY2008 final dividend payment of HK$8.3 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 30 June 2009, the Group had HK$39.2 million (31 December 2008: HK$37.5 million) of unutilised banking facilities provided by its relationship banks. The Group had no borrowings at 30 June 2009.

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 Group's assets and liabilities are denominated in Hong Kong Dollars and it 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 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 June 2009, the Group employed a total of 4,728 (30 September 2008: 5,367) full-time 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 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 caliber staff. The remuneration packages of Hong Kong staff include basic salary, discretionary bonus, share options and other benefits such as medical scheme and contributions to retirement funds. Staff in the Chinese Mainland are remunerated in line with the domestic market terms and welfare policy.

Incentive bonus scheme and share options scheme are 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 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 AUDITOR AND AUDIT COMMITTEE

The unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2009 has been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The audit committee of the Company comprises three members, namely, Mr. David YU Hon To (chairman of the audit committee), Mr. Tenniel CHU and Mr. WONG Tsan Kwong. The audit committee, together with the management and the Company's auditor, PricewaterhouseCoopers, have reviewed the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted 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, the Company confirmed that all the directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2009.

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 June 2009, except for the deviations described below.

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. The Board had resolved on 11 September 2009 that the term of the non-executive directors including the independent non-executive directors be fixed at 3 years.

The first part of code provision E.1.2 of the CG Code provides that the chairman of the Board should attend the annual general meeting and arrange for the chairman of such committees, another committee member or failing this his duly appointed delegate, to be available to answer questions at annual general meeting. The non-executive chairman of the Board was not able to attend the annual general meeting of the Company held on 11 May 2009 due to other business engagement. However, in his absence, the executive deputy chairman of the Board (who was also the chairman of the remuneration committee) had attended and took the chair of the said annual general meeting and ensured that proceedings of the meeting were conducted in order, whereas the chairman of the audit committee was also present at the meeting. The Company considers that the members of the Board, the audit committee and the remuneration committee who attended the said annual general meeting were already of sufficient caliber and number to address shareholders' questions at the meeting.

Save as disclosed, the corporate governance practices adopted by the Company during the six months ended 30 June 2009 were in line with those set out in the corporate governance report as contained in the Company's 2008 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 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, 11 September 2009

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

As at the date of this announcement, the Board comprises Dr. David CHU Shu Ho as the non-executive chairman; Mr. Wilfred WONG Ying Wai (executive deputy chairman), Dr. FAN Cheuk Hung (managing director) and Dr. Catherine CHU 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.