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 JUNE 2011

The board of directors (the "Board" or the "Directors") of Synergis Holdings Limited (the "Company" or "Synergis") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2011.

Financial Performance Highlights

Synergis reported consolidated revenue of HK$313.1 million for the six months ended 30 June 2011 (2010: HK$275.5 million), an increase of 13.6% when compared with the last interim reporting period; while gross profit increased by HK$3.4 million to HK$47.4 million, being 7.8% above that recorded in the last interim reporting period.

General and administrative expenses increased by 10.4% to HK$41.3 million (2010: HK$37.4 million), which was 13.2% as a percentage of revenue, very similar to last year. The increase arose mainly from the investment made for our new Assets Management Services ("AMS") business expansion in Chinese Mainland which enables us to capitalize upon the targeted growth in clients, business and revenues.

Profit attributable to equity holders of the Company for the period was HK$5.4 million, a decrease of 16.9% when compared with the last interim reporting period. Earnings per share were 1.6 HK cents for the reporting period (2010: 2.0 HK cents).

Business Segment Results

Property Management and Facility Management Services
Hong Kong: Our core business grew 12.5% to HK$266.7 million (2010: HK$237.1 million). The improved performance reflects growth from the new facility management contracts in Hong Kong including Government Property Agency and Hong Kong Police Headquarters together with the expansion of services offered to our existing clients. Besides, the Group has achieved a slight growth in the property management business in Hong Kong. There has been general staff costs inflation which had negatively impacted the gross margin of our lump sum contracts, especially for the Property Service Contracts from Hong Kong Housing Authority and The Link Management Limited's contracts. As a result of that the overall net profit margin decreased, with the earnings before tax hence decreased to HK$12.2 million (2010: HK$ 13.0 million).

Chinese Mainland: The Group has continued to invest in related businesses in selected Chinese Mainland cities which resulted in the award of several leasing agency, retail consulting services and asset management service contracts. After netting the increased staff costs from this expansion, the losses have slightly increased to HK$8.2 million (2010: HK$6.6 million).

Supporting Services to Property Management and Facility Management

Total revenue from supporting services increased by 30.5% to HK$36.4 million (2010: HK$27.9 million). All services reported a steady growth with the improvement of gross margin for the period, especially for the new repair and maintenance contracts awarded. As a result, the earnings before tax from the supporting services increased sharply by 200% to HK$2.4 million (2010: HK$0.8 million) as a result of the new business development.

Business Review

Overview

Hong Kong

The property and facility management industry market in Hong Kong is very mature and highly competitive. In order to cope with rising costs and achieve a sustainable growth for the Group, the management has undertaken proactive strategies to expand revenue streams and actively provide new value-added services for our clients. With initiatives such as the "Elite Services" Team to capture higher market segment, the Group has successfully expanded the market share in property management. A major development is the further strengthening of the client portfolio in facility management ("FM"), such as a service contract awarded from the Government Property Agency, covering a portfolio of 39 office buildings and senior civil servants quarters, for a term of four years commencing April 2011. Moreover, we have extended our services for several government departments including the Development Bureau, Department of Justice, Companies Registry and Drainage Service Department. Leveraging on our strong track record and professional services for the educational institutions, we were appointed by Ying Wa College as well as Diocesan Girls' School to manage their school campuses. With solid experience on providing FM services to various educational institutions, we are capturing the business opportunities in the educational institutions with their direction to outsource the FM function for achieving cost effectiveness.

Our key business development strategy is providing extra value to our clients. One major initiative was our unique "Building Life Cycle Maintenance Model" which aims to unlock the value of old industrial buildings through our one-stop-shop building revitalization service, as well as offering additional services to our managed properties. As a result, the Group's repair and maintenance business has expanded satisfactorily, completing new types of projects such as the slope maintenance service contracts for Tsui Lam Estate and Tsui Ping (North) Estate and a large-scale refurbishment works to CNT Bisney. To capture business opportunities brought by the revitalization of industrial building scheme promoted by the HKSAR Government, we have also started to provide feasibility study and conversion application services for a potential industrial building.

Chinese Mainland

Built on a solid foundation of experienced management team and ardent business development efforts, the China team has made significant strides in obtaining AMS contracts in selected high-growth cities in China. We were appointed by the developers to provide leasing, tenancy management, marketing and promotion, and operations management for prominent shopping and commercial centres including Spot on WFJ (淘匯新天) in Beijing, Vanke International Plaza (萬科國際廣場) and Pingjiang Metro (平江新城) in Suzhou. The Group's business foothold further expanded into the north-eastern China region where we were awarded pre-operation and retail consultancy contracts for commercial projects including Urban Center (滙邦中心) in Dalian, Harbin Dazhijie (哈爾濱大直街) and Qiqihar Underground Commercial Street (齊齊哈

爾中心廣場地下商場) in Heilongjiang. The team will start to provide services to those new projects starting from the second half of this year.

With a professional retail consultancy and leasing team, we were appointed by the developers of Sanyuecheng Shopping Plaza (三悅城購物廣場) in Fushun City of Liaoning and Jinyushang project (金玉山項目) in Linyi, Shangdong to provide market positioning and preliminary commercial consultancy services. Based on the strong international and local networks and leasing capability, the Group has started to provide leasing services for Suhe No.1 (蘇河一號) in Shanghai and shopping plazas reconstructed from shipyards (大河造船廠) in Hangzhou.

In addition to the above commercial projects, the Group has continued to expand the residential management portfolio: namely, Le Palais (嘉爵園), a medium to high-end residential development with a total GFA of 58,000 sq.m. developed by K Wah Group in Guangzhou Huadu District, and Zun Bao Yuan (江灣尊堡), a luxurious villa development project located in Yangpu District, Shanghai.

Since most of these projects are in the pre-operation or leasing stage, it is expected the related income will materialize from the second half of the year.

BUSINESS OUTLOOK

Hong Kong

Mindful of the ongoing challenges that we face in the Hong Kong market, the Group’s objective is to continuously expand the service offerings to our well-established portfolio and achieve sustainable growth by enhancing customer value and adopting stringent cost control measures. The Group consistently pursues our strategy to enhance the value of the clients’ properties and further improve their living and working environment by providing one-stop-shop property enhancement and maintenance services. Moreover, leveraging our strong track records, our FM team will pro-actively capture new opportunities brought about by the continuing outsourcing of the international schools and tertiary educational institutions.

The Buildings (Amendment) Bill 2010, passed in the end of June 2011, will introduce the mandatory building inspection scheme and mandatory window inspection scheme, both requiring owners to regularly inspect and repair their buildings and windows. Management believes that the Group will benefit from the implementation of the schemes. With strong and professional building consultancy and maintenance capabilities in Synergis, we are well-positioned to grasp this business opportunity.

Chinese Mainland

With the introduction of various measures by the central government to cool down the property market since 2010, the Group has seen a weakened residential property market. In order to avoid the increasing risks in residential property development, many developers have moved to the commercial property market, which continues to attract investors who are benefiting from China's urbanization and a rapidly increasing household income level. The Group is positioned for the long-term development of the China property market. Looking ahead, we expect investment will continue to flow into the commercial properties, which will provide ample business opportunities as we focus on providing AMS services to the commercial sector.

Applying our unique AMS business model, our dedicated team provides comprehensive services including leasing, consultancy, shopping mall operations and engineering services such as green building consultancy and FM technical due diligence services. With the awards of various leasing agency, marketing positioning and AMS contracts during the first half of this year, the team will continue its momentum to secure more projects and build project showcase to reinforce our brand in the market. With enhanced business development capability and client networks, the Group adopts a versatile approach in expanding the service offerings to meet the clients' needs and aggressively expand in various cities with high growth potential. We believe our strong track records, professional management team and proven expertise will enable us to capitalize upon the strong economic and commercial property market growth in the Mainland.

FINANCIAL & CAPITAL RESOURCES

Treasury Management

The Group's treasury department adopts a conservative approach in the management of its financial risks and resources, under the ongoing close supervision of the Executive Directors. The Group's financial and liquidity position is strong, with no debts; hence it is not exposed to interest rate risk. The Group's business is conducted primarily in Hong Kong and a majority of its assets and liabilities are denominated in Hong Kong Dollars, thus it has very limited foreign currency exposure. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Cash Management

The Group operates a central cash management for all of its subsidiaries with the cash having mainly placed in deposits with a diversified portfolio of licensed banks in Hong Kong. The Group has sufficient internal cash and bank facilities to finance its operations and take advantage of potential business opportunities.

INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of 1.2 HK cents per share for the six months ended 30 June 2011 (30 June 2010: 1.5 HK cents per share) payable on or around Friday, 7 October 2011 to shareholders whose names appear on the registers of members of the Company on Wednesday, 28 September 2011.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from Friday, 23 September 2011 to Wednesday, 28 September 2011 (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 Thursday, 22 September 2011. The principal share registrars of the Company is Butterfield Fulcrum Group (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.

HUMAN RESOURCES

At 30 June 2011, the Group employed a total of 6,010 (30 June 2010: 5,444) staff in Hong Kong and the Chinese Mainland.

In view of the rapid growth of the Group, a competent and stable workforce is essential for meeting the Group's operational needs and exceeding customers' expectations. The Group has defined a Talent Management Model to manage all Human Resources activities. The Model uses a competence-based approach to ensure quality recruitment, training, performance review and succession planning. It also addresses key issues in staff retention through communication programs, workshops, and a series of staff loyalty programs. This model has won a number of awards in Human Resource and Organization Development competitions.

Highlights of this model include the introduction of the Synergis Corporate University program, a program jointly developed with the Hong Kong Management Association. Subsidies are provided to our officer grade staff to enroll in a customized professional diploma program which will eventually lead to a Degree program. This initiative is helpful in attracting and retaining talent for the Company. Taking into consideration business growth, the staff requirements for both Hong Kong and the Chinese Mainland have been defined. Besides external recruitment, internal talent pools are identified through staff work achievements and performance reviews. Personal development plans are developed to provide exposure to higher accountabilities before promotion assessment. The Group sets its remuneration policy by referencing prevailing market conditions and formulates a performance-based reward system with a view to maintaining market competitiveness for attracting and retaining high caliber staff.

The remuneration packages of Hong Kong staff include basic salary, discretionary bonus and other benefits such as a medical scheme and contribution to retirement funds. Incentive bonus scheme and the share options scheme are set up for senior management staff to provide initiatives to align their performance with the overall profitability and development of the Group. Such management bonuses are calculated through a formula tied to the Group's net profit and approved by the Board.

Employees on the Chinese Mainland are remunerated in accordance with local market terms and welfare policies.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2011

		Unaudited	
		Six months ended 30 June	
		2011	2010
	Note	**HK$'000**	HK$'000
Revenue	2	**313,101**	275,509
Cost of sales		**(265,716)**	(231,536)
Gross profit		**47,385**	43,973
Other income		**1,375**	1,868
General and administrative expenses		**(41,321)**	(37,364)
Profit before taxation	3	**7,439**	8,477
Taxation	4	**(2,017)**	(2,019)
Profit for the period		**5,422**	6,458
Profit attributable to:			
Equity holders of the Company		**5,435**	6,478
Non-controlling interests		**(13)**	(20)
		5,422	6,458
Earnings per share for profit attributable to the equity holders of the Company			
- basic	5	**1.6 cents**	2.0 cents
- diluted	5	**1.6 cents**	1.9 cents
Dividends	6	**3,984**	4,980

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Profit for the period	**5,422**	6,458
Other comprehensive income:		
Exchange differences on translating foreign operations	**178**	68
Other comprehensive income for the period, net of tax	**178**	68
Total comprehensive income for the period	**5,600**	6,526
Total comprehensive income attributable to:		
Equity holders of the Company	**5,608**	6,543
Non-controlling interests	**(8)**	(17)
	5,600	6,526

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2011

	Note	**Unaudited 30 June 2011 HK$'000**	Audited 31 December 2010 HK$'000
Non-current assets			
Property, plant and equipment		**16,390**	16,787
Investment properties		**2,330**	2,000
Deferred tax assets		**197**	194
Total non-current assets		**18,917**	18,981
Current assets			
Contracting work-in-progress		**749**	409
Receivables	7	**106,039**	89,704
Utility deposits and prepayments		**14,315**	6,260
Amounts due from fellow subsidiaries		**645**	776
Taxation recoverable		**29**	42
Cash and cash equivalents		**66,125**	78,055
Total current assets		**187,902**	175,246
Current liabilities			
Payables and accruals	8	**81,277**	64,942
Amount due to an intermediate holding company		**1,125**	1,441
Amounts due to fellow subsidiaries		**431**	177
Taxation payable		**3,687**	1,551
Total current liabilities		**86,520**	68,111
Net current assets		**101,382**	107,135
Total assets less current liabilities		**120,299**	126,116
Non-current liabilities			
Long service payment liabilities		**570**	570
Deferred tax liabilities		**1,468**	1,597
Total non-current liabilities		**2,038**	2,167
Net assets		**118,261**	123,949
Equity attributable to equity holders of the Company			
Share capital	9	**33,200**	33,200
Retained profits and other reserves		**80,820**	78,864
Proposed dividends		**3,984**	11,620
		118,004	123,684
Non-controlling interests		**257**	265
Total equity		**118,261**	123,949

1 Basis of Preparation and Accounting Policies

This unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2010, except that the Group has adopted the following revised Hong Kong Financial Reporting Standards ("HKFRSs") which are mandatory for the first time for the financial year beginning 1 January 2011 and which are relevant to Group's operations:

HKAS 24 (Revised), "Related Party Disclosures"
HKAS 32 (Amendment), "Classification of Rights Issue"
HKFRS 1 (Amendment), "Limited Exemption from Comparative for First-time Adopters"
HK (IFRIC) – Int 19, "Extinguishing Financial Liabilities with Equity Instruments"

HKICPA has issued a number of new/revised standards, interpretations and amendments which are not yet effective for accounting period beginning 1 January 2011 and the Group has not early adopted. The Group has commenced an assessment of the impact to the Group but is not yet in a position to state whether any significant changes to the Group's presentation of the financial statements will result.

2 Segment Information

Revenue (representing the Group's turnover) comprises property and facility management services, and supporting services to property and facility management.

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 and facility management services in Hong Kong and in the Chinese Mainland including leasing services, and (2) supporting services to property and facility management including security, cleaning, laundry, repair and maintenance, etc.

(a) Segment results

	Property and facility management services				
	Hong Kong HK$'000	Chinese Mainland HK$'000	Supporting services HK$'000	Corporate and others* HK$'000	Total HK$'000
Unaudited six months ended 30 June 2011					
Revenue	**266,713**	**10,028**	**36,360**	**-**	**313,101**
Profit/(loss) before taxation	**12,206**	**(8,234)**	**2,414**	**1,053**	**7,439**
Taxation					**(2,017)**
Profit for the period					**5,422**
Unaudited six months ended 30 June 2010					
Revenue	237,107	10,496	27,906	-	275,509
Profit/(loss) before taxation	13,029	(6,604)	764	1,288	8,477
Taxation					(2,019)
Profit for the period					6,458

***** *Corporate and others mainly represent corporate level administrative activities.*

(b) Customers information

For the six months ended 30 June 2011, revenue of approximately HK$102,474,000 (for the six months ended 30 June 2010: HK$105,289,000) is derived from two single external customers. This revenue was attributable to the property management and facility management services.

3 Profit before Taxation

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Profit before taxation is arrived after charging:		
Staff costs, including directors' emoluments	**233,967**	206,250
Depreciation	**3,536**	3,075
Operating lease rental on land and buildings	**1,793**	1,813
Operating lease rental on office equipments	**182**	182

4 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2010: 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 Group operates.

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the period	**2,149**	2,335
Overseas tax		
- over provision in prior year	**-**	(8)
Deferred taxation credit	**(132)**	(308)
	2,017	2,019

5 Earnings Per Share

Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted-average ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted-average ordinary shares outstanding after adjusted for the potential dilutive effect in respect of outstanding employee share options during the period.

	Unaudited Six months ended 30 June	
	2011	2010
Profit attributable to equity holders (HK$'000)	**5,435**	6,478
Weighted-average ordinary shares issued ('000)	**332,000**	332,000
Adjustments for share options ('000)	**670**	1,895
Weighted-average ordinary shares for calculating diluted earnings per share ('000)	**332,670**	333,895
Basic earnings per share (HK cents)	**1.6**	2.0
Diluted earnings per share (HK cents)	**1.6**	1.9

6 Dividends

At a meeting held on 26 August 2011, the Board resolved to declare the payment of an interim dividend of 1.2 HK cents per ordinary share (30 June 2010: 1.5 HK cents). This interim dividend is not reflected as a dividend payable in these financial information, but will be reflected as an appropriation of retained profits for the year ending 31 December 2011.

7 Receivables

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days. (31 December 2010: 30 to 60 days). The ageing analysis by due date is as follows:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
Accounts receivable		
Not yet due	**72,424**	62,210
1 to 30 days	**10,871**	10,399
31 to 60 days	**2,855**	2,751
61 to 90 days	**956**	504
Over 90 days	**4,147**	562
	91,253	76,426
Retention receivables and other receivables	**14,786**	13,278
	106,039	89,704

8 Payables and accruals

The credit period of the Group's accounts payable generally ranges from 30 to 60 days. (31 December 2010: 30 to 60 days). The ageing analysis by due date is as follows:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
Accounts payable		
Not yet due	**24,429**	17,564
1 to 30 days	**4,597**	8,444
31 to 60 days	**8,106**	2,284
61 to 90 days	**313**	812
Over 90 days	**7,668**	3,398
	45,113	32,502
Retention payables, other payables and accruals	**36,164**	32,440
	81,277	64,942

9 Share Capital

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'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

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 2011 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, has reviewed the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2011.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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 2011.

The Board has further adopted the Model Code as the written guidelines for securities transactions by the senior management and certain employees of the Group (collectively, the "Relevant Employees") who by virtue of their positions may likely be in possession of unpublished price sensitive information of the Group. Having made specific enquiry of all the Relevant Employees, the Company was advised that all of them have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

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 in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2011.

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 of
Synergis Holdings Limited
Wilfred Wong Ying Wai
Executive Deputy Chairman

Hong Kong, 26 August 2011

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

As at the date of this announcement, the Board comprises Dr. Kenneth Chu Ting Kin 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.

* *for identification purpose only*