SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*

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

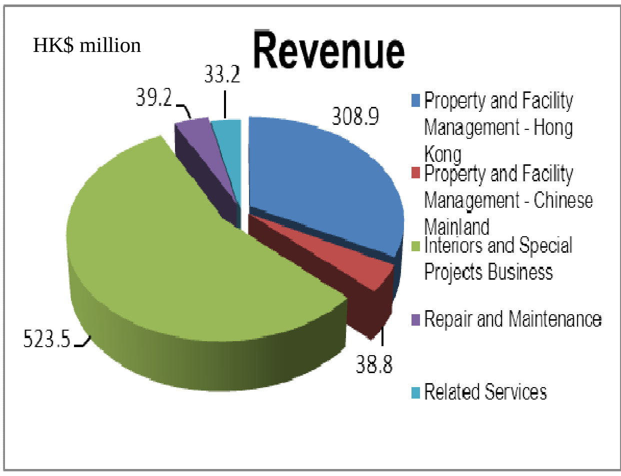
ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

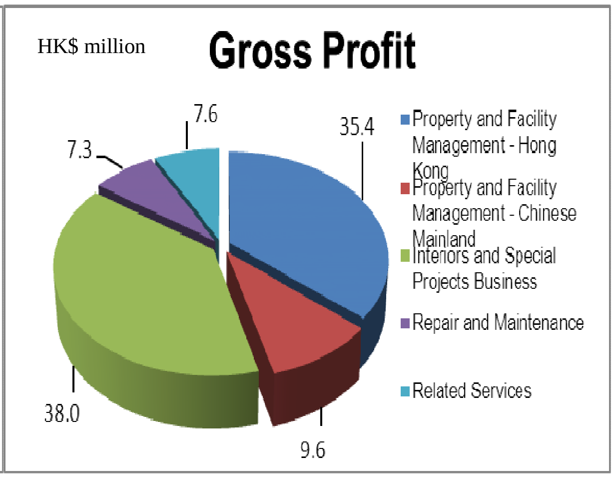
The board (the "Board") of directors (the "Directors") of Synergis Holdings Limited (the "Company" or "Synergis") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2014.

FINANCIAL PERFORMANCE

		Six months ended 30 June		
		2014	**2013**	**Change**
Revenue	HK$' million	943.6	708.8	+33.1%
Gross Profit	HK$' million	97.9	79.8	+22.7%
Operating Profit	HK$' million	41.2	24.8	+66.1%
Profit attributable to Shareholders	HK$' million	25.5	10.9	+133.9%
Gross Profit Margin		10.4%	11.3%	-0.9%
Net Profit Margin		2.7%	1.5%	1.2%
General and Administrative expenses/Revenue		6.4%	8.2%	-1.8%
Basic Earnings per share	HK cents	7.0	2.8	+150.0%

Business Segment Results and Financial Highlight





With the encouraging results achieved by the interiors and special projects ("ISP") business in the first half 2014, Synergis recorded new high in both revenue and profits contributed by a diversified business portfolio comprising property and facility management, interiors and special projects, repair and maintenance and related services.

The Group reported consolidated revenue of HK$943.6 million for the six months ended 30 June 2014, an increase of over one-third when compared with that for the corresponding period in 2013. Gross profit and operating profit have increased by 22.7% and 66.1% to HK$97.9 million and HK$41.2 million respectively. The operating profit contribution of ISP business is the major factor of this quantum jump from 2013. In addition, the overall management services business increased by 20.9% to HK$16.8 million because of the substantial improvement to our Chinese Mainland business despite a drop in contribution by property and facility management services in Hong Kong. The operating loss in Chinese Mainland reduced to HK$2.1 million as compared to HK$8.6 million in 2013. After amortization of intangible assets and interest on bank loan related to the ISP business, the profit attributable attribute to shareholders was HK$25.5 million, an increase of 133.9% over that of the corresponding period in 2013, half of which was contributed by ISP business. Earnings per share was 7.0 HK cents for the reporting period which was 150% higher than of the corresponding period in 2013 (2013: HK 2.8 cents).

	Revenue (HK$'M)			**Operating Profit (HK$'M)**		
	2014	**2013**	**Change**	**2014**	**2013**	**Change**
Property & Facility Management – Hong Kong	308.9	315.7	-2.2%	13.1	17.8	-26.4%
Property & Facility Management – Chinese Mainland	38.8	15.7	147.1%	-2.1	-8.6	75.6%
Repair & Maintenance	39.2	40.8	-3.9%	2.9	1.5	93.3%
Related Services	33.2	28.6	16.1%	2.9	3.2	-9.4%
Management Services Business Sub-total	**420.1**	**400.8**	**4.8%**	**16.8**	**13.9**	**20.9%**
Interiors & Special Projects Business	523.5	308.0	70.0%	24.4	10.9	123.9%
Total	**943.6**	**708.8**	**33.1%**	**41.2**	**24.8**	**66.1%**

BUSINESS AND OPERATIONS REVIEW

Overview

The operating environment in the first half of 2014 has been particularly challenging due to labour shortage and the increasing operating cost in both Hong Kong and Chinese Mainland. However, our dedicated and professional workforce has enabled us to meet the challenge. The ISP business will continue to be a significant contributor for the future growth of the Group's revenue and net profits. New contracts of HK$1 billion have been secured in the first half of 2014.

Management Services Business

"This segment has consistently generated steady revenue and profit to the Group"

Property and Facility Management Services

Hong Kong:

With the Group's well established market position in property and facility management business in Hong Kong, in the first half of 2014, we successfully secured a number of new residential, commercial and government projects, including inter-alia Honley Court (康利中心), Smart A (薈學坊), Man Kee Mansion (萬基大廈), and Chun Wo Commercial Centre (俊和商業中心).

Given the long term partnership we have built up with the Housing Authority, the Group was successfully awarded a security services contract and 2 carpark management contracts in the first half of 2014, comprising a 1-year security services contract for the Hong Kong Housing Authority Headquarters Blocks 1 & 2 and a 3-year Operation and Management of Housing Authority Carparks and Control of Estate Roads involving over 43 car parks in Hong Kong Island, Kowloon East and Kowloon West regions. These carpark management contracts commenced on 1 July 2014. In addition, MTR Corporation Limited awarded the Group a 24-month security services contract for Le Prestige (領都), a residential project in Tseung Kwan O, commencing on 1 September 2014.

With the experience and strenuous efforts in developing facility management business in airport area, the Group was awarded a 4-year service contract by the Hong Kong Airport Authority for the provision of Taxi Passenger Queue Management and Anti-Touting Operation Services to the Hong Kong International Airport. The group was also awarded a Triennial Contract for the Management, Operation and Maintenance of Central to Mid-Levels Escalator and Walkway System by the Electrical and Mechanical Department and the contract will commence on 1 September 2014.

During the period, the revenue of this segment on the whole was stable; but the operating profit decreased to HK$13.1 million largely, due to the increase in labour cost.

Chinese Mainland:

Management has adopted a new strategy of focusing on Beijing, Shanghai and Shenyang and the targeted 2nd and 3rd tier cities. The Group is well positioned to provide "One-Stop Shop" real estate services to customers in these cities, successfully secured a number of Asset Management Services ("AMS") and sales & leasing projects, including New Times Plaza (新年華購物中心) in Beijing; Dandong No. 9 Fashion Street (丹東時尚第九街) in Dandong, Harbin Jinding Plaza (哈爾濱金鼎廣場) in Harbin; Daohe Street (泰州稻河古街區), Guilin Shimao City (桂林世貿城) in Guilin and Lushang Centre (臨沂魯商中心) in Qingdao. In addition, the Group has made progress in securing a variety of new retail consultancy and management consultancy contracts, namely, La Viva (Commercial Portion) (星悅南岸商業部分) and La Viva Engineering Department Office Building WII (星悅南岸工程部辦公樓 WII) in Tieling (鐵嶺), Huaibei Zhengtong Garden (淮北政通花園), Dong Guan Worldwide Shoes HQ Plaza (華瑞世界鞋業總部基地商業樓) in Dongguan (東莞), Huawei Centre in Beijing (北京華為基地) and Bajia Jiayuan Commercial Project (八家嘉園配套商業項目) in Beijing.

Revenue generated from the new contracts as reported, has increased over 140% comparing with the corresponding period in 2013. In addition to making conscientious efforts to grow revenue, the management has also exercised stringent control on the general and administrative expenses resulting a substantial decrease of operating loss from HK$8.6 million in the corresponding period in 2013 to HK$2.1 million in this period.

Repair and Maintenance

With the continuous effort to develop the repair and maintenance business focusing on the Government's advocacy for building maintenance in the community, such as Operation Building Bright ("OBB"), Mandatory Window Inspection Scheme ("MWIS") and Mandatory Building Inspection Scheme ("MBIS"), the Group has achieved satisfactory results in the first half of 2014. Under the OBB scheme, the Group has successfully secured several renovation projects, including No. 28 Centre Street (正街 28 號), No. 2-8 Yi Pei Square (二陂坊 2-8 號), Yick Cheong Building (益昌大廈), No. 26-28 Stone Nullah Lane (石水渠街 26-28 號), No. 15-18 Yim Po Fong Street (染布房街 15-18 號) and No. 17 & 19 Tung Choi Street (通菜街 17 及 19 號).

Total revenue from this segment was sustainable for the year by the improved contributions from OBB projects, especially from Yick Cheong Building and High Island Training Camp together with new source income from 28 MWIS projects mainly from Shun Sing Mansion, Siu Hei Court and Yan Ming Court. During the period under review, the gross margin has improved by 4.5% to 18.6% and the operating profit margin doubled to 7.3% as compared with the corresponding period last year. The operating profit accordingly has almost doubled from the corresponding period in 2013 to HK$2.9 million.

Related Services

Total revenue from related services achieved a 16.1% increase over the corresponding period in 2013 to HK$33.2 million. All services, especially the cleaning business, reported steady growth with improvement in revenue. The operating profit of this business segment decreased slightly by 9.4% to HK$2.9 million due to increase in general and administrative expense for business development.

Interiors and Special Projects Business

"ISP business has secured substantial new contracts and the outstanding value of contracts on hand exceeded HK$1.2 billion and reached a new record high in 2014"

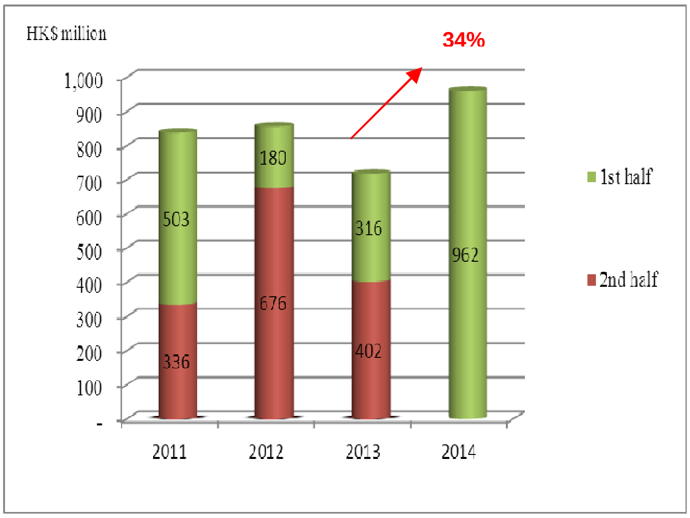
Continuing the success of the previous years, the ISP business delivered robust performance and secured HK$962 million of contracts in the first half of 2014. With the professionalism and dedication of our ISP team, our ISP business has successfully secured 2 building construction projects in Hong Kong with substantial contract value, namely, Commercial Development at 34 Wong Chuk Hang Street, Aberdeen (香港仔黃竹坑 34 號商業發展項目) and Commercial Development at Nos. 2-22 Tang Lung Street, Causeway Bay (銅鑼灣登龍街 2-22 號商業發展項目).

As part of the strategic focus in 2014, the ISP business has put strenuous effort in developing the Alteration and Addition ("A&A") and fitting out business in Hong Kong. ISP has secured a number of large scale fitting out renovation projects, including Interior Decoration Works Nominated Sub-Contract at Branksome Grande at 3 Tregunter Path, Mid Levels, Hong Kong (香港中半山地利根德里 3 號室內裝飾指定分包工程) and Renovation Works for Holiday Inn Golden Mile Hong Kong for 16/F - 19/F Guestrooms (香港金域假日酒店 16-19 樓客房翻新工程). In the first half of 2014, our ISP business obtained a number of new contracts from an expanding portfolio of clients, including Design & Build Feature Wall at 4/F Hysan Place, Causeway Bay (銅鑼灣希慎廣場設計及安裝裝飾牆工程), Renovation Works for 5/F & 8/F and External Wall Works at Kee Wah Industrial Building (奇華工業大廈 5 樓及 8 樓室內及外牆翻新工程), Fitting Out and A&A Works at SOGO Department Store, Sheraton Hotel, Tsim Sha Tsui (尖沙咀喜來登酒店 SOGO 崇光百貨商場裝飾及改建工程), Lobby Fitting Out Works for HKJEBN Group Centre (香港新界大圍樓上燕窩莊集團中心地下大堂裝修工程) and Main Contractor Services for the New Office East West Bank Fitting Out at Kerry Plaza in Shenzhen (深圳嘉里建設廣場華美銀行(中國)有限公司深圳分行辦公室裝修工程).

For the six months ended 30 June 2014, the ISP business recorded a revenue of HK$523.5 million, HK$38.0 million gross profit and HK$24.4 million operating profit representing an increase of more than 70% in revenue and gross profit over those of the corresponding period in 2013. The significant contribution came from the industrial redevelopment of Waste Treatment Factory at Tseung Kwan O, construction works and fitting out of sales office and showroom in Tieling, Shenyang, PRC and A&A works for the installation of New Freight Lift at Cornwall House together with work on newly awarded contracts mentioned above. The gross profit margin was 7.3%, similar to the corresponding period last year. The operating profit margin improved by 1.2% to 4.7%. With the management's stringent control on general and administrative expenses, the operating profit of ISP business improved over 123.9% to HK$24.4 million. After deducting the amortization of intangible assets and loan interest expenses directly attributable to the acquisition of this business in 2012, the net profit contribution after tax was substantially improved to HK$12.8 million.

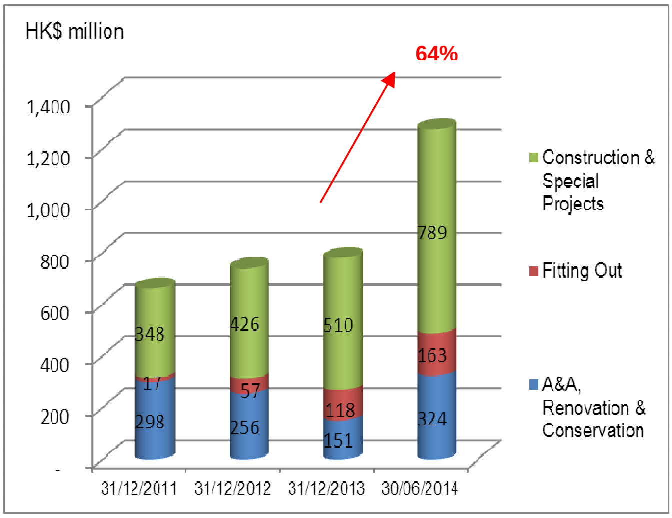
New Contracts Awarded

A new record intake of approaching HK$1 billion new contracts as of 30 June 2014.



Outstanding Workload

The total outstanding workload for contracts on hand, as of 30 June 2014, exceeded HK$1.2 billion, over half of which will be completed in 2014.



Outlook

Hong Kong

The management is cautiously optimistic about the prospects of the Group because of the leading position that the Group has established in the Hong Kong market together with its proactive strategies and continuous services enhancement. One of our new initiatives is to implement "Synergis Community App" - which we successfully soft launched in the first half of 2014 and met with positive feedback from our clients. Synergis Community App, a new service model by leveraging on today's new mobile phone technology. This new service model enables Synergis to have greater differentiation of service in the market.

Moreover, leveraging from our solid experience and good customer mix of the management portfolios in facility management, we are in a propitious position to expand our management portfolio by capturing the outsourcing opportunities implemented by corporations and government institutions in Hong Kong. The Group will put efforts on developing facility management business in the education sector and the airport area.

Interiors and Special Projects Business

ISP business will focus on increasing its project pipeline arising from its varied and robust client base, including retail fitting-out works, expanding luxury retail and hotel renovation; revitalization project and development of construction projects in Hong Kong and Macau.

Moreover, Hong Kong's construction business mainly in infrastructure, retail space and property development is robust in the recent years and the trend is expected to continue for some years. Curtain wall is commonly used for those retails and office properties. The recent merger of the major foreign curtain wall companies has made the curtain wall business more attractive than before. ISP will look for opportunities to partner with an overseas curtain wall supplier and also to tap into and develop this new business in 2014. The management is confident in capturing these curtain wall business opportunities by working with a good partner on this specialty business.

Chinese Mainland

The Group continues its strategy of developing business by focusing on Beijing, Shanghai and other targeted 2nd and 3rd tier cities. Continuing on our unique AMS business model, the Chinese Mainland team has achieved positive progress in obtaining a number of retail consultancy, leasing, facility management and asset management services contracts in Shanghai, Beijing, Qingdao and Tieling.

Financial Position and Financial Risk Management

Synergis has significantly grown its financial capabilities with a bigger net asset base after acquisition of ISP business in 2012. Backed by an increased equity base, new banking facilities and liquidity lines have been obtained to support the increased scale of operations.

As of 30 June 2014, the total outstanding bank loan was HK$253 million, which is scheduled to be repaid over next four years. This includes an outstanding balance of HK$144 million relating to the banking facility drawn down for acquiring the ISP business in November 2012. The remaining part represents working capital loans to support mainly the ISP operations and business development. The management will continue to proactively monitor the financial positions of the Group so as to maintain sufficient buffer in our financial capacity while trying to take advantage of any good business opportunities.

The Group's liquidity and gearing ratios improved from the end of 2013 through management of receivables.

Interest costs on bank borrowings are primarily charged based on a spread over HIBOR. With regard to the current portfolio of businesses, management expects that the financial requirements for future will be met from a combination of retained earnings and bank borrowings.

	30 June 2014	**31 December 2013**
Financial position (HK$'000)		
Total assets	**945,702**	**907,258**
Receivables & prepayment	579,617	586,207
Bank and cash balances	131,022	79,827
Current assets	**710,639**	**666,034**
Net assets	**235,945**	**224,199**
Current liabilities (include bank loans due in 1 year)	**578,469**	**538,768**
Bank loans due in 1 year	132,544	144,000
Bank loans due over 1 year	120,000	132,000
Total debt	**252,544**	**276,000**
Gearing ratios and liquidity		
Net debt to net assets	**51.5%**	87.5%
Total debt to net assets	**107.0%**	123.1%
Current ratio (exclude borrowing due after 1 year)	**1.2**	1.2
	30 June 2014	**30 June 2013**
Per share data		
Shares in issue (all classes)	**412,720,000**	**412,000,000**
Basic earnings per share (HK cents)	**7.0**	**2.8**
Diluted earnings per share (HK cents)	**6.2**	**2.7**
Dividend per share (HK cents)	**3.0**	**2.0**
Net assets per share (HK$)	**0.57**	**0.54**
Other key ratios		
Return on shareholders' equity (ROE)	**10.8%**	**5.3%**
Dividend payout ratio	**48%**	**76%**

The Group adopts a conservative approach in the management of its financial risks and resources, under the supervision of the Executive Directors.

Interest rate risk arises as the interest rates on the bank borrowings are fixed for short-term periods. The interest rates will be subject to fluctuation at the time of renewal.

The Group's business is conducted primarily in Hong Kong, and the majority of its assets and liabilities are denominated in Hong Kong Dollars, and therefore it has minimal foreign currency exposure. The growth in Chinese Mainland has been funded via permanent capital injection and as such foreign currency hedging is not considered necessary.

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 its financial resources in financial products, including hedge funds or similar instruments, with significant underlying leverage or derivative exposure.

Cash Management

The Group operates a centralised cash management system. Cash balances surplus to immediate requirements are mainly placed as short-term bank deposits with a number of licensed banks in Hong Kong.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of 3.0 HK cents per share for the six months ended 30 June 2014 (30 June 2013: 2.0 HK cents per share) will be paid on or around Friday, 3 October 2014 to shareholders of the Company whose names appear on the register of members of the Company on Thursday, 25 September 2014 (Hong Kong time).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 22 September 2014 to Thursday, 25 September 2014, both days inclusive (Hong Kong time). No transfer of shares of the Company will be registered during the period. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 19 September 2014 (Hong Kong time).

HUMAN RESOURCES

At 30 June 2014, the Group employed a total of 6,168 staff (30 June 2013: 5,778) in Hong Kong, Macau and the Chinese Mainland.

Given the growth of the Group, a competent and stable workforce is essential for meeting the Group's operational needs. The Group relies on 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.

The Group has been continuously making investment in developing talents for meeting the rapid growth of the Group. Apart from taking care of the academic advancement of the staff through education subsidy arrangement, the Group has developed a series of core training programs for the staff for enhancing both management and technical skills for achieving performance excellence. The Group has also worked out a comprehensive HR succession plan to identify talents for the sustainable growth of the Group. The Talents Development Program is one of the major programs for developing the well performing managers to help them achieve better career development and advancement in the Company.

Taking into consideration of the business growth, staff requirement in both Hong Kong and Chinese Mainland, has been defined. Besides external recruitment, internal talent pools are identified through staff work achievements and performance reviews. Personal development plans are devised to provide employees with 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 calibre staff. The remuneration packages of Hong Kong staff include basic salary, discretionary bonus and other benefits such as medical scheme and contribution to retirement funds.

To ensure our service can exceed customer expectation, the Group has developed the Total Customer Experience Model to capture all the wants and needs of the customers and to provide creative solutions with a view to going beyond the expectations of our customers.

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, and is subject to approval by the Board. Employees in the Chinese Mainland are competitively remunerated in line with local market terms and conditions.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Unaudited	
		Six months ended 30 June	
		2014	2013
	Note	**HK$'000**	HK$'000
			(Restated)
Revenue	2	**943,573**	708,811
Cost of sales		**(845,712)**	(629,032)
Gross profit		**97,861**	79,779
Other income		**2,773**	1,872
General and administrative expenses		**(60,163)**	(58,263)
Amortization of intangible assets		**(4,363)**	(4,363)
Interest expenses		**(4,123)**	(3,183)
Profit before taxation	3	**31,985**	15,842
Taxation	4	**(6,442)**	(4,973)
Profit for the period		**25,543**	10,869
Profit attributable to:			
Equity holders of the Company		**25,543**	10,872
Non-controlling interests		**-**	(3)
		25,543	10,869
Earnings per share for profit attributable to the equity holders of the Company			
- basic	5	**7.0 cents**	2.8 cents
- diluted	5	**6.2 cents**	2.7 cents
Dividends	6	**12,382**	8,240

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK$'000	HK$'000
Profit for the period	**25,543**	10,869
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(549)**	243
Total comprehensive income for the period	**24,994**	11,112
Total comprehensive income attributable to:		
Equity holders of the Company	**24,994**	11,115
Non-controlling interests	**-**	(3)
	24,994	11,112

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2014

	Note	**Unaudited 30 June 2014 HK$'000**	Audited 31 December 2013 HK$'000
Non-current assets			
Property, plant and equipment		**9,036**	11,005
Investment properties		**3,560**	3,170
Intangible assets	7	**53,337**	57,700
Goodwill	7	**168,968**	168,968
Deferred tax assets		**162**	381
Total non-current assets		**235,063**	241,224
Current assets			
Contracting work-in-progress		**210,124**	239,448
Receivables	8	**294,328**	325,708
Deposits and prepayments		**23,721**	19,256
Amount due from ultimate holding company	9	**20,937**	-
Amounts due from fellow subsidiaries	9	**30,507**	1,502
Taxation recoverable		**-**	293
Deposit, cash and cash equivalents		**131,022**	79,827
Total current assets		**710,639**	666,034
Current liabilities			
Payables and accruals	11	**419,901**	382,279
Bank loans	10	**252,544**	276,000
Amount due to ultimate holding company	9	**-**	5,366
Amount due to other partner of joint operations		**553**	186
Amounts due to fellow subsidiaries	9	**12,539**	938
Taxation payable		**12,932**	5,999
Total current liabilities		**698,469**	670,768
Net current assets/(liabilities)		**12,170**	(4,734)
Total assets less current liabilities		**247,233**	236,490
Non-current liabilities			
Long service payment liabilities		**1,642**	1,642
Deferred tax liabilities		**9,646**	10,649
Total non-current liabilities		**11,288**	12,291
Net assets		**235,945**	224,199
Equity attributable to equity holders of the Company			
Share capital	12	**41,272**	41,200
Retained profits and other reserves		**182,291**	168,354
Proposed interim/final dividends		**12,382**	14,420
		235,945	223,974
Non-controlling interests		**-**	225
Total equity		**235,945**	224,199

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Basis of Preparation

The unaudited condensed consolidated financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The unaudited condensed consolidated financial information have been prepared on the historical cost basis except for revaluation of investment properties, which are measured at fair values.

(i) The accounting policies used in the unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013 except for the following:

The Group has applied the following new or revised HKAS, Hong Kong Financial Reporting Standards ("HKFRS"), amendments or interpretation (hereinafter collectively reference to as the "new or revised HKFRSs") issued by the HKICPA.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HK(IFRIC)-Int 21	Levies

(ii) Impact on the adoption of HKFRS 11

Following the adoption of the HKFRS 11 "Joint Arrangements" by the Group for the year ended 31 December 2013, the results for the six months ended 30 June 2013 have been restated as follows:

	For the period ended 30 June 2013 (As previously presented) HK$'000	Effect on adoption of HKFRS 11 HK$'000	For the period ended 30 June 2013 (As restated) HK$'000
Revenue	-	20,788	20,788
Cost of sales	-	(19,410)	(19,410)
Share of profits of joint ventures	1,150	(1,150)	-
Income tax expenses	-	(228)	(228)

2 Segment Information

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, identified as the Executive Management Committee who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are:

- property and facility management services in Hong Kong;
- property and facility management services in Chinese Mainland including leasing services;
- interiors and special projects business;
- repair and maintenance; and
- related services including security, cleaning, laundry, etc.

(a) Segment Result (in HK$'000)

Unaudited six months ended 30 June 2014	Property and facility management services						
	Hong Kong	Chinese Mainland	Repair and Maintenance	Related Services	Property and Facility Manage-ment and Related Services	Interiors and Special Projects Business	Total
Revenue	**308,897**	**38,851**	**39,213**	**33,153**	**420,114**	**523,459**	**943,573**
Gross profit	**35,394**	**9,608**	**7,276**	**7,604**	**59,882**	**37,979**	**97,861**
Operating profit/(loss)	**13,123**	**(2,096)**	**2,865**	**2,943**	**16,835**	**24,350**	**41,185**
Amortization of intangible assets					**-**	**(4,363)**	**(4,363)**
Acquisition loan interest expenses					**-**	**(2,761)**	**(2,761)**
Others (note 1)					**(1,961)**	**(115)**	**(2,076)**
Profit before taxation					**14,874**	**17,111**	**31,985**
Taxation					**(2,150)**	**(4,292)**	**(6,442)**
Profit for the period					**12,724**	**12,819**	**25,543**

Unaudited six months ended 30 June 2013 (Restated)	Property and facility management services: Hong Kong	Property and facility management services: Chinese Mainland	Repair and Maintenance	Related Services	Property and Facility Manage-ment. and Related Services	Interiors and Special Projects Business	Total
Revenue	315,653	15,673	40,787	28,714	400,827	307,984	708,811
Gross profit	38,901	6,021	5,738	7,095	57,755	22,024	79,779
Operating profit/(loss)	17,806	(8,625)*	1,518	3,233*	13,932	10,907	24,839
Amortization of intangible assets					-	(4,363)	(4,363)
Acquisition loan interest expenses					-	(3,183)	(3,183)
Others (note 1)					(264)	(1,187)	(1,451)
Profit before taxation					13,668	2,174	15,842
Taxation					(2,878)	(2,095)	(4,973)
Profit for the period					10,790	79	10,869

Note 1:

Others represent other income and other unallocated expenses, but exclude amortization of intangible assets and acquisition loan interest expenses.

* Certain expenses have been reallocated in respective segments.

(b) Customers Information

For the six months ended 30 June 2014, revenue of approximately HK$107,110,000 was derived from one external customer which was attributable to the ISP business (for the six months ended 30 June 2013: HK$90,250,000 was derived from one external customer attributable to the ISP business).

3 Profit before Taxation

	Unaudited Six months ended 30 June 2014 HK$'000	2013 HK$'000
Profit before taxation is arrived after charging:		
Staff costs, including directors' emoluments	**355,751**	332,162
Depreciation	**3,268**	3,636
Operating lease rental on land, buildings and office equipments	**5,420**	4,283

4 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 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	
	2014	2013
	HK$'000	HK$'000 (Restated)
Current taxation		
Hong Kong profits tax		
- provision for the period	**6,198**	4,266
- under provision in prior year	**-**	50
Overseas tax	**1,028**	1,475
Deferred taxation	**(784)**	(818)
	6,442	4,973

5 Earnings Per Share

(a) Basic earnings per share is calculated by dividing the Group's unaudited profit attributable to equity holders less dividend to preference shareholders by the weighted-average ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2014	2013
Profit attributable to equity holders (HK$'000)	**25,543**	10,872
Less: dividend to preference shareholders (HK$'000)	**(2,400)**	(1,600)
Profit attributable to ordinary shareholders (HK$'000)	**23,143**	9,272
Weighted-average ordinary shares issued ('000)	**332,100**	332,000
Basic earnings per share (HK cents)	**7.0**	2.8

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

	Unaudited Six months ended 30 June	
	2014	2013
Profit attributable to equity holders (HK$'000)	**25,543**	10,872
Weighted-average ordinary shares issued ('000)	**332,100**	332,000
Adjustments for share options ('000)	**1,300**	1,658
Adjustments for potential ordinary shares to be issued ('000)	**80,000**	63,499
Weighted-average ordinary shares for calculating diluted earnings per share ('000)	**413,400**	397,157
Diluted earnings per share (HK cents)	**6.2**	2.7

6 Dividends

At a meeting held on 20 August 2014, the Board declared the payment of an interim dividend of 3.0 HK cents per ordinary share (30 June 2013: 2.0 HK cents). 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 2014.

7 Intangible Assets and Goodwill

	Goodwill HK$'000	Trademark HK$'000	Backlog orders HK$'000	Non-competition agreement HK$'000	Total HK$'000
Cost					
At 1 January 2013	168,968	48,826	15,934	2,393	67,153
Accumulated amortization					
At 1 January 2013	-	(271)	(443)	(13)	(727)
Amortization for the year	-	(3,255)	(5,311)	(160)	(8,726)
At 31 December 2013	-	(3,526)	(5,754)	(173)	(9,453)
Amortization for the period	-	(1,628)	(2,656)	(79)	(4,363)
As 30 June 2014	-	(5,154)	(8,410)	(252)	(13,816)
Net Book Value					
At 30 June 2014	**168,968**	**43,672**	**7,524**	**2,141**	**53,337**
At 31 December 2013	168,968	45,300	10,180	2,220	57,700

Goodwill is allocated to cash-generating units that are expected to benefit from the business combination. Annual assessment of any impairment of goodwill is based on the recoverable amount of the Interiors & Special Projects segment derived from cash flow projections based on approved management budget over a three-year period. Cash flows beyond the three-year period are extrapolated with zero growth rate. A discount rate of 14.68% was adopted to reflect specific risk relating to the segment. The key assumptions adopted are the discount rates, growth rates and projected operating profit, which were determined based on past performance and management's expectations for the market development. Management believes that any reasonably foreseeable changes in any of the above key assumptions will not cause the carrying amount of goodwill to excel the reasonable amount.

The trademark refers to the use of the "Hsin Chong" in Hong Kong. Other than the value included in the acquisition consideration, there is no on-going fee for utilizing the Trade Marks. Although there is no expiry date, management has prudently adopted a 15 year useful life for amortization purpose.

Backlog orders refer to the contractual sales that are outstanding at time of acquisition, totalling around HK$300 million, from which there is a set of expected benefits to be received and accordingly management has adopted amortization over 3 years.

Based on the non-competition agreement, management has adopted amortization over 15 years.

8 Receivables

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days. (31 December 2013: 30 to 60 days). The ageing analysis by due date is as follows:

	Unaudited 30 June 2014 HK$'000	Audited 31 December 2013 HK$'000
Accounts receivable		
Not yet due	**100,893**	146,950
1 to 30 days	**62,012**	60,754
31 to 60 days	**10,152**	8,618
61 to 90 days	**13,219**	7,030
Over 90 days	**11,616**	12,135
	197,892	235,487
Retention receivables and other receivables	**96,436**	90,221
	294,328	325,708

9 Balances with fellow subsidiaries and ultimate holding company

Balances with fellow subsidiaries and ultimate holding company are unsecured, interest free, repayable on demand and denominated in Hong Kong dollars.

Balance included in trade receivable amounted to HK$10,442,000 (31 December 2013: HK$1,005,000) and HK$30,253,000 (31 December 2013: HK$7,413,000) due from ultimate holding company and fellow subsidiaries respectively, which are not yet due and fully performing.

10 Bank loans

	Unaudited 30 June 2014 HK$'000	Audited 31 December 2013 HK$'000
Portion due for repayment within one year	**132,544**	144,000
Portion due for repayment after one year, which contains a clause of repayment on demand		
(i) in the second year	**24,000**	24,000
(ii) in the third to fifth years, inclusive	**96,000**	108,000
Total bank loans	**252,544**	276,000

Notes:

(a) As at 30 June 2014, the Group has bank loan of HK$204,000,000 (31 December 2013: HK$156,000,000) and HK$48,544,000 (31 December 2013: Nil) denominated in Hong Kong dollars and Macau Pataca respectively.

(b) The bank loans of the Group carried weighted average interest rates of 3.14% (2013: 3.88%) per annum respectively.

(c) The Group's bank loan of HK$144,000,000 is subject to a floating charge over the assets of its subsidiaries.

(d) The carrying amounts of loans approximate their fair values.

11 Payables and accruals

The credit period of the Group's accounts payable generally ranges from 30 to 60 days. (31 December 2013: 30 to 60 days). The ageing analysis by due date is as follows:

	Unaudited 30 June 2014 HK$'000	Audited 31 December 2013 HK$'000
Accounts payable		
Not yet due	**244,761**	212,094
1 to 30 days	**11,093**	16,410
31 to 60 days	**8,492**	5,915
61 to 90 days	**4,293**	6,437
Over 90 days	**16,640**	11,055
	285,279	251,911
Retention payables, other payables and accruals	**134,622**	130,368
	419,901	382,279

12 Share Capital

	Unaudited 30 June 2014 HK$'000	Audited 31 December 2013 HK$'000
Authorised:		
9,000,000,000 ordinary shares of HK$0.10 each	**900,000**	900,000
1,000,000,000 convertible preference share of HK$0.10 each	**100,000**	100,000
	1,000,000	1,000,000
Issued and fully paid:		
332,000,000 ordinary shares of HK$0.10 each	**33,200**	33,200
80,000,000 (31 December 2013: 80,000,000) convertible preference shares of HK$0.10 each	**8,000**	8,000
Shares issued upon exercised of options granted under the 2003 Share Option Scheme	**72**	-
	41,272	41,200

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 2014 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 (up to 5 June 2014), Dr. Kan Fook Yee (appointed on 6 June 2014) and Mr. Wong Tsan Kwong. The Audit Committee together with the participation of 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 2014.

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock exchange") (as amended from time to time by the Stock Exchange) as its own code of conduct regulating securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles in, and complied with the code provisions and certain recommended best practices as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2014.

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
Fan Cheuk Hung
Managing Director

Hong Kong, 20 August 2014

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

As at the date of this announcement, the Board comprises Dr. Wilfred Wong Ying Wai (Chairman), and Dr. Fan Cheuk Hung (Managing Director) as Executive Directors; and Mr. Stephen Ip Shu Kwan, Dr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as Independent Non-executive Directors.

* *for identification purposes only*