SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 02340)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Synergis Holdings Limited (the "Company" or "Synergis") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 with comparative figures for the last financial year.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

	Note	**2014** **HK$'000**	2013 HK$'000
Revenue	2	**1,906,253**	1,680,076
Cost of sales		**(1,720,107)**	(1,500,209)
Gross profit		**186,146**	179,867
Other income		**7,422**	3,344
General and administrative expenses		**(121,427)**	(121,903)
Amortisation of intangible assets		**(8,726)**	(8,726)
Interest expenses		**(7,317)**	(6,778)
Profit before taxation	3	**56,098**	45,804
Taxation	4	**(10,756)**	(11,413)
Profit for the year		**45,342**	34,391
Profit attributable to:			
Equity holders of the Company		**45,342**	34,392
Non-controlling interests		**-**	(1)
		45,342	34,391
Earnings per share for profit attributable to the equity holders of the Company			
- basic	6	**11.9 cents**	9.0 cents
- diluted	6	**10.8 cents**	8.5 cents
Dividends	5	**29,028**	22,660

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	2014 HK$'000	2013 HK$'000
Profit for the year	**45,342**	34,391
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Actuarial (loss)/gain on long service payment liabilities	**(1,524)**	111
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(95)**	468
Other comprehensive income for the year	**(1,619)**	579
Total comprehensive income for the year	**43,723**	34,970
Total comprehensive income attributable to:		
Equity holders of the Company	**43,723**	34,971
Non-controlling interests	**-**	(1)
	43,723	34,970

CONSOLIDATED BALANCE SHEET
As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**8,891**	11,005
Investment properties		**2,800**	3,170
Intangible assets	7	**48,974**	57,700
Goodwill	7	**168,968**	168,968
Deferred tax assets		**144**	381
Total non-current assets		**229,777**	241,224
Current assets			
Contracting work-in-progress		**180,871**	239,448
Receivables	8	**326,089**	325,708
Deposits and prepayments	8	**56,136**	19,256
Amounts due from fellow subsidiaries	9	**53,444**	1,502
Amounts due from ultimate holding company	9	**12,358**	-
Taxation recoverable		**244**	293
Deposit, cash and cash equivalents		**91,195**	79,827
Total current assets		**720,337**	666,034
Current liabilities			
Payables and accruals	11	**431,763**	382,279
Bank loans	10	**247,000**	276,000
Amount due to ultimate holding company	9	**-**	5,366
Amount due to other partner of joint operations		**144**	186
Amounts due to fellow subsidiaries	9	**5,504**	938
Taxation payable		**8,950**	5,999
Total current liabilities		**693,361**	670,768
Net current assets/(liabilities)		**26,976**	(4,734)
Total assets less current liabilities		**256,753**	236,490
Non-current liabilities			
Long service payment liabilities		**1,940**	1,642
Deferred tax liabilities		**8,859**	10,649
Total non-current liabilities		**10,799**	12,291
Net assets		**245,954**	224,199
Equity attributable to equity holders of the Company			
Share capital	12	**41,589**	41,200
Retained profits and other reserves		**187,729**	168,354
Proposed dividends		**16,636**	14,420
		245,954	223,974
Non-controlling interests		**-**	225
Total equity		**245,954**	224,199

Notes to the Financial Statements

1. Basis of Preparation and Accounting Policies

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

In accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit" as set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), the consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

(i) New and amended standards adopted by the Group

The adoption of the new/revised HKFRSs, amendments and interpretations that are relevant to the Group's operations and mandatory the annual period beginning 1 January 2014 has had no material impact on the Group's results and financial position.

(ii) New and amended standards have been issued and are relevant to the Group, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted in preparing these consolidated financial statements

Annual Improvements Project	Annual Improvement 2010 - 2012 Cycle[1]
Annual Improvements Project	Annual Improvement 2011 - 2013 Cycle[1]
Annual Improvements Project	Annual Improvement 2012 - 2014 Cycle[2]
Amendments to HKFRS 11	Accounting for acquisitions of Interest in Joint Operations[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 9 (2014)	Financial Instruments[4]
HKFRS 15	Revenue from Contracts with Customers[3]

[1]Effective for annual periods beginning on 1 January 2015
[2]Effective for annual periods beginning on 1 January 2016
[3]Effective for annual periods beginning on 1 January 2017
[4]Effective for annual periods beginning on 1 January 2018

The Group is in the process of assessing the impact of the above new standards and amendments to existing standards on the Group's consolidated financial statements.

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 ("ISP") ;
- repair and maintenance; and
- ancillary business including security, cleaning, laundry, etc.

During the year, the Group has changed the method of expenses allocation between its reportable segments. The corresponding items of segment results for the year ended 31 December 2013 have been restated.

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

	Property and Facility Management Services							
	Hong Kong	**Chinese Mainland**	**Repair and Maintenance**	**Ancillary Business**	**Property & Facility Management & Ancillary Business**	**Interiors & Special Projects**	**Corporate (Note 1)**	**Total**
2014								
Revenue	**624,913**	**85,995**	**84,235**	**67,840**	**862,983**	**1,043,270**	**-**	**1,906,253**
Gross profit	**67,100**	**18,656**	**11,926**	**15,030**	**112,712**	**73,434**	**-**	**186,146**
Operating expenses	**(28,961)**	**(20,788)**	**(7,635)**	**(7,534)**	**(64,918)**	**(25,196)**	**(21,099)**	**(111,213)**
Operating profit/(loss)	**38,139**	**(2,132)**	**4,291**	**7,496**	**47,794**	**48,238**	**(21,099)**	**74,933**
Amortisation of intangible assets					**-**	**-**	**(8,726)**	**(8,726)**
Acquisition loan interest expenses					**-**	**-**	**(5,370)**	**(5,370)**
Interest expenses					**(148)**	**(1,799)**	**-**	**(1,947)**
Other expenses					**(2,162)**	**(959)**	**(7,093)**	**(10,214)**
Other income					**4,472**	**2,950**	**-**	**7,422**
Profit before taxation					**49,956**	**48,430**	**(42,288)**	**56,098**
Taxation					**(4,354)**	**(6,402)**	**-**	**(10,756)**
Profit for the year					**45,602**	**42,028**	**(42,288)**	**45,342**

	Property and Facility Management Services							
	Hong Kong	Chinese Mainland	Repair and Maintenance	Ancillary Business	Property & Facility Management & Ancillary Business	Interiors & Special Projects	Corporate (Note 1)	Total
2013								
Revenue	617,362	36,709	83,018	61,922	799,011	881,065	-	1,680,076
Gross profit	78,231	12,175	13,150	15,233	118,789	61,078	-	179,867
Operating expenses	(28,985)	(26,779)	(8,976)	(6,166)	(70,906)	(19,607)	(20,682)	(111,195)
Operating profit/(loss)	49,246	(14,604)	4,174	9,067	47,883	41,471	(20,682)	68,672
Amortisation of intangible assets					-	-	(8,726)	(8,726)
Acquisition loan interest expenses					-	-	(6,279)	(6,279)
Interest expenses					(132)	(367)	-	(499)
Other expenses					(2,405)	(1,649)	(6,654)	(10,708)
Other income					3,231	113	-	3,344
Profit before taxation					48,577	39,568	(42,341)	45,804
Taxation					(5,644)	(5,769)	-	(11,413)
Profit for the year					42,933	33,799	(42,341)	34,391

Note 1: Corporate mainly represents corporate and administrative activities, and shared services.

(b) Customer information

For the year ended 31 December 2014, revenue of approximately HK$142,280,000 was derived from one single external customer which was attributable to property and facility management services (for the year ended 2013: HK$183,310,000 was derived from one single external customers which was attributable to the ISP business).

3. Profit before Taxation

	2014	2013
	HK$'000	HK$'000
Profit before taxation is arrived after charging:		
Staff costs, including directors' emoluments	**720,696**	670,558
Depreciation	**5,847**	7,067
Auditor's remuneration	**1,325**	1,283
Operating lease rental on land, buildings and office equipment	**11,521**	9,090

4. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year after application of available tax losses brought forward for both years. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax charged/(credited) to the consolidated income statement represents:

	2014	2013
	HK$'000	HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the year	**10,698**	11,721
- under provision in prior years	**10**	21
Overseas tax		
- provision for the year	**1,601**	1,443
Deferred taxation	**(1,553)**	(1,772)
	10,756	11,413

5. Dividends

	2014 HK$'000	2013 HK$'000
(a) Dividends attributable to the current year:		
Interim dividend paid of 3.0 HK cents (2013: 2.0 HK cents)	**12,392**	8,240
Final dividend proposed of 4.0 HK cents (2013: 3.5 HK cents)	**16,636**	14,420
	29,028	22,660
(b) Dividends attributable to the previous year, approved and paid during the year:		
Final dividend of 3.5 HK cents (2013: 2.5 HK cents)	**14,420**	10,300

At a meeting held on 19 March 2015, the Company's board of directors resolved to recommend a final dividend of 4.0 HK cents for the year ended 31 December 2014. This proposed final dividend is not reflected as a dividend payable in these financial statements, until it has been approved by the shareholders at the forthcoming annual general meeting of the Company.

6. Earnings Per Share

(a) Basic earnings per share is calculated by dividing the Group's profit attributable to the equity holders less dividends to convertible preference shareholders by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Profit attributable to equity holders (HK$'000)	**45,342**	34,392
Less: dividends to convertible preference shareholders (HK$'000)	**(5,600)**	(4,400)
Profit attributable to ordinary shareholders (HK$'000)	**39,742**	29,992
Weighted-average ordinary shares issued ('000)	**332,952**	332,000
Basic earnings per share (HK cents)	**11.9**	9.0

(b) Diluted earnings per share is calculated by dividing the Group's profit attributable to the 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 ordinary shares issued on convertible preference shares during the year.

	2014	2013
Profit attributable to equity holders (HK$'000)	**45,342**	34,392
Weighted-average ordinary shares issued ('000)	**332,952**	332,000
Adjustments for share options ('000)	**5,270**	958
Adjustments for potential ordinary shares to be issued ('000)	**80,000**	71,759
Weighted-average ordinary shares for calculating diluted earnings per share ('000)	**418,222**	404,717
Diluted earnings per share (HK cents)	**10.8**	8.5

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, 31 December 2013 & 31 December 2014	**168,968**	**48,826**	**15,934**	**2,393**	**67,153**
Accumulated amortisation					
At 1 January 2013	-	(271)	(443)	(13)	(727)
Amortisation for the year	-	(3,255)	(5,311)	(160)	(8,726)
At 31 December 2013	**-**	**(3,526)**	**(5,754)**	**(173)**	**(9,453)**
Amortisation for the year	**-**	**(3,255)**	**(5,311)**	**(160)**	**(8,726)**
At 31 December 2014	**-**	**(6,781)**	**(11,065)**	**(333)**	**(18,179)**
Net Book Value					
At 31 December 2013	168,968	45,300	10,180	2,220	57,700
At 31 December 2014	**168,968**	**42,045**	**4,869**	**2,060**	**48,974**

Goodwill is allocated to the Group's 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 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 recoverable 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 trademarks. Although there is no expiry date, management has adopted a 15 year useful life for amortisation purpose.

Backlog orders refers 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 amortisation over 3 years.

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

8. Receivables, Deposits and Prepayments

As of 31 December 2014, accounts receivable of HK$75,104,000 (2013: HK$88,537,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. The credit period of the Group's accounts receivable generally ranges from 30 to 60 days (2013: 30 to 60 days). The ageing analysis of accounts receivable by due date is as follows:

	2014	2013
	HK$'000	HK$'000
Accounts receivable		
Not yet due	**150,959**	146,950
1 to 30 days	**31,942**	60,754
31 to 60 days	**10,985**	8,618
61 to 90 days	**11,249**	7,030
Over 90 days	**20,928**	12,135
	226,063	235,487
Retention receivables and other receivables	**100,026**	90,221
Receivables	**326,089**	325,708
Deposits and prepayments	**56,136**	19,256
	382,225	344,964

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 mainly denominated in Hong Kong dollars.

Balances included trade receivable amounted to HK$6,686,000 (2013: HK$1,005,000) and HK$45,527,000 (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

	2014	2013
	HK$'000	HK$'000
Portion due for repayment within one year	**139,000**	144,000
Portion due for repayment after one year, but contains a clause of repayment on demand		
(i) in the second year	**24,000**	24,000
(ii) in the third to fifth years, inclusive	**84,000**	108,000
Total bank loans	**247,000**	276,000

Notes:

(a) As at 31 December 2014, the Group has bank loan of HK$247,000,000 (2013: HK$276,000,000) denominated in Hong Kong dollars.

(b) The bank loans of the Group carried weighted average interest rates of 2.93% (2013: 3.43%) per annum.

(c) The Group's bank loan of HK$132,000,000 (2013: HK$156,000,000) 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 (2013: 30 to 60 days). The ageing analysis of accounts payable by due date is as follows:

	2014	2013
	HK$'000	HK$'000
Accounts payable		
Not yet due	**238,348**	212,094
1 to 30 days	**19,512**	16,410
31 to 60 days	**6,549**	5,915
61 to 90 days	**8,074**	6,437
Over 90 days	**14,536**	11,055
	287,019	251,911
Retention payables, other payables and accruals	**144,744**	130,368
	431,763	382,279

12. Share Capital

	Number of shares '000	**Amount HK$'000**
Authorised:		
Ordinary shares of HK$0.10 each	**9,000,000**	**900,000**
Convertible preference shares of HK$0.10 each	**1,000,000**	**100,000**
	10,000,000	**1,000,000**
Issued and fully paid:		
Ordinary shares		
At 1 January and 31 December 2013	332,000	33,200
Share issued upon exercise of options granted under the Share Option Scheme	**3,890**	**389**
At 31 December 2014	**335,890**	**33,589**
Convertible preference shares		
At 1 January 2013	58,667	5,867
Issuance of convertible preference shares	21,333	2,133
At 31 December 2013 and 2014	**80,000**	**8,000**
Ordinary shares and convertible preference shares issued and fully paid		
At 31 December 2013	412,000	41,200
At 31 December 2014	**415,890**	**41,589**

FINAL DIVIDEND

After giving due consideration to the enlarged scope of our business portfolio and the more working-capital intensive nature of the interiors and special projects business, the reserves of the Company and the overall working capital requirement of the Group, the Board considers it appropriate to adopt a prudent dividend policy and hence a lower payout ratio than before. The payment of a final dividend of 4.0 HK cents per share (2013: 3.5 HK cents per share) for the year ended 31 December 2014 is hence recommended. Subject to shareholders' approval at the forthcoming 2015 annual general meeting (the "2015 AGM") of the Company, the proposed final dividend will be paid on or around Thursday, 11 June 2015 to shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 2 June 2015 (Hong Kong time).

Together with the interim dividend of 3.0 HK cents per share (2013: 2.0 HK cents per share) already paid, total dividends for the financial year will amount to 7.0 HK cents per share (2013: 5.5 HK cents per share), representing a payout ratio of 64% (2013: 66%) on the earnings for the financial year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(i) from Tuesday, 19 May 2015 to Friday, 22 May 2015, both days inclusive (Hong Kong time), for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2015 AGM. In order to be eligible to attend and vote at the 2015 AGM, 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 Monday, 18 May 2015 (Hong Kong time); and

(ii) from Friday, 29 May 2015 to Tuesday, 2 June 2015, both days inclusive (Hong Kong time), for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend (subject to members' approval at the 2015 AGM), 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 the address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Thursday, 28 May 2015 (Hong Kong time).

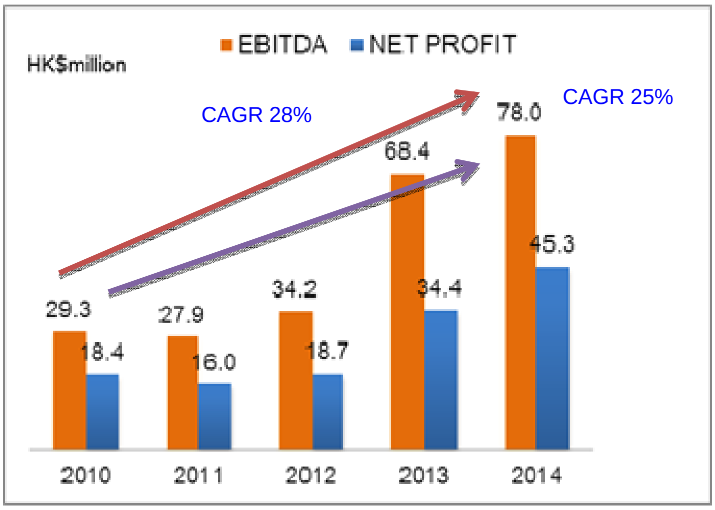
During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

MANAGEMENT DISCUSSION AND FINANCIAL ANALYSIS

FINANCIAL OVERVIEW

		2014	2013	Change
Revenue	HK$' million	1,906.3	1,680.1	+13.5%
Gross Profit	HK$' million	186.1	179.9	+3.4%
Operating Profit	HK$' million	74.9	68.7	+9.0%
Profit attributable to Shareholders	HK$' million	45.3	34.4	+31.7%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	HK$' million	78.0	68.4	+14.0%
Gross Profit Margin		9.8%	10.7%	-0.9%
Net Profit Margin		2.4%	2.0%	+0.4%
Basic Earnings Per Share	HK cents	11.9	9.0	+32.2%

EBITDA & Profit attributable to Shareholders



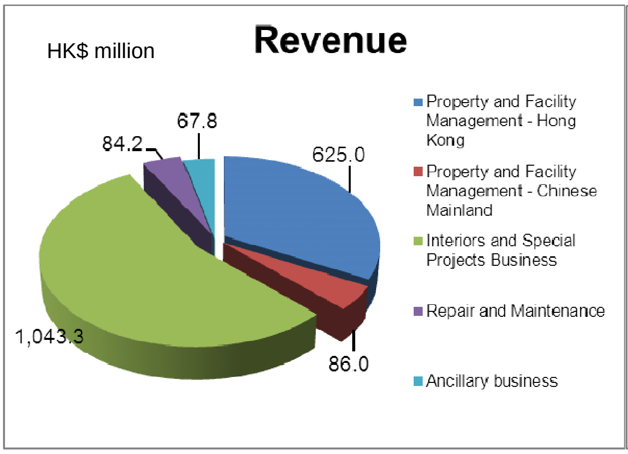
With a solid base derived from Interior and Special Projects ("ISP") business achieved in 2013, Synergis recorded new high in both revenue and profits with a diversified business portfolio comprising property and facility management, interior and special projects and other ancillary business.

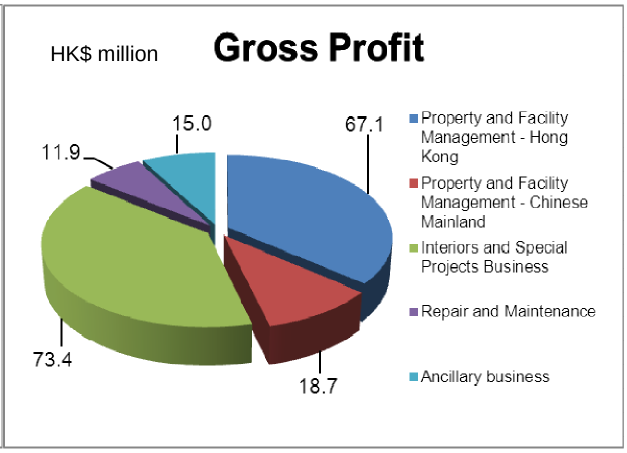
The Group reported a consolidated revenue of HK$1.9 billion for the year ended 31 December 2014, an increase of 13.5% as compared with 2013. Gross profit and operating profit increased by 3.4% and 9.0% to HK$186.1 million and HK$74.9 million respectively. After amortisation of intangible assets and interest on bank loan related to the ISP business, the profit attributable to shareholders was HK$45.3 million, an increase of 31.7% from 2013. Earnings per share was 11.9 HK cents (2013: 9.0 HK cents).

BUSINESS REVIEW AND PROSPECTS

BUSINESS OVERVIEW

The Property and Facility Management Services business remained stable and maintained its market position, whilst ISP business has achieved a steady growth over 2014. Management considers that the ISP business will continue to be a significant contributor for the Group's growth in revenue and net profit.





	Revenue (HK$'M)			Operating Profit/(Loss)(HK$'M)		
	2014	**2013**	**Change**	**2014**	**2013**	**Change**
Property & Facility Management – Hong Kong	625.0	617.4	1.2%	38.1	49.2	-22.6%
Repair & Maintenance – Hong Kong	84.2	83.0	1.4%	4.3	4.2	2.4%
Ancillary business – Hong Kong	67.8	61.9	9.5%	7.5	9.1	-17.6%
Synergis Management Services Business – Hong Kong Sub-total	**777.0**	**762.3**	**1.9%**	**49.9**	**62.5**	**-20.2%**
Property & Facility Management – Chinese Mainland	86.0	36.7	134.3%	(2.1)	(14.6)	85.6%
Synergis Management Services Business Sub-total	**863.0**	**799.0**	**8.0%**	**47.8**	**47.9**	**-0.2%**
ISP Business	**1,043.3**	**881.1**	**18.4%**	**48.2**	**41.5**	**16.1%**
Corporate Overhead	**-**	**-**	**-**	**(21.1)**	**(20.7)**	**-1.9%**
Total	**1,906.3**	**1,680.1**	**13.5%**	**74.9**	**68.7**	**9.0%**

Management Services Business

"This segment has consistently generated revenue and profit with significant improvement in our Chinese Mainland Business in 2014"

Property and Facility Management Services

Hong Kong:

Property and Facility Management has maintained a well-diversified portfolio of contracts from government, public institutions and private clients.

(i) Hong Kong Housing Authority (HKHA)

The Group has secured new management contracts from the Hong Kong Housing Authority ("HKHA") with total revenue of HK$31 million during the year including:

- the HKHA Block 1 and 2 Headquarters Building from January 2014;
- Kwai Chung Shopping Centre from June 2014; and
- 43 nos. of Carparks and Control of Estate in both Kowloon East, Kowloon West & Hong Kong Regions from July 2014

(ii) Government and Public Institutions

During the year, we have obtained several facilities management contracts with total revenue of HK$16 million from Government and Public Institutions including HKSAR Government, MTR Corporation and Airport Authority:

- Taxi Passenger Queue Management & Anti-touting Operation Services in the Airport from the Hong Kong Airport Authority in March 2014
- the Security Service Contract for Le Prestige from the MTR Corporation Limited in September 2014
- the Mid-Levels Escalator and Walkway System Management Contract in Central from the Electrical and Mechanical Services Department in September 2014; and
- the Customer Service Centre and Backend Accountancy Services to the newly-established West Island Extension Line of the MTR in December 2014

(iii) Private clients

Several management contracts were also added to Property Management Portfolio during the year, some of the projects are listed below:

- Man Kee Mansion (萬基大廈);
- Smart A (薈學坊); and
- Chun Wo Commercial Centre (俊和商業大廈)

These new contracts generated additional revenue for the Group in 2014, but were offset by loss of revenue as a result of expiry of certain car park contracts, which fails to renew. The revenue of this business segment was stable. The operating profit however decreased by 22.6% to HK$38.1 million, was due to increase in labour cost resulting from shortage of labour in the market and keen competition in the market which led to a 2% reduction on gross margin. General inflation was also a burden on the general and administrative expenditure.

Look forward to 2015, the Group will focus on expanding the facility management ("FM") business in view of the increasing demand for this type of services, which is a result of corporations' cost saving strategies to outsource such services to professional managers. The Group has good credential and gathered sound experience in facility management. Apart from the airport area, the Group will also develop the FM business in the education sector and the public utilities corporations.

With our stable market position in the property management ("PM") business segment, we will continue to explore opportunities in private residential projects, The Link Management Limited and the Hong Kong Housing Authority.

Chinese Mainland:

The performance of this segment was encouraging in 2014. Revenue generated from the existing contracts and new contracts have increased over 130% as compared with 2013. With the improvement in gross margins and the saving on expenses, the operating loss was substantially reduced from HK$14.6 million in 2013 to HK$2.1 million in the year.

The China team has secured new research and retail consultancy contracts and leasing contracts with total revenue of HK$8.7 million during the year mainly includes:

- Beijing Shibanfang (北京八家石板房項目);
- Taizhou Daohe Street (泰州稻河古街區);
- Hangzhou River Club (杭州華聯錢塘會館);
- Beijing New Times SOHO (北京新年華 SOHO);
- Dandong No. 9 Fashion Street (丹東時尚第九街); and
- Lushang Centre (魯商中心) in Linyi (臨沂)

Research and retail consultancy services in the Chinese Mainland have been expanded. With high quality services provided to our client in Shenzhen, Foshan and Dongguan, the China team is confident to get more contracts from existing clients especially the higher margin Asset Management Service ("AMS") contracts in future.

Repair and Maintenance

Revenue from this business segment was stable in 2014. Growth of this business segment has been affected by the Government's review on the tendering process of the Operation Building Bright ("OBB") Scheme. The Government's review has slowed down jobs available in the market. The adverse effect was partially offset by the contribution of a large scale repair and maintenance contract from Yick Cheong Building and Fok Lin Building. The gross profit margin has slightly dropped to 14.2% this year but the operating profit almost remained the same as 2013.

In order to enhance the overall effectiveness in allocating resources with the shortage of labor supply in the construction and maintenance industry in Hong Kong, the Group has considered to strategically combine the current maintenance team with ISP team for better staff and resource deployment.

Ancillary business

Total revenue from ancillary business including security, cleaning and laundry achieved a 9.5% increase over 2013 to HK$67.8 million. Because of increase in general administrative expense for business development, the operating profit of this business segment reduced to HK$7.5 million this year.

Interiors & Special Projects

"ISP has consistently delivered good results and has secured over HK$2.3 billion new contracts during the year and the outstanding value of contracts on hand as at 31 December 2014 approaching HK$2.2 billion"

For the year ended 31 December 2014, the ISP business recorded HK$1.0 billion total revenue and HK$73.4 million gross profit, a 18.4% increase of revenue and a 20.2% increase of gross profits from 2013. The significant contribution came from the retail fitting out project at Galaxy Resort & Casino in Macau, building revitalization project in Wong Chuk Hang and Addition and Alternation ("A&A") Works for Digital Realty Data Centre in Tseung Kwan O together with other newly awarded contracts during the year. The gross profit margin and operating profit margin was 7.0% and 4.6% respectively, similar to that of last year. The operating profit of the ISP business increased by 16.1% to HK$48.2 million.

New Contracts Awarded

New contracts amounting to HK$2.3 billion have been secured in 2014 which is 3 times the contracts awarded in 2013.
A number of projects with significant contract sum has been secured in 2014. The projects are listed below:

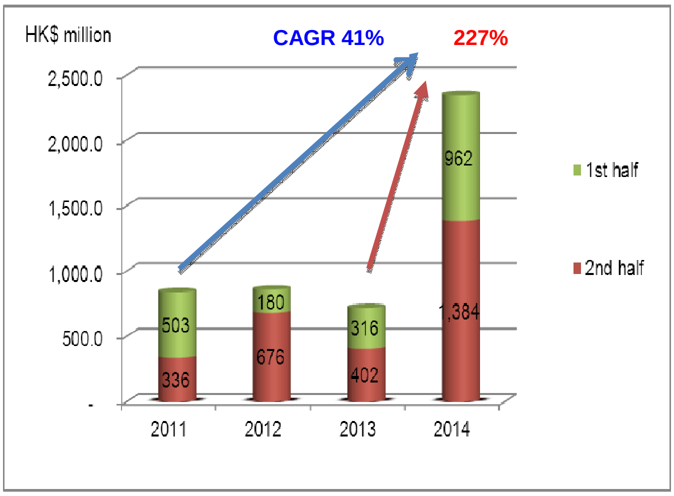
- Commercial development of a 31-storey commercial building in Wong Chuk Hang, and another 28-storey commercial building in Causeway Bay in Hong Kong;

- Large-scale revitalization works for a building at Castle Peak Road, Tsuen Wan. The work involves installation of French window curtain walls, building maintenance, escalator refurbishment and improvement, ceiling protection and waterproofing, etc.;

- Renovation contracts including Butterfly Plaza in Tuen Mun and Lee Gardens One, Causeway Bay; and

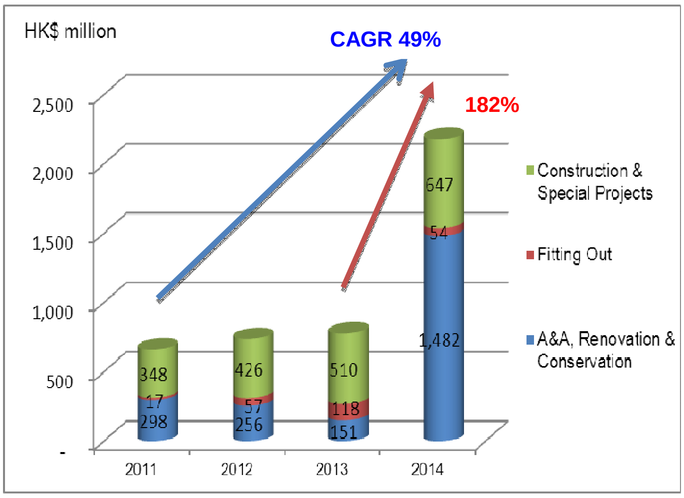
- Fitting out works to guestroom floors for renovation and A&A of Macau Taipa Hotel at Macau SAR

The ISP business has also extended to hotel room refurbishment in 2014. Being the main contractor of the refurbishment project for Holiday Inn Golden Mile in Tsim Sha Tsui, ISP was responsible for refurbishing the hotel rooms, suites, lift lobbies and spa centre located in specific floors.

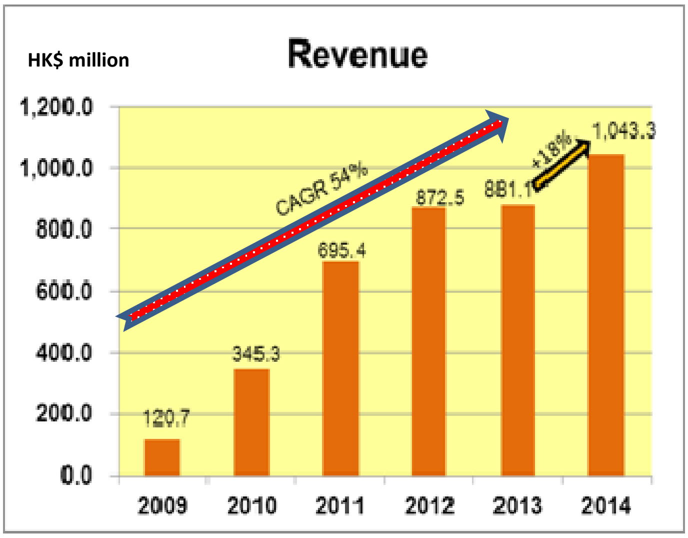


Outstanding Workload

The total outstanding workload for contracts on hand, as of 31 December 2014, approaching HK$2.2 billion of which over 70% will be completed in 2015.



With our performance track records in fitting out, renovation, A&A and special construction works in the past few years, the team will continue business expansion in these three sectors in 2015. The revenue has grown by over 8 times from HK$120 million in 2009 to over HK$1 billion in 2014.



ISP demonstrated its professionalism by delivering quality and seamless service in the past few years, and its reputation has readily built up as demonstrated, by the increased number of reputable clients especially within the retail sector. Starting from the few contracts for AEON Stores and Citistores as well as MUJI, ISP targeted to flex its muscles in the retail fitting out market in 2015.

Financial Position and Financial Risk Management

After acquisition of the ISP business in November 2012, new banking facilities and liquidity lines have been obtained to support the increased scale of operations.

As of 31 December 2014, the total outstanding bank loan was HK$247 million, which is scheduled to be repaid over next three years. This includes an outstanding balance of HK$132 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.

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.

Financial position (HK$'000)	**2014**	**2013**
Total assets	**950,114**	**907,258**
Receivables, deposits and prepayments	629,142	586,207
Deposit, cash and cash equivalents	91,195	79,827
Current assets	**720,337**	**666,034**
Net assets	**245,954**	**224,199**
Current liabilities (include bank loans due in 1 year)	**585,361**	**538,768**
Bank loans due in 1 year	139,000	144,000
Bank loans due over 1 year	108,000	132,000
Total debt	**247,000**	**276,000**
Gearing ratios and liquidity		
Net debt to net assets	63.3%	87.5%
Total debt to net assets	100.4%	123.1%
Current ratio (exclude borrowing due after 1 year)	1.2	1.2
Per share data		
Shares in issue (all classes)	**415,890,000**	**412,000,000**
Basic earnings per share (HK cents)	**11.9**	**9.0**
Diluted earnings per share (HK cents)	**10.8**	**8.5**
Dividend per share (HK cents)	**7.0**	**5.5**
Net assets per share (HK cents)	**59.1**	**54.4**
Other key ratios		
Return on shareholders' equity (ROE)	**18.4%**	**15.3%**
Dividend payout ratio	**64%**	**66%**

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 from bank borrowings as the interest rates are fixed for short-term periods, to take advantage of the lower rates thus available. 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, which is for long-term and as such foreign currency hedging is considered unnecessary.

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 centralized 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.

Human Resources

At 31 December 2014, the Group employed a total of 6,197 staff (2013: 6,179) in Hong Kong, Macau and the Chinese Mainland.

For meeting the operational needs and the Group's sustainable business growth, series of staff retention initiatives were implemented with the focus on employee engagement and staff development. The Human Resources Effectiveness Committee (HREC), comprising senior management and operation unit representatives continuously reviewed the policies and worked out new initiatives for staff retention by making reference to the data collected from site visits, satisfaction survey, exit interview, resignation survey and various group meetings.

The Learning and Development Team has been working closely with the senior management on reviewing and investing in different learning and development initiatives over the past year with the aim to enhance staff competency for the HR needs of the Group's long term growth. A new Manager Development Programme was introduced concentrating on Leadership, Strategic Thinking and Change Management, Positive Mind-set, Communication and Crisis Management skills. The Group also supports qualified staff to attain the Recognition of Prior Learning under Qualification Framework (QF). Up to year 2014, over 1,300 employees have been accredited the Qualification Framework of Level 2 and 3 with another 8 staff successfully achieved the Qualification of Housing Practitioner (PHKIH) through Qualifications Framework Level 4.

Taking into consideration of business growth, staff requirement in both Hong Kong and the Chinese Mainland is subject to continuous review. Besides external recruitment, internal talent pools are identified through staff work achievements and performance reviews. Personal development plans are developed to provide exposure to increased 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 medical scheme and contribution to retirement funds. Such remuneration and benefits packages, as well as staff retention schemes from front line to management staff are reviewed systematically through our HREC, composed of senior management and divisional representatives.

Incentive bonus schemes and a share options scheme are available to senior management staff to provide them with incentives 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 earnings, approved by the Board. Employees in the Chinese Mainland are competitively remunerated in line with local market terms and conditions.

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 year.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three members, namely, Mr. David Yu Hon To (chairman of the Audit Committee), Mr. Wong Tsan Kwong and Mr. Kan Fook Yee (appointed as a member with effect from 6 June 2014). The Audit Committee together with the participation of the management of the Company have reviewed the audited consolidated financial statements for the financial year ended 31 December 2014 of the Group.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in this annual results announcement, from pages 1 to 11, have been agreed by the Company's external auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the financial year ended 31 December 2014. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (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 for 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 financial year ended 31 December 2014.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles in the code provisions and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the financial year ended 31 December 2014. During the financial year ended 31 December 2014, the Company complied with all code provisions of the CG Code.

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

Hong Kong, 19 March 2015

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, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as Independent Non-executive Directors.

** for identification purposes only*