SYNERGIS HOLDINGS LIMITED
昇捷控股有限公司

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

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 2017.

FINANCIAL OVERVIEW

		Six months ended 30 June		
		2017	**2016**	**Change**
Revenue	HK$ million	1,094.2	1,180.0	-7.3%
Gross Profit	HK$ million	79.0	82.6	-4.4%
Operating Profit	HK$ million	9.0	28.1	-68.0%
(Loss)/Profit attributable to Shareholders	HK$ million	(22.1)	19.3	-214.5%
Gross Profit Margin		7.2%	7.0%	+0.2%
Basic (Loss)/Earnings Per Share	HK cents	(6.1)	5.2	-217.3%

The Group reported consolidated revenue of HK$1.1 billion for the period ended 30 June 2017 (the "Reporting Period"), a slight decrease of 7.3% over the period ended 30 June 2016 (the "Corresponding Period"). The Group recorded an operating profit of HK$9.0 million after taking into account of newly recruited management talents to develop new and existing businesses.

The Group recorded a loss of HK$22.1 million for the Reporting Period as compared to a profit of HK$19.3 million for the Corresponding Period last year. It was mainly attributable to the write off of Hsin Chong's trademark of approximately HK$28.3 million (net of tax) that the Group acquired along with the interiors and special projects (the "ISP") business in 2012. Loss per share was 6.1 HK cents (2016: profit per share was 5.2 HK cents).

On 27 March 2017, the Company has entered into a settlement agreement with Hsin Chong Group Holdings Limited ("Hsin Chong") for the recovery of receivables of approximately HK$77.4 million over a period of five months starting from 31 March 2017 to 31 July 2017. As at the date of this announcement, the Company has received approximately HK$13.5 million (being partial settlement of the receivables and the interests thereof) under the settlement agreement.

On 17 August 2017, the Company entered into a supplemental agreement to the settlement agreement with Hsin Chong after arm's length negotiation for the repayment of remaining balance of receivables of approximately HK$66.7 million plus interest by installments, pursuant to which the deadline of the repayment period has been deferred from 31 July 2017 to 1 June 2018. The Company is monitoring the situation closely and seeking legal advice as to actions it may take to protect its right.

BUSINESS REVIEW AND PROSPECTS

BUSINESS OVERVIEW

The Group's property and facility management (the "PFM") business and ancillary business (the "Ancillary Business") (collectively, the "PFM Business") remained stable in revenue and maintained its position as one of the leading service providers in the industry whilst ISP business continued to be a significant contributor to the Group's revenue.

	Revenue (HK$' million)			Operating (Loss)/Profit (HK$' million)		
	Six months ended 30 June			Six months ended 30 June		
	2017	2016	Change	2017	2016	Change
PFM – Hong Kong	263.5	284.8	-7.5%	15.7	13.9	12.9%
Ancillary Business – Hong Kong	44.4	48.5	-8.5%	(0.1)	2.0	-105.0%
PFM Business – Hong Kong Sub-total	**307.9**	**333.3**	**-7.6%**	**15.6**	**15.9**	**-1.9%**
PFM –Mainland China	31.7	32.7	-3.1%	(0.7)	0.9	-177.8%
PFM Business Sub-total	**339.6**	**366.0**	**-7.2%**	**14.9**	**16.8**	**-11.3%**
ISP business	**754.6**	**814.0**	**-7.3%**	**1.7**	**17.3**	**-90.2%**
Corporate Overheads	**-**	**-**	**-**	**(7.6)**	**(6.0)**	**-26.7%**
Total	**1,094.2**	**1,180.0**	**-7.3%**	**9.0**	**28.1**	**-68.0%**

Property and Facility Management Business

Property and Facility Management

As at 30 June 2017, the Group managed 291 PFM service contracts of which 250 contracts were in Hong Kong and 41 contracts were in Mainland China. The gross floor area under the Group's management was approximately 8.7 million square metres ("sqm") (Hong Kong: 6.2 million sqm and Mainland China: 2.5 million sqm).

Hong Kong:

The PFM business in Hong Kong maintained a well-diversified portfolio of contracts comprising different sectors including government, corporate clients, public institutions and private clients.

The Group has expanded the scope of its portfolio through newly awarded PFM contracts from two-year to three-year, with total contract sum of around HK$47.3 million. Major contracts include:

- Hong Kong Baptist University Staff Quarters;
- Station Assistant for MTR Corporation;
- The Carparks of residential under the Heya brand name at Cheung Sha Wan;
- Fung Kai Innovative School at Sheung Shui;
- The Long Beach at Tai Kok Tsui; and
- Hong Kong Heritage Museum.

We were able to maintain a high retention rate for contract renewal for the Reporting Period. The high contract retention rate reflects that Synergis quality services are well received by customers and contribute stable revenues to the Group. The following key contracts were successfully renewed with an increase in service fee and/or with expanded scopes:

- Property Management Service Contracts: Property Management Support Services for Link, King Shan Court, Sun Hing Garden, Tin Fu Court and Tin Ping Estate;
- Housing Authority Contract of the Hong Kong Housing Authority Headquarters Customer Service Centre;
- Facility Management Service Contracts of Cathay Pacific Cargo Terminal, Hong Kong Jockey Club, Riding Schools and Other Associated Properties; and
- Carpark Management Contract of the Housing Authority's Carparks.

Revenue for this business segment has decreased by 7.5% but operating profit has increased by 12.9% to HK$15.7 million. The management team was paying attention on cost monitoring mechanism and able to increase the gross margin by 2.2% over the Corresponding Period last year.

Stepping into the second half of 2017, the Group expects to put more focus on expanding the facility management business as well. Apart from offering value-added services such as consultancy services to our existing clients, the team also expects to increase our market share by expanding our service scope such as building consultancy and energy audit services. Following the newly awarded projects from certain educational institutes in 2016, the team will continue to explore new customers including international schools or other institutions.

With our stable market position in the property management segment, we will continue to retain our current portfolio whilst exploring opportunities on commercial premises especially in West Kowloon. Apart from private housing, we will also explore our further partnership with those institutional clients such as Link Asset Management Limited and Hong Kong Housing Society. We have also set up a team focusing on commercial and investment properties agency businesses in Hong Kong to seek further business expansion opportunities in future.

Mainland China:

The financial performance of this business segment was steady with similar gross margin to that reported last year. However, the operating loss was HK$0.7 million in this segment mainly due to the increase of overheads in Southern China as a result of expansion of our agency management team. The Company has secured several short terms to three-year contracts mainly in Shanghai, Beijing and Shenzhen with a total contract sum of HK$7.4 million.

Property management services for the residential/commercial projects

- A new office building of Huawei with an underground carpark covering a total construction area of 43,000 sqm in the Beijing Huawei Centre.

- Shanghai Hongfa Garden consists of a luxury apartment tower with a construction area of approximately 27,600 sqm and is located at Changning District in Shanghai.

Agency services for the residential/commercial development projects

- Fuyong Art Dock project is one of the key commercial projects with a construction area of approximately 30,000 sqm at Fuyong Pier in Shenzhen. We have been appointed as the commercial consultant and sole leasing agent of this project.

- Located in Shenzhen Xixiang District, Xixiang Mall project consists of 20,000 sqm commercial area and we have been appointed as the commercial consultant and sole leasing agent of the project.

- East One and East Commercial Centre are the municipal government’s key construction projects with a total area of approximately 100,000 sqm, consisting a residential tower, two apartment towers and two office towers in new central business district of Phnom Penh in Cambodia. We have been appointed as sole sales agent in Southern China for this project.

With different requirements of skillsets and job references in Northern China and Southern/Eastern China, management has adopted different strategies for our developing businesses in different regions. The management team in Northern China focuses on developing the commercial consultancy and leasing services, while the Southern/Eastern China team focuses on developing business in property management and agency services. The management team has built up solid experience in asset management services in Mainland China and the development of business is progressing well. In addition, the Company is applying grade one property management licence with Ministry of Housing and Urban-Rural Development in the Mainland China, which is expected to be granted this year. We will continue expanding the scope of our business to provide diversified services and aim at delivering more profit in future.

Ancillary Business

Total revenue from the ancillary businesses of security, cleaning, trading and laundry reported 8.5% decrease over the Corresponding Period last year to HK$44.4 million as a result of the expiration of several management contracts in property management segment. The Ancillary Business has put effort to increase its customer's diversification continuously after a repositioning exercise last year. Due to the increase in general administrative expenses for business development and the cost of recruiting additional management staff, this business segment recorded a minor operating loss of HK$0.1 million in the Reporting Period.

A two-year cleaning service contract from Kowloon Motor Bus Depot with a total contract sum of approximately HK$16.0 million and a two-year technical support services contract for drainage improvement works for Tsing Yi Garden have been secured. Our team is confident in expanding the scope of its business to include corporate offices, hotels, government organisations and large malls, and offer high-quality services in future.

Interiors & Special Projects

For the Reporting Period, the total revenue and gross profit of ISP business recorded HK$754.6 million and HK$30.2 million, representing a decrease of 7.3% and 18.0% in the revenue and gross profit respectively when compared with the Corresponding Period last year. The significant revenue contribution came from the alteration and addition works at Kowloon Investment Building at Bute Street in Mong Kok, residential development at Discovery Bay North Phase 16 and the new factory development of a well-established pharmaceutical brand in Yuen Long. The gross profit margin and operating profit margin were 4.0% and 0.2% respectively, being 0.5% and 1.9% lower than those of the Corresponding Period last year. The decrease in gross profit was mainly due to the lower gross margin generally for construction and special projects brought forward from last year. During the Reporting Period, the Company continues to make efforts to develop new business lines such as curtain wall business, material sourcing, procurement and on-line trading business. As a result, the general and administrative expenses increased and the operating profit substantially decreased to HK$1.7 million for the Reporting Period.

We have established a direct metal work and curtain wall fabrication factory in Dongguan, China late last year to reduce the project material cost. Stepping into the second half of 2017, we aim to expand our new sourcing and procurement business to a comprehensive material sourcing arm of the Group, as well as to create a platform to expand overseas market to increase our competitiveness. Furthermore, we plan to expand our business into high end fitting-out, alternation and addition, and renovation business in Macau in future.

New Contracts Awarded

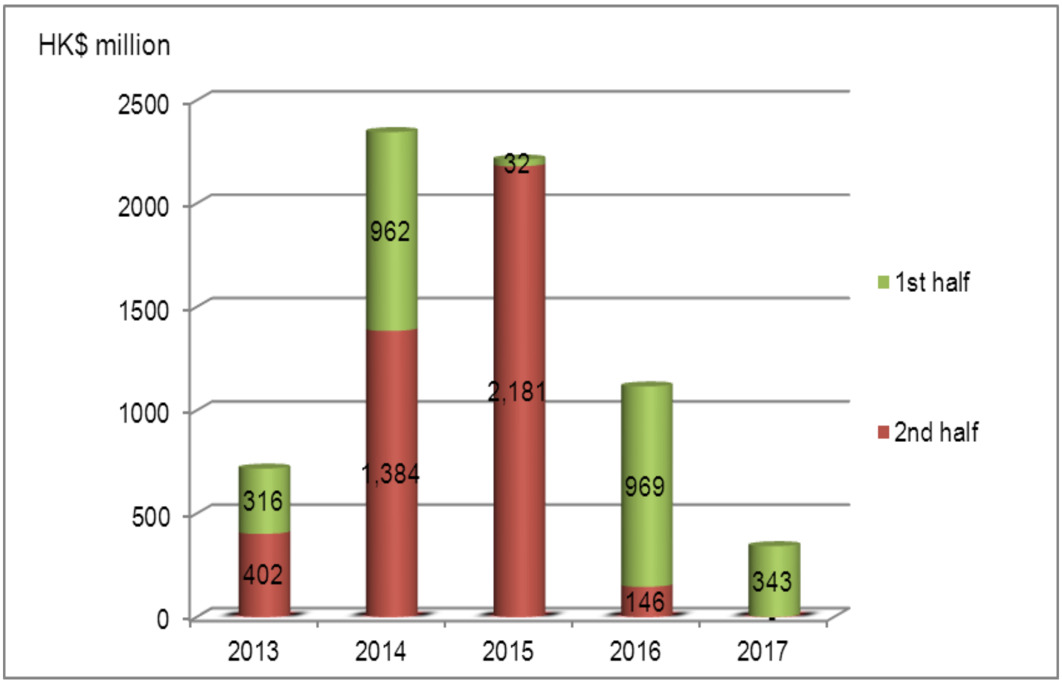
New contracts amounting to HK$343.0 million were awarded for the Reporting Period. The major projects are listed below by nature:

Construction

- Building and Electrical and Mechanical Works for Automation of Arrival Bags Delivery at Hong Kong International Airport; and
- Reprovision of an Indoor All-weather Swimming Pool at Po Leung Kok Camões Tan Siu Lin Primary School at Yau Ma Tei.

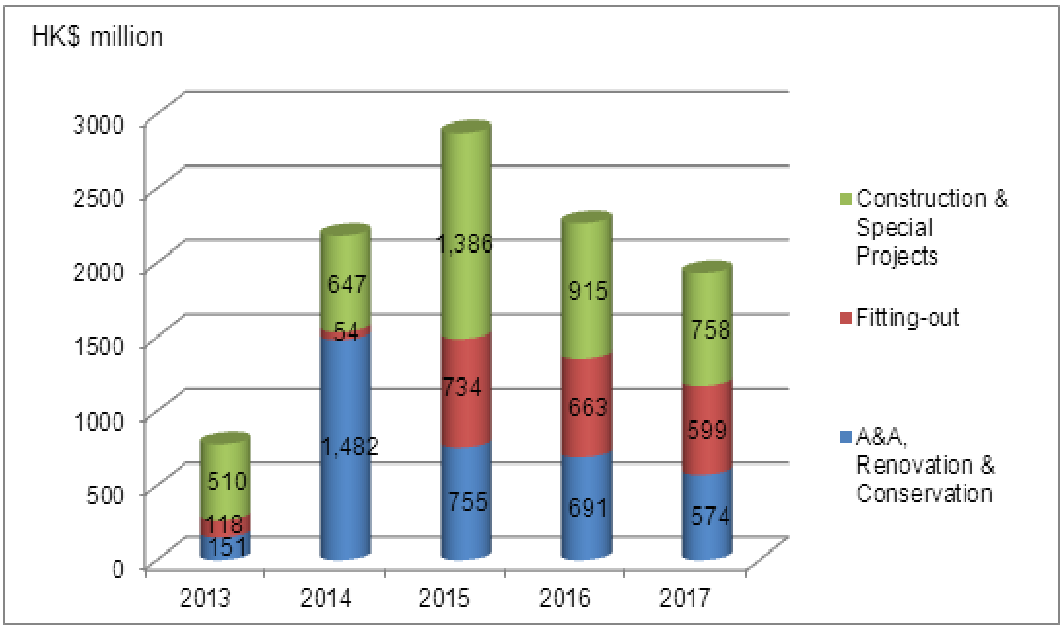
Alternation and Addition (“A&A”), and Fitting-out

- A&A Works at Hung To Road in Kwun Tong;
- Office Renovation Works at 28th Floor for CDW Building in Tsuen Wan;
- Renovation Works at Whampoa Garden; and
- Renovation Works at Citistore in Tseung Kwan O.



Outstanding Workload

The total outstanding workload for contracts on hand as of 30 June 2017 was over HK$1.9 billion, over half of which would be completed in 2017. With the outstanding contracts on hand and the replenished orders, management believes that the ISP business would deliver growth in the coming years through the team's commitment and dedication to excellence.



Mandatory Unconditional Cash Offer

The controlling shareholder of the Company has been changed to Champ Key Holdings Limited ("Champ Key") after completion of acquisitions took place on 21 November 2016.

Pursuant to Rules 26.1 and 13.5 of the Code on Takeovers and Mergers and Share Buy-backs, Champ Key and parties acting in concert are required to make mandatory unconditional cash offers for all the issued ordinary shares (other than those already owned and/or agreed to be acquired by Champ Key) ("Share Offer") and to cancel all 7,244,000 outstanding options ("Option Offer") (collectively, the "Offers"). As 80,000,000 convertible preference shares ("CPSs") were held by Champ Key as at 30 November 2016, no comparable offer would be made in respect of the CPSs. The offer price of HK$1.12 per ordinary share under the Share Offer and the offer prices for the Option Offer were set out as below:

(a) 6,814,000 options may be exercised at an exercise price of HK$0.952 per ordinary share, the offer price for these options was HK$0.168 each;

(b) 330,000 options may be exercised at an exercise price of HK$0.860 per ordinary share, the offer price for these options was HK$0.260 each; and

(c) 100,000 options may be exercised at an exercise price of HK$0.850 per ordinary share, the offer price for these options was HK$0.270 each.

The Offers were closed on 3 February 2017.

The Change of Company Name and Company Logo after Reporting Period

The adoption of Chinese name "昇捷控股有限公司", as the secondary name of the Company to replace the previous Chinese name "新昌管理集團有限公司" which was used for identification purposes only, was approved by the shareholders of the Company at the annual general meeting held on 19 May 2017 and took effect on 25 May 2017. The Certificate of Secondary Name was issued by the Registrar of Companies in Bermuda on 4 July 2017, certifying that "昇捷控股有限公司" was registered as the secondary name of the Company on 25 May 2017 and the rtificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 18 July 2017. The Chinese stock short name of the shares of the Company for trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been changed from "新昌管理集團" to "昇捷控股" with effect from 1 August 2017. The English stock short name of the shares of the Company for trading on the Stock Exchange remains unchanged as "SYNERGIS HOLD". The logo of the Company has been changed to reflect the change of company name with effect from 1 August 2017 as well. The changes of company name and logo are part of the re-branding exercise in light of the change of controlling shareholder of the Company from Hsin Chong to Champ Key.

Financial Position and Financial Risk Management

As of 30 June 2017, the total outstanding bank loan was HK$172 million, which is scheduled to be repaid within one year. This includes an outstanding balance of HK$72 million relating to the banking facility drawn down for acquiring the ISP business in November 2012. The remaining sum represents working capital loans mainly to support ISP operations and business development. During the period under review, the Group's sources of fund were generated primarily from operating activities and existing banking facilities.

On 12 May 2017, the Company entered into the placing agreement (as supplemented by a side letter on 26 May 2017) with Kingston Securities Limited and VMS Securities Limited (the "Placing Agreement") as the placing agents (the "Placing Agents"), pursuant to which the Company conditionally agreed to place through the Placing Agents up to 69,520,000 placing shares (the "Placing Shares") to not fewer than six independent placees at the placing price of HK$1.09 per Placing Share (the "Placing Price") (collectively, the "Placing"). The Placing Price represented a discount of approximately 19.85% to the closing price of HK$1.36 per share as quoted on the Stock Exchange on the date of the Placing Agreement. The Placing was completed on 13 June 2017 and an aggregate of 69,520,000 Placing Shares were issued under the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 20 May 2016. The aggregate nominal value of the Placing Shares under the Placing should be HK$6,952,000. The Company received the gross proceeds of approximately HK$75.8 million from the Placing and the net proceeds of approximately HK$73.9 million, representing a net issue price of HK$1.06 per Placing Share.

The purpose of the Placing which raised approximately HK$73.9 million after expenses is to provide adequate buffer for the Group's working capital requirements in case that HK$75.3 million outstanding receivables due from Hsin Chong under its settlement agreement with the Group has not been received before the end of July 2017 and after taking into account expected operating cash inflow, available banking and other facilities and its obligation to repay in November 2017 the term loan (of approximately HK$72 million outstanding principal amount as at 31 May 2017) that was taken out for the acquisition of the ISP business in 2012. The Group's working capital requirements include operating overheads and the upfront cash outlay (before receipt of payments for certified works carried out) in respect of projects on hand and new projects that may be awarded in the ISP business. The Group closely manages its cash flow position to ensure that there is adequate cash buffer to support new projects if awarded. As at the date of this announcement, approximately HK$20.0 million out of the net Placing proceeds was used for supporting the subcontractor payments of ISP business and the balance of approximately HK$53.9 million has been remained in a bank. The Directors considered that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the market conditions and in the interests of the Company and the shareholders as a whole.

The effects of the Placing on the capital structure of the Company are more particularly depicted in note 12 to the Condensed Consolidated Interim Financial Statements of this announcement. The full details of the aforesaid transaction can also be referred to in the announcements of the Company dated 14 May 2017, 26 May 2017, 6 June 2017 and 13 June 2017.

The gearing ratios and liquidity have been substantially improved after completion of Placing when compared with those of 2016. The management will continue to proactively monitor the financial positions of the Group so as to maintain a sufficient buffer in financial capacity while taking advantage of attractive business opportunities.

Regarding the impairment of contracting work-in progress and receivables mainly related to Hsin Chong together with its subsidiaries (the "Hsin Chong Group"), the Company entered into a supplemental agreement to the settlement agreement with Hsin Chong on 17 August 2017 after arm's length negotiation for the repayment of remaining balance of receivables of approximately HK$66.7 million plus interest by installments, pursuant to which the deadline of the repayment period has been deferred from 31 July 2017 to 1 June 2018. The management is pursing all measures to recover the receivables and expects to further improve the liquidity.

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 financial requirements for the future will be met from a combination of shareholders' equity and banking facilities. The Group would continue to manage our financial position and maintain sufficient working capital and liquidity to get ready for any business opportunities and to prepare for the challenges in future.

Financial position (HK$'000)	30 June 2017	31 December 2016
Total assets	**1,279,774**	1,197,562
Receivables and other assets	916,229	841,996
Deposit, cash and cash equivalents	170,892	129,284
Current assets	**1,087,121**	971,280
Net assets	**282,320**	225,550
Current liabilities	**994,531**	963,278
Bank loans	**172,000**	204,000
Gearing ratios and liquidity		
Net debt to net assets	**0.4%**	33.1%
Total debt to net assets	**60.9%**	90.4%
Current ratio	**1.1**	1.0

Financial position	30 June 2017	30 June 2016
Per share data		
Shares in issue (all classes)	**504,850,000**	427,956,000
Basic (loss)/earnings per share (HK cents)	**(6.1)**	5.2
Diluted (loss)/earnings per share (HK cents)	**(6.1)**	4.5
Dividend per share (HK cents)	**-**	1.5
Net assets per share (HK cents)	**55.9**	67.2

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 arising from bank borrowings is low as interest rates are fixed for short-term periods to take advantage of the lower rates thus available. 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, therefore it has minimal foreign currency exposure. The growth in Mainland China 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

As at 30 June 2017, the Group employed a total of 5,470 staff (31 December 2016: 5,976) in Hong Kong, Mainland China and Macau.

Employee Engagement is our long-term goal for maintaining high service standard, our Human Resources Team conducted research to ensure the staff benefit is comparable with the market. Our Learning and Development Team has also developed programmes for potential middle-ranked staff to enhance the sustainability of the Company. It is expected that the above measures bring positive impact to future corporate development.

INTERIM DIVIDEND

To preserve funds for business development of the Company, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2017 (2016: 1.5 HK cents per share).

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Unaudited Six months ended 30 June	
		2017	2016
	Note	**HK$'000**	HK$'000
Revenue	2	**1,094,210**	1,180,024
Cost of sales		**(1,015,216)**	(1,097,437)
Gross profit		**78,994**	82,587
Other income		**3,421**	2,043
General and administrative expenses		**(71,840)**	(56,109)
Doubtful debts recovery		**1,463**	-
Amortisation of intangible asset	7	**(1,628)**	(1,707)
Intangible asset write off	7	**(33,907)**	-
Interest expenses		**(2,800)**	(3,049)
(Loss)/profit before taxation	3	**(26,297)**	23,765
Taxation	4	**3,848**	(4,600)
(Loss)/profit for the period		**(22,449)**	19,165
(Loss)/profit attributable to:			
Equity holders of the Company		**(22,077)**	19,342
Non-controlling interest		**(372)**	(177)
		(22,449)	19,165
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company			
- basic (HK cents)	5	**(6.1)**	5.2
- diluted (HK cents)	5	**(6.1)**	4.5
Dividend	6	**-**	6,419

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
(Loss)/profit for the period	**(22,449)**	19,165
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**622**	(603)
Total comprehensive (loss)/income for the period	**(21,827)**	18,562

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2017

	Note	**Unaudited 30 June 2017 HK$'000**	Audited 31 December 2016 HK$'000
Non-current assets			
Property, plant and equipment		**13,734**	13,435
Investment properties		**4,400**	3,600
Intangible assets	7	**-**	35,535
Goodwill	7	**171,794**	171,794
Deferred tax assets		**58**	78
Prepayment		**2,667**	1,840
Total non-current assets		**192,653**	226,282
Current assets			
Contracting work-in-progress		**427,568**	411,412
Receivables	8	**458,770**	398,409
Deposits and prepayments	8	**24,534**	26,622
Taxation recoverable		**5,357**	5,553
Deposit, cash and cash equivalents		**170,892**	129,284
Total current assets		**1,087,121**	971,280
Current liabilities			
Payables and accruals	11	**815,209**	753,368
Bank loans	10	**172,000**	204,000
Amount due to non-controlling interests	9	**905**	1,240
Amount due to other partner of joint operations		**15**	15
Taxation payable		**6,402**	4,655
Total current liabilities		**994,531**	963,278
Net current assets		**92,590**	8,002
Total assets less current liabilities		**285,243**	234,284
Non-current liabilities			
Long service payment liabilities		**2,378**	2,378
Deferred tax liabilities		**545**	6,356
Total non-current liabilities		**2,923**	8,734
Net assets		**282,320**	225,550
Equity attributable to equity holders of the Company			
Share capital	12	**50,486**	43,055
Retained profits and other reserves		**232,220**	182,509
		282,706	225,564
Non-controlling interest		**(386)**	(14)
Total equity		**282,320**	225,550

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Basis of Preparation

The 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.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") and amendments mandatory for the first time for the financial year beginning 1 January 2017:

HKAS 12 Amendments	Recognition of deferred tax assets for unrealized losses
HKAS 7 Amendments	Statement of cash flows
HKFRS 12 Amendment	Disclosure of interest in other entities

The adoption of these revised HKFRS and amendments that are relevant to the Group's operations and mandatory for the annual period beginning 1 January 2017 has had no material impact on the Group's results and financial position of the Group.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities. Cash flow forecast is performed in the operating segments of the Group and aggregated by corporate finance team taking into account the Group's history of refinancing, its available banking facilities and its assets backing. Corporate finance team monitors forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to operate and meet its liabilities as and when they fall due.

Since the year end, there have been no changes in the risk management department or in any risk management policies.

2 Segment Information

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, identified as the Executive Committee, who is 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 Mainland China;
- ancillary business including security, cleaning, laundry, etc.; and
- interiors and special projects

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

	PFM						
Unaudited six months ended 30 June 2017	**Hong Kong**	**Mainland China**	**Ancillary Business**	**PFM Business**	**ISP Business**	**Corporate (Note 1)**	**Total**
Revenue	**263,502**	**31,713**	**44,369**	**339,584**	**754,626**	**-**	**1,094,210**
Gross profit	**33,940**	**6,250**	**8,620**	**48,810**	**30,184**	**-**	**78,994**
Operating expenses	**(18,260)**	**(8,165)**	**(9,033)**	**(35,458)**	**(28,480)**	**(7,563)**	**(71,501)**
Doubtful debts recovery (Note 2)	**-**	**1,180**	**283**	**1,463**	**-**	**-**	**1,463**
Operating profit/(loss)	**15,680**	**(735)**	**(130)**	**14,815**	**1,704**	**(7,563)**	**8,956**
Amortisation of intangible asset				**-**	**-**	**(1,628)**	**(1,628)**
Intangible asset write off				**-**	**-**	**(33,907)**	**(33,907)**
Acquisition loan interest expenses				**-**	**-**	**(1,540)**	**(1,540)**
Interest expenses				**(111)**	**(1,149)**	**-**	**(1,260)**
Other expenses				**-**	**-**	**(339)**	**(339)**
Interest income from former ultimate holding company				**140**	**1,197**	**-**	**1,337**
Other income				**2,079**	**5**	**-**	**2,084**
(Loss)/profit before taxation				**16,923**	**1,757**	**(44,977)**	**(26,297)**
Taxation				**(1,903)**	**(112)**	**5,863**	**3,848**
(Loss)/profit for the period				**15,020**	**1,645**	**(39,114)**	**(22,449)**

	PFM						
Unaudited six months ended 30 June 2016	Hong Kong	Mainland China	Ancillary Business	PFM Business	ISP Business	Corporate (Note 1)	Total
Revenue	284,765	32,744	48,537	366,046	813,978	-	1,180,024
Gross profit	30,356	6,843	8,558	45,757	36,830	-	82,587
Operating expenses	(16,456)	(5,972)	(6,540)	(28,968)	(19,488)	(6,048)	(54,504)
Operating profit/(loss)	13,900	871	2,018	16,789	17,342	(6,048)	28,083
Amortisation of intangible assets				-	-	(1,707)	(1,707)
Acquisition loan interest expenses				-	-	(1,913)	(1,913)
Interest expenses				(255)	(881)	-	(1,136)
Other expenses				(900)	(700)	(5)	(1,605)
Other income				1,770	273	-	2,043
Profit before taxation				17,404	16,034	(9,673)	23,765
Taxation				(2,151)	(2,449)	-	(4,600)
Profit for the period				15,253	13,585	(9,673)	19,165

Note 1: Corporate mainly represents corporate and administrative activities, and shared services.
Note 2: The amount represents settlement of receivables which were previously impaired.

(b) Customers Information

For the six months ended 30 June 2017, revenue of approximately HK$171,101,000 (for the six months ended 30 June 2016: HK$163,838,000) was derived from a single external customer which was attributable to the ISP business.

3 (Loss)/Profit Before Taxation

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
(Loss)/profit before taxation is arrived after charging /(crediting):		
Staff costs, including directors' emoluments	**350,563**	372,369
Intangible asset write off	**33,907**	-
Depreciation	**2,981**	2,389
Operating lease rental on land, buildings and office equipments	**5,909**	6,509
Interest income from former ultimate holding company	**(1,337)**	-

4 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period after application of available tax losses brought forward for both periods. Taxation on 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.

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

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
Current taxation		
Hong Kong profits tax		
- provision for the period	**2,055**	4,805
- over provision in prior year	**(112)**	-
Overseas tax		
- provision for the period	**-**	15
Deferred taxation	**(5,791)**	(220)
	(3,848)	4,600

5 (Loss)/Earnings Per Share

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

	Unaudited Six months ended 30 June	
	2017	2016
(Loss)/profit attributable to equity holders (HK$'000)	**(22,077)**	19,342
Less: dividend to convertible preference shareholders (HK$'000)	**-**	(1,200)
(Loss)/profit attributable to ordinary shareholders (HK$'000)	**(22,077)**	18,142
Weighted-average ordinary shares issued ('000)	**361,381**	347,697
Basic (loss)/earnings per share (HK cents)	**(6.1)**	5.2

(b) The diluted loss per share for the period ended 30 June 2017 is the same as the basic loss per share because the exercise of the Group's share options and convertible preference shares would result in a decrease in loss per share for the period.

	Unaudited Six months ended 30 June	
	2017	2016
(Loss)/profit attributable to equity holders (HK$'000)	**(22,077)**	19,342
Weighted-average ordinary shares issued ('000)	**361,381**	347,697
Adjustments for share options ('000)	**-**	1,883
Adjustments for potential ordinary shares to be issued ('000)	**-**	80,000
Weighted-average ordinary shares for calculating diluted (loss)/earnings per share ('000)	**361,381**	429,580
Diluted (loss)/earnings per share (HK cents)	**(6.1)**	4.5

6 Dividend

At a meeting held on 30 August 2017, the Board resolved not to declare interim dividend for the period ended 30 June 2017 (30 June 2016: 1.5 HK cents).

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 2016	171,794	48,826	15,934	2,393	67,153
Write off during the year	-	-	-	(2,393)	(2,393)
As 31 December 2016	171,794	48,826	15,934	-	64,760
Write off during the period	**-**	**(48,826)**	**-**	**-**	**(48,826)**
As 30 June 2017	**171,794**	**-**	**15,934**	**-**	**15,934**
Accumulated amortisation					
At 1 January 2016	-	(10,036)	(15,934)	(492)	(26,462)
Amortisation for the year	-	(3,255)	-	(146)	(3,401)
Write off during the year	-	-	-	638	638
At 31 December 2016	-	(13,291)	(15,934)	-	(29,225)
Amortisation for the period	**-**	**(1,628)**	**-**	**-**	**(1,628)**
Write off during the period	**-**	**14,919**	**-**	**-**	**14,919**
As 30 June 2017	**-**	**-**	**(15,934)**	**-**	**(15,934)**
Net Book Value					
At 30 June 2017	**171,794**	**-**	**-**	**-**	**-**
At 31 December 2016	171,794	35,535	-	-	35,535

As a result of a series of rebranding exercise of the Group in the reporting period following the change in controlling shareholder of the Company, the Hsin Chong's trademark of approximately HK$28.3 million (net of tax) recognized upon the Group's acquisition of the ISP business in 2012 has been written-off in the Reporting Period.

8 Receivables, Deposits and Prepayments

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days. (31 December 2016: 30 to 60 days). The ageing analysis of accounts receivable by due date is as follows:

	Unaudited 30 June 2017 HK$'000	Audited 31 December 2016 HK$'000
Accounts receivable		
Not yet due	**159,478**	166,841
1 to 30 days	**51,630**	34,527
31 to 60 days	**11,453**	8,693
61 to 90 days	**4,133**	13,329
Over 90 days	**87,998**	65,637
	314,692	289,027
Retention receivables and other receivables	**225,958**	191,686
Receivables	**540,650**	480,713
Deposits and prepayments	**24,534**	26,622
	565,184	507,335
Impairment of accounts receivable, retention receivables and other receivables	**(81,880)**	(82,304)
	483,304	425,031

The Group made a provision for amounts of receivables of approximately HK$82.3 million based on the impairment assessment for the year ended 31 December 2016 which is mainly related to Hsin Chong Group and approximately HK$1.5 million has been recovered under the settlement agreement signed on 27 March 2017. Subsequent to 30 June 2017, a further settlement of HK$8.6 million has been received from Hsin Chong. On 17 August 2017, a supplemental agreement has been entered with Hsin Chong for the repayment of remaining balance of receivables of approximately HK$66.7 million. The maximum exposure to credit risk at the reporting date is the carrying value of the accounts receivable mentioned above. The Group does not hold any collateral as security.

9 Balance with Non-controlling Interest

Balance with non-controlling interest is unsecured, interest free, repayable on demand with no fixed terms of repayment and mainly denominated in Hong Kong dollars.

10 Bank Loans

	Unaudited 30 June 2017 HK$'000	Audited 31 December 2016 HK$'000
Balance due for repayment within one year	**172,000**	204,000
Total bank loans	**172,000**	204,000

Notes:

(a) As at 30 June 2017, the Group had bank loans of HK$172,000,000 (31 December 2016: HK$204,000,000) denominated in Hong Kong dollars.

(b) The bank loans of the Group carried weighted average interest rates of 2.9% (31 December 2016: 2.8%) per annum.

(c) The Group's bank loan of HK$72,000,000 (31 December 2016: HK$84,000,000) 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 2016: 30 to 60 days). The ageing analysis of accounts payable by due date is as follows:

	Unaudited 30 June 2017 HK$'000	Audited 31 December 2016 HK$'000
Accounts payable		
Not yet due	**447,768**	396,017
1 to 30 days	**65,960**	59,539
31 to 60 days	**22,204**	25,567
61 to 90 days	**16,714**	16,022
Over 90 days	**30,520**	30,139
	583,166	527,284
Retention payables, other payables and accruals	**232,043**	226,084
	815,209	753,368

12 Share Capital

	Number of shares '000	Amount HK$'000
Issued and fully paid:		
Ordinary shares		
At 1 January 2017	350,544	35,055
Share issued upon exercise of options granted under the Share Option Scheme	4,786	479
Placing of shares	69,520	6,952
At 30 June 2017	**424,850**	**42,486**
Convertible preference shares		
At 1 January 2017	80,000	8,000
At 30 June 2017	**80,000**	**8,000**
Ordinary shares and convertible preference shares issued and fully paid		
At 30 June 2017	**504,850**	**50,486**
At 31 December 2016	430,544	43,055

The Company entered into a Placing Agreement on 12 May 2017, pursuant to which 69,520,000 new shares of the Company would be placed to independent investors at the placing price of HK$1.09 per share. The completion of placing took place on 13 June 2017.

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 Reporting Period.

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information of the Company for the Reporting Period 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. Kan Fook Yee and Mr. Wong Tsan Kwong. The Audit Committee together with the participation of the management and the Company's external auditor, PricewaterhouseCoopers, have reviewed the unaudited condensed consolidated interim financial information of the Company for the Reporting Period.

COMPLIANCE WITH THE 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 (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by the Directors. Having been made specific enquiry by the Company, all the Directors confirmed they have complied with the required standard set out in the Model Code throughout the Reporting Period.

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.

During the Reporting Period, the Company complied with all code provisions of the CG Code.

By order of the Board
Synergis Holdings Limited
Kingston Chu Chun Ho
Executive Director and Chairman

Hong Kong, 30 August 2017

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman) and Mr. Terence Leung Siu Cheong (Deputy Chairman and 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.