

CHAIRMAN'S STATEMENT



Professor WOO Chia Wei, Chairman

Dear Shareholders,

It gives me great pleasure to present the first annual results for Synergis and its subsidiaries (collectively, “Synergis” or the “Group”). The year ended 31st March 2004 (“FY2003/04”) has been a landmark year – not only in terms of financial performance but, more importantly, in terms of the long-term strategic growth of Synergis.

First and foremost is our new brand – Synergis “Total Management Solutions”

 SYNERGIS 新晶. This is more than just a nice visual identity and new name.  SYNERGIS 新晶

represents our promise to our stakeholders – that Synergis will shape the future of the property and facility management industries and create value by providing innovative and practical customised solutions that enrich quality of life, improve cost and operational effectiveness, provide peace of mind and contribute to sustainable growth. It is our brand platform and presents a powerful image of our value proposition to our clients.



To demonstrate our ability to shape the future of our industry, in October 2003, Synergis became the first and only property and facility management company listed on the Main Board of the Hong Kong Stock Exchange Limited ("Stock Exchange"). The listing brought Synergis to the forefront of the industry by providing our customers, our employees, our business partners and the communities we serve a more comprehensive view of our corporate governance, our management philosophy as well as our financial strength and wherewithal. The listing also allowed us to raise funds for the strategic investments in our technological infrastructure and business expansion in the Mainland of China.

As our financial performance indicates, we continue to be regarded as one of the leading property and facility management service providers in Hong Kong. Synergis achieved significant growth in both turnover and net profit for FY2003/04, primarily due to our ability to secure four large scale lump sum contracts from the Hong Kong Housing Authority ("Housing Authority") and maintaining high renewal rates for existing contracts. Turnover increased by 61.9% over the same period in 2003, to HK\$388.0 million. Operating profit increased by 33.0% to HK\$38.8 million. Net profit was HK\$31.6 million, an increase of 39.4% over the corresponding period of 2003, outperforming the HK\$29 million profit forecast contained in Synergis' prospectus for its initial public offering – an increase of 9.0%. Earnings per share increased by 16.8% to 11.1 HK cents. As a result, I am pleased to announce that the board of directors is recommending a final dividend of 3.0 HK cents per share. Together with the interim dividend of 2.0 HK cents, total dividends for the reported period will amount to 5.0 HK cents.

Chairman's Statement



With the successful listing and repositioning, Synergis has not only strengthened its market position in Hong Kong but also effectively set the stage for its expansion into the Mainland of China. Our strength lies in our ability, as an institution, to use our experience and operational expertise to consistently provide our customers with high quality services and, where appropriate, develop meaningful solutions to address their specific needs. Synergis' strategy in the Mainland of China therefore focuses on major cities – Beijing, Shanghai, Guangzhou and Shenzhen – and develops strategic relationships with partners and

clients who understand and value our management philosophy and systems.

Of course, Synergis owes much of its leadership position to our people – from our management team to all of our frontline employees. It is through their dedication and commitment that Synergis was recognised as the Overall Winner of the first **FAME (FAcility Management Establishment) Award 2003** of *The Hong Kong Institute of Facility Management* and was also named the **Best Property Management Company** for **10 consecutive years** (1994 to 2003), *Hong Kong Housing Authority*.

Satisfied staff produces satisfied customers. The quality and commitment of our people is the most important factor in sustaining our leadership position in the market. Synergis continuously provides training, development and recognition to allow our employees to develop to their fullest potential. It gives me great pride to note that Synergis was recognised as the "**Best Employers in**

Hong Kong 2003" as well as one of the top ten "**Best Employers in Asia 2003**" in the studies conducted by *Hewitt Associates*, in partnership with *Far Eastern Economic Review*, *the Asian Wall Street Journal*, *the Hong Kong Management Association* and *South China Morning Post Publishers Limited*. We are the **FIRST AND ONLY** property and facility management company in Asia to have won this latter award.



Chairman's Statement

FY2003/04 has been a remarkable and banner year for Synergis. Fueled by our strong financial position, impressive portfolio and proven track record, I am confident that Synergis will continue its leadership position by capturing new market opportunities while maintaining a high level of customer satisfaction.

On behalf of the board of directors, I would like to take this opportunity to express our gratitude to all our customers, suppliers, bankers, business associates and shareholders for their support. I would also like to thank our over 4,100 employees for their dedication and the outstanding efforts they have made over the years, without which our consistent and sustained performance would not be possible.



Professor Woo Chia Wei

Chairman