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SYNERGIS HOLDINGS LIMITED

新昌管理集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

**(1) INSIDE INFORMATION;
(2) APPOINTMENT OF EXECUTIVE DIRECTORS;
AND
(3) RESUMPTION OF TRADING**

INSIDE INFORMATION

On 25 March 2015, the ICAC executed search warrants at the head office of the Company and the location at which it provides property management services for Garden Vista. Dr. Fan and the Garden Vista site manager, a representative of the Company, were arrested on the same day by the ICAC. Both were subsequently released on bail and have not been charged. Dr. Fan and the relevant site manager have been suspended from their duties until further notice, but Dr. Fan will remain on the Board.

In addition, the Board constituted the Special Committee comprising all four INEDs and chaired by Mr. Kan Fook Yee to, amongst other things, review, as appropriate, the adequacy of internal procedures and related checks and balances in relation to the provision of property and facility management services of the Group and internal training programmes implemented by the Group in such procedures and legal/regulatory compliance.

The searches and arrests have not had any material adverse impact on the daily operations of the Group which have continued in the ordinary course, and the Board and the INEDs are not aware of any matter arising out of the searches and arrests that indicate or suggest that the Company or any of its subsidiaries or their operations will be materially impacted and therefore does not expect that the searches and arrests will have any material adverse impact on the financial position of the Group.

APPOINTMENT OF EXECUTIVE DIRECTORS

The Board has appointed Ms. Brenda Yau Shuk Mee (Chief Operating Officer of Synergis Management Services Limited) as an Executive Director of the Company and designated her as the acting Managing Director of the Company, and Mr. Terence Leung Siu Cheong (Managing Director of Interiors and Special Projects Division) as an Executive Director of the Company, with effect from 10 April 2015.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted at the request of the Company with effect from 1:00 p.m. on 25 March 2015 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 13 April 2015.

INSIDE INFORMATION

Synergis Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) announces that its head office and the location at which it provides property management services for Garden Vista have been attended by officers of the Independent Commission Against Corruption of Hong Kong (the “ICAC”) on 25 March 2015 to execute search warrants. In addition, the Company was informed that each of Dr. Fan Cheuk Hung, the Managing Director of the Company (“Dr. Fan”) and the Garden Vista site manager, a representative of the Company, were arrested on the same day by the ICAC. Dr. Fan and the site manager have informed the Company that each of them has been released on bail and have not been charged. So far as the Company is aware, no other director or employee of the Group was arrested on the same occasion or in relation to the same subject matter.

The Company has been informed that, the searches and arrests were related to an alleged offence or alleged offences under Section 9(1) of the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and section 159A of the Crimes Ordinance (Cap 200 of the Laws of Hong Kong) and that Dr. Fan and the site manager are suspected to have conspired to accept advantages as rewards for assisting the consultancy and renovation contractors to respectively secure the contracts in relation to a renovation project of Garden Vista.

With respect to the Group's provision of property management services to Garden Vista, the Company is not aware of any issue out of the ordinary course of business, apart from the renovation project that was the subject matter of the Company's announcements dated 8 July 2014 and 3 September 2014 (the "Renovation Project"). Save as disclosed above, the Company is unaware of the specific details behind the execution of the search warrants and/or the arrests. It will monitor developments closely and take legal advice as to the appropriate steps it should take going forward when more information comes to light.

After becoming aware of the arrests and searches, the Independent Non-executive Directors of the Company (the "INEDs") have required the records of the Group (including any additional reviews that have been conducted) in relation to the Renovation Project (including the process by which the Group assisted the incorporated owners of Garden Vista in managing the tender process by which third party service providers for the Renovation Project were chosen, and payment records of the Group in relation to the Renovation Project) be independently reviewed by senior personnel of the Group not involved in the Renovation Project. In this regard, the Company notes that all tender processes at properties/facilities managed by the Group are run by its designated site managers and other on-site staff, who are required to comply with the Group's internal procedures in relation to such processes. The INEDs and the Company's Executive Management Committee are satisfied that the tender process in relation to the Renovation Project has been conducted at the request of, in consultation and with the approval of the incorporated owners or (as the case may be) the owners committee of Garden Vista and in accordance with the requisite procedures, and that payments by the Group in relation to the Renovation Project have been properly supported and authorised.

In view of the circumstances, the board of directors of the Company (the "Board") (with the support of all the INEDs) has required that Dr. Fan takes leave and Dr. Fan and the relevant site manager have been suspended from their duties until further notice. However, given that Dr. Fan has been released on bail and no charges have been laid against him, and having regard to the Group's internal operations management structure and control (as described in this announcement), the Board (including the INEDs) is of the view that it is appropriate at this stage to retain Dr. Fan on the Board.

The Board has appointed Ms. Brenda Yau Shuk Mee (Chief Operating Officer of Synergis Management Services Limited) as an Executive Director of the Company and has designated her as the acting Managing Director of the Company, and Mr. Terence Leung Siu Cheong (Managing Director of Interiors and Special Projects Division) as an Executive Director of the Company, with effect from 10 April 2015. Further information regarding the new directors are set out below.

The Group continues to be managed by the Group's Executive Management Committee which comprises the Group's seasoned and professional management team, including the Chairman of the Company (Dr. Wilfred Wong Ying Wai), the acting Managing Director of the Company (Ms. Brenda Yau Shuk Mee), an Executive Director of the Company (Mr. Terence Leung Siu Cheong), the Chief Financial Officer of Hsin Chong Construction Group Ltd. (Mr. Thomas Pang Pui Yin), and the Deputy Managing Director of the Chinese Mainland business of the Group (Mr. Wilson Wong Siu Kwan). Meetings of the Company's Executive Management Committee are also attended by the senior finance manager, accounting manager, corporate communications manager, senior manager of human resources and the company secretary of the Group.

In addition, the Board constituted a special committee (the "Special Committee") comprising all four INEDs and chaired by Mr. Kan Fook Yee, the terms of reference of which includes the following:

- (1) to review, as appropriate, the adequacy of internal procedures and related checks and balances in relation to the provision of property and facility management services of the Group (including managing any tender processes for client properties or facilities) and internal training programmes implemented by the Group in such procedures and legal/regulatory compliance and to recommend measures to strengthen the procedures and/or training programmes as the Special Committee deems necessary;
- (2) to monitor the progress of investigations on the matters relating to the searches and arrests; and to consider the impact of any further developments on the operations and financial position of the Group and to recommend action to be taken by the Board;
- (3) where the Special Committee considers it appropriate, to appoint external legal counsel or other independent professional advisors (the "Advisors") (the terms of engagement and scope of work of which shall be determined and finalized by the Special Committee) to provide advice and assistance in conducting investigations, to review and comment on the findings and to consider the advice of the Advisors;

- (4) to authorise any further investigations that may be deemed necessary in the Special Committee's sole opinion; and
- (5) to report on any irregularities identified by the Advisors and from the results of any investigations to the Board as and when the Special Committee considers appropriate and to make recommendations to the Board on the action to be taken.

The Executive Management Committee will remain vigilant in monitoring developments and identifying areas of concern that may relate to this matter, and reporting its findings to the Special Committee.

The searches and arrests have not had any material adverse impact on the daily operations of the Group which have continued in the ordinary course. The Company further notes that the daily operations of the Group follow established procedures with clear delegation of authorities with robust internal control systems in place. The Group's internal control system requires, amongst other things, that all payments are processed and authorised by the Group's finance department and are subject to approval by various senior members of staff under delegation of authority guidelines.

In view of the review of records and the personnel arrangements described above and the internal control structures of the Group, the Board and the INEDs are not aware of any matter arising out of the searches and arrests that indicate or suggest that the Company or any of its subsidiaries or their operations will be materially impacted and therefore does not expect that the searches and arrests will have any material adverse impact on the financial position of the Group.

The Company notes that articles have been published in various local Chinese language newspapers regarding the arrests, and having reviewed and considered the articles, the Company confirms that it has nothing further to disclose on this matter.

APPOINTMENT OF EXECUTIVE DIRECTORS

The Board is pleased to announce that Ms. Brenda Yau Shuk Mee and Mr. Terence Leung Siu Cheong have been appointed as executive directors of the Company with effect from 10 April 2015. Ms. Brenda Yau Shuk Mee is also designated as the acting Managing Director of the Company.

Their biographical details are set out below.

Ms. Brenda Yau Shuk Mee (“Ms. Yau”)

Ms. Yau, aged 54, is the Chief Operating Officer of Synergis Management Services Limited and a member of the Executive Management Committee of the Group. She is also a director of each of the following subsidiaries of the Company: Laundrimate Service Limited, Master Clean Service Limited, Optimum Engineering Limited, S-Club Limited, SecurExpert Solutions Limited, Service Pro Limited, Synergis Facility Management Limited, Synergis Property Management Limited and Synergis Management Services Limited, 新昌物業服務(北京)有限公司 (Synergis Property Services (Beijing) Co., Ltd.*) and 新昌物業管理(深圳)有限公司 (Synergis Property Management (Shenzhen) Co., Ltd.*). Ms. Yau is responsible for (i) the overall supervision of the services contracts with the Hong Kong Housing Authority and The Link Management Limited; (ii) contract management of private residential properties; and (iii) the Group’s operations in procurement control and operation excellence. She holds a Bachelor of Housing Management degree from The University of Hong Kong. She is a Registered Professional Housing Manager registered under the Housing Managers Registration Board, a member of The Chartered Institute of Housing (Asian Pacific Branch), and a member of The Hong Kong Institute of Housing. Ms. Yau joined the Group in 2000 and has over 31 years of experience in property management and functional administration.

Mr. Terence Leung Siu Cheong (“Mr. Leung”)

Mr. Leung, aged 49, is the Managing Director of Hsin Chong Interiors (Hong Kong) Limited, Hsin Chong Construction (Engineering) Limited and Everich Construction (Macau) Limited and a director of 鐵嶺市星悅物業服務有限公司, all of which are subsidiaries of the Company. He is a member of the Executive Management Committee of the Group. He is also a member of the supervisory board of certain joint ventures of the Group. Mr. Leung is responsible for the business development and project monitoring of all addition and alteration works, renovation works, fitting-out works, conservation and revitalisation works, and special projects. He is a member of the Hong Kong Institution of Engineers and a registered professional engineer. Before joining the Group, Mr. Leung was a senior management of Hsin Chong Construction Group Ltd., the holding company of the Group, where he established and coordinated the interiors and special projects division. He has over 27 years of experience in project planning & monitoring, building construction and coordination, cost control, renovation and fitting-out works.

Save as disclosed above, Ms. Yau and Mr. Leung do not hold any other position with the Company and other members of the Group, do not hold any other major appointment, and did not hold any directorship in any other public listed company in the last three years. Neither Ms. Yau nor Mr. Leung have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Ms. Yau holds 720,000 options granted under the share option scheme of the Company and Mr. Leung holds 1,200,000 options granted under the share option scheme of the Company. Save as disclosed, Ms. Yau and Mr. Leung do not have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Under their respective service agreements with the Company:

- (a) both Ms. Yau and Mr. Leung are appointed as an executive director of the Company for a term of 3 years commencing from 10 April 2015. They will hold office until the 2015 annual general meeting of the Company, at which they will be eligible for re-election. Thereafter, they will be subject to retirement by rotation and re-election at least once every three years at annual general meetings pursuant to the bye-laws of the Company; and
- (b) (i) Ms. Yau, as an executive director of the Company, is entitled to an annual Director's fee of HK\$150,000 and a monthly remuneration of HK\$110,250, plus a management bonus commensurate with her performance and subject to the discretion of the Board; and
- (ii) Mr. Leung, as an executive director of the Company, is entitled to an annual Director's fee of HK\$150,000 and a monthly remuneration of HK\$183,000, plus a management bonus commensurate with his performance and subject to the discretion of the Board.

The above remunerations are determined with reference to their respective duties and responsibilities in the Company, the Company's remuneration policy and the prevailing market situation (subject to review by the Remuneration Committee and Nomination Committee and the Board from time to time).

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) nor are there any other matters that need to be brought to the attention of the shareholders of the Company in respect of the appointment of Ms. Yau and Mr. Leung as executive directors of the Company.

The Board would like to express its warmest welcome to Ms. Yau and Mr. Leung on their appointments to the Board.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted at the request of the Company with effect from 1:00 p.m. on 25 March 2015 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 13 April 2015.

By order of the Board of
Synergis Holdings Limited
Wilfred Wong Ying Wai
Chairman

Hong Kong, 10 April 2015

As at the date of this announcement, the Board comprises Dr. Wilfred Wong Ying Wai (Chairman), Dr. Fan Cheuk Hung, Ms. Brenda Yau Shuk Mee (acting Managing Director) and Mr. Terence Leung Siu Cheong 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 purpose only*