

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Synergis Holdings Limited**, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee, or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**SYNERGIS**  
**SYNERGIS HOLDINGS LIMITED**  
**昇捷控股有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 02340)**

**CONTINUING CONNECTED TRANSACTIONS**  
**AND**  
**NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to**  
**the Independent Board Committee and the Independent Shareholders**  
**ALTUS CAPITAL LIMITED**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 12 of this circular and a letter from the Independent Board Committee is set out on pages 13 to 14 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

A notice convening the SGM to be held at 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Friday, 18 May 2018 at 10:30 a.m. is set out on pages 30 to 31 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish.

24 April 2018

<b>CONTENTS</b>
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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	13
<b>LETTER FROM ALTUS CAPITAL</b> .....	15
<b>APPENDIX — GENERAL INFORMATION</b> .....	25
<b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	30

## DEFINITIONS

*In this circular, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this circular, those defined terms are not included in the table below:*

“Annual Caps”	the annual caps for the transactions contemplated under the ISP Works Master Agreement for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019;
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Company”	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 2340);
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Convertible Preference Shares”	the unlisted restricted voting convertible preference shares of the Company of HK\$0.10 each;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent board committee of the Board, comprising all of the Independent Non-executive Directors, namely Mr. Kan Fook Yee, Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen, which has been formed for the purpose of advising the Independent Shareholders as to the terms of the ISP Works Master Agreement and the proposed Annual Caps in relation to the ISP Works;

## DEFINITIONS

“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a licensed corporation which is licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the ISP Works Master Agreement and the Annual Caps;
“Independent Shareholders”	the Shareholders other than Mrs. Chu and her associates;
“Independent Third Parties”	individuals who are or companies which are independent of and not connected (within the meaning of the Listing Rules) with the Company and its connected person;
“ISP Works”	works relating to interiors and special projects including (i) alteration and addition works, and demolition works relating and incidental to such alteration and addition works; (ii) renovation and conservation works; (iii) fitting-out works for commercial projects; (iv) commercial, residential, retail and institutional special buildings projects; (v) maintenance work; (vi) construction work; (vii) planning and design; (viii) project management and consultancy; (ix) curtain wall; and (x) sourcing services;
“ISP Works Master Agreement”	the agreement entered into between Mrs. Chu and the Company on 29 March 2018 in connection with the provision of the ISP Works by the Group to Mrs. Chu and/or her associates;
“Latest Practicable Date”	20 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Mr. Chu”	Mr. Kingston Chu Chun Ho, the Executive Director and the Chairman and the son of Mrs. Chu;
“Mrs. Chu”	Mrs. Chu Yuet Wah, the controlling shareholder of the Company and the mother of Mr. Chu;

## DEFINITIONS

“PRC”	the People’s Republic of China which for the purpose of this circular shall exclude Hong Kong and Macau;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the ISP Works Master Agreement and the transactions contemplated thereunder (including the Annual Caps);
“Shareholder(s)”	holder(s) of ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



**SYNERGIS**  
**SYNERGIS HOLDINGS LIMITED**  
**昇捷控股有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 02340)**

*Executive Directors:*

Mr. Kingston Chu Chun Ho (*Chairman*)  
Mr. Terence Leung Siu Cheong  
(*Deputy Chairman and Managing Director*)

*Independent Non-executive Directors:*

Mr. Kan Fook Yee  
Mr. Lau Man Tak  
Mr. Eric Lee Hon Man  
Dr. Wong Yun Kuen

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Principal Place*

*of Business in Hong Kong:*  
7th Floor  
Linkchart Centre  
2 Tai Yip Street  
Kwun Tong, Kowloon  
Hong Kong

24 April 2018

*To the Shareholders,*

Dear Sir or Madam

**CONTINUING CONNECTED TRANSACTIONS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 29 March 2018 in respect of the ISP Works Master Agreement.

The purpose of this circular is to:

- (i) provide the Shareholders with details of the ISP Works Master Agreement and the transactions contemplated thereunder together with the Annual Caps;
- (ii) set out the opinion of the Independent Financial Adviser in respect of the terms of the ISP Works Master Agreement and the Annual Caps;

## LETTER FROM THE BOARD

- (iii) set out the recommendation of the Independent Board Committee in respect of the terms of ISP Works Master Agreement and the transactions contemplated thereunder together with the Annual Caps; and
- (iv) give you notice of the SGM to consider and, if thought fit, to approve the terms of the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps.

### THE ISP WORKS MASTER AGREEMENT

- Date:** 29 March 2018
- Parties:** (1) the Company  
(2) Mrs. Chu
- Term:** from the period commencing on 1 June 2018 and ending on 31 December 2019
- Types of services:** the provision of the ISP Works by the Group to Mrs. Chu and/or her associates
- Individual contract:** for each engagement, Mrs. Chu and/or her associates will enter into an individual contract with the relevant member(s) of the Group which will set out the service fees and the terms and conditions in respect of the engagement subject to the terms of the ISP Works Master Agreement. The terms of each individual contract will be determined (a) in the usual and ordinary course of business of the Group and on normal commercial terms (as defined in the Listing Rules) at rates no more favourable than those provided to the customers who are Independent Third Parties; and (b) comply with all applicable provisions of the Listing Rules.
- Condition:** the ISP Works Master Agreement is conditional on the Independent Shareholders of the Company having approved the terms of the ISP Works Master Agreement (including the Annual Caps) at the SGM.

### Pricing Basis

As a general principle, the prices and terms of the ISP Works transactions shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis and at prices and on terms no more favourable than those provided to the Independent Third Parties of the Group.

## LETTER FROM THE BOARD

The prices and terms of the engagement under the ISP Works Master Agreement submitted to Mrs. Chu and/or her associates for the provision of ISP Works will be subject to a standard and systematic procedure maintained by the Group, which applies to tenders or quotations of work orders to be submitted to both connected persons and Independent Third Parties, in order to ensure that the prices and terms of the proposed ISP Works submitted by the Group to Mrs. Chu and/or her associates are no more favourable than those submitted to Independent Third Parties.

The standard and systematic procedure mainly involves:

- (i) planning to produce necessary information to precise pricing by the manager;
- (ii) pricing to build up precise and competitive cost for the works described in the tender documents by the commercial team. All labour intensive portion of the ISP Works are sub-contracted by the Group to outside contractors which are Independent Third Parties. In determining the price for the ISP Works transactions, the Group will obtain and review quotations from its pool of sub-contractors and compare them with the prices maintained in its in-house computer database obtained from sub-contractors for the Group's previous jobs. Such information will assist the Group in conducting quantitative analysis between quotations obtained from sub-contractors.

The price that the Group will charge Mrs. Chu and/or her associates will be such sub-contracting costs plus a premium at a rate determined on a case by case basis. Factors that the Group will take into account when determining the premium include the nature, complexity, location and duration of the ISP Works to be provided, the capacity of the Group at the time the ISP Works are required to be performed, the margin for comparable ISP Works in the market, the background of the ultimate employer of the project and the time incurred by the management and commercial team of the Group and the operating expenses incurred in relation to the performance of the ISP Works.

The Group will also review and compare previous prices submitted to both connected persons and Independent Third Parties to ensure the tender price to be submitted to Mrs. Chu and/or her associates is not more favourable than those submitted to Independent Third Parties. For instance, the Group will consider the factors that were taken into account in setting the premium for previous tenders to ensure the premium that the Group will charge in the tender price to be submitted to Mrs. Chu and/or her associates is in line with historic precedents for Independent Third Parties;

- (iii) in preparing and assessing the engagement, the commercial team will take into account factors including the technical requirements, quantity specifications, expected completion time, customer's expectations and the possible risk factors associated with the project. The Group will then perform site inspection, formulate a tentative program and conduct quantitative costs analysis and risk assessment. The commercial team of the Company will examine the terms and conditions provided by the Group to ensure the same are in line with normal market practices and standard terms no less favourable to the Company than those available to Independent Third Parties;



## LETTER FROM THE BOARD

- (iv) an engagement analysis report, which sets out, among others, the proposed prices for the ISP Works to be offered by the Group to Mrs. Chu and/or her associates and the prices of similar works offered by the Group to Independent Third Parties, will be prepared by the commercial team and submitted either to the tender committee or to managing director of interiors and special project (the “ISP”) segment for approval, depending on whether the Group is invited to provide ISP Works by tender or work order. Members of the tender committee comprise the then (a) managing director of the ISP segment; (b) sole director of the commercial team; (c) employee in charge of the specific tender; and (d) head of the quality assurance department, in the case of connected transactions. All the members shall be independent from Mrs. Chu and/or her associates. In the case of tender submission, the tender committee will conduct tender review meeting, when required, to review the details of the proposed prices including the potential project costs estimate and any potential margin, and determine whether or not the price (including the pricing structure) should be modified having regard to various factors including the specification of the project, the potential risks associated with the projects, general business environment and the perceived competitiveness of the price. In the case of submission of quotation for work orders, the managing director will review the details with commercial director. Throughout the process, the Company will treat Mrs. Chu and/or her associates and other Independent Third Parties equally, and the transactions will be negotiated on an arm’s length basis, with reference to the market information gathered. When the amount involved in the engagement exceeds HK\$100 million, which the Group considers to be material having regards to the historical value of contracts involving the provision of ISP Works to Independent Third Parties in 2016 and 2017, the tender committee has to obtain approval from the Executive Committee, the members of which consist of Executive Directors and two senior management members of the Company. Mr. Chu, being a member of the Executive Committee, shall abstain from discussing and voting on any resolutions in respect of quotation to be submitted to Mrs. Chu and/or her associates; and
- (v) the directors and management of the Group will closely monitor the procedures in the preparation of the engagement, so as to ensure that the pricing policies are strictly followed. The Independent Non-executive Directors will also review the transactions contemplated under the ISP Works Master Agreement every year pursuant to the requirements under the Listing Rules.

### Annual Caps

The proposed Annual Caps under the ISP Works Master Agreement for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 are as follows:

<b>Period/Year</b>	<b>Annual Caps</b> <i>HK\$ million</i>
1/6/2018–31/12/2018	350
1/1/2019–31/12/2019	150

## LETTER FROM THE BOARD

The Annual Caps were determined with reference to (a) the expected fees to be paid by Mrs. Chu and/or her associates based on the current rates charged by the Group to Independent Third Parties for similar ISP Works; and (b) the expected demand for the ISP Works by Mrs. Chu and/or her associates.

In March 2018, the Group submitted a tender, subject to the approval of the ISP Works Master Agreement and the relevant Annual Caps by the Independent Shareholders, for the provision of ISP Works of approximately HK\$200 million to Mrs. Chu and/or her associates (the “**First Project**”). The relevant tender was prepared in accordance with the pricing basis and the procedures set out in the paragraph headed “Pricing Basis” above.

Subject to the approval of the ISP Works Master Agreement and the relevant Annual Caps by the Independent Shareholders, it is expected that the Group will submit another tender to Mrs. Chu and/or her associates for the provision of ISP Works of contract value of approximately HK\$120 million (the “**Second Project**”). As at the Latest Practicable Date, no formal timetable has been provided and no formal tender has been submitted with respect to the Second Project.

The Annual Cap for the six month ending 31 December 2018 has taken into account the values of the First Project and the Second Project with a buffer of HK\$30 million to allow for potential change in the scope of work and costs fluctuations.

The Annual Cap for the year ending 31 December 2019 has taken into account the estimated value of the Second Project with a buffer of HK\$30 million to allow for potential change in the scope of work and costs fluctuations.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE ISP WORKS MASTER AGREEMENT**

The principal businesses of the Group are the provision of property management and facility management services, and the ISP business in Hong Kong, the PRC and Macau.

Mrs. Chu and her associates are principally engaged in (among others) the investment in, and development, operation and management of, property development in Hong Kong. In connection with the property development portfolio, it is expected that Mrs. Chu and/or her associates will invite contractors to submit tenders or quotations for work orders for ISP Works from time to time.

The Group possesses the required qualifications and experience in ISP Works. To allow for the Group to submit tenders or quotations for work orders for ISP Works provided to Mrs. Chu and/or her associates as part of its ordinary and usual course of business, the Company entered into the ISP Works Master Agreement.

The Board (excluding Mr. Chu and including the Independent Non-executive Directors who will form an opinion after considering the recommendation from the Independent Financial Adviser) consider that the terms of the ISP Works Master Agreement (including the Annual Caps) and the transactions contemplated thereunder are (i) in the ordinary and usual

## LETTER FROM THE BOARD

course of business of the Group; (ii) on normal commercial terms on arm's length basis or on terms no more favourable than terms available to Independent Third Parties; (iii) fair and reasonable; and (iv) in the interest of the Company and the Shareholders as a whole.

### **INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS**

In addition to an annual review of the Group's continuing connected transactions by external auditors and Independent Non-executive Directors under the Listing Rules, the Quality Assurance Department of the Group ("QA") also performs internal review and control over the connected transactions or continuing connected transactions ("CTs/CCTs"). In particular, upon receipt of the draft tender submissions from the commercial team, the QA executes the following work to ensure that the pricing of each CT/CCT is no more favourable than that provided to Independent Third Parties:

- (i) reviews the contracts of CTs/CCTs to be entered into between the Company and connected persons by checking the standard margin percentage for various ISP Works charged by the Group to Independent Third Parties. If the proposed margin exceeds the standard margin percentage, then the QA will require an explanation from the commercial team who prepares the tender on the additional factors (including for example, complexity of work and business environment) that were taken into account when preparing the tender;
- (ii) supervises the performance of review procedures prior to signing of the contracts considered to be CTs/CCTs as well as the proper performance of the transactions contemplated thereunder with reference to the ISP Works Master Agreement;
- (iii) regularly inspects specific terms of the Company's transactions with connected persons and comparing them with the terms of the same type of transactions of the Company entered into with Independent Third Parties;
- (iv) ensures that the pricing and other contract terms for the Group's CTs/CCTs are on normal commercial terms; and
- (v) ensures that the CTs/CCTs have been conducted in accordance with the terms of the governing contracts and in compliance with the laws and regulations.

The Finance Department of the Group is responsible for monitoring the annual caps. The Finance Department prepares quarterly CCT annual caps utilization reports for the Board's review at Board meeting. When the utilization percentage exceeds 50% or the aggregated amounts of the CCTs incurred and to be incurred for a financial year are expected to reach the annual caps as a result of submission of one single tender with a substantial amount, the Finance Department and the Company Secretarial Department will notify and follow up with the management of the Company. If situation arises where an amendment to the annual caps is required, the management shall report and propose the new annual caps to the Board to ensure compliance of the requirements under the Listing Rules.

## **LETTER FROM THE BOARD**

Having considered (i) the consistent application of the pricing mechanism to transactions contemplated under the ISP Works Master Agreement and ISP Works provided to Independent Third Parties; (ii) additional requirement of the participation of the QA (which is responsible for the various internal control measures of the Group) in the tender process; and (iii) the checks and balances under the internal control measures set out above, the Directors consider that the methods and procedures can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Mrs. Chu is the controlling shareholder of the Company, and hence a connected person of the Company. The transactions contemplated under the ISP Works Master Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As all the applicable percentage ratio (other than the profits ratio) on an annual basis calculated with reference to the Annual Caps are more than 5%, the ISP Works Master Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the announcement, reporting, annual review and the Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

### **GENERAL**

As Mr. Chu, who is an Executive Director and the Chairman, is the son of Mrs. Chu, he is considered to be interested in the ISP Works Master Agreement. He has abstained from voting on the relevant resolution passed by the Board to approve the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps. Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on, the Board resolution in relation to the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps.

### **SGM**

Set out on pages 30 to 31 is a notice convening the SGM to be held at 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Friday, 18 May 2018 at 10:30 a.m. at which a resolution will be proposed to consider and, if thought fit, to approve the terms of the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps.

Any Shareholder with a material interest in the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps and his/her/its associate(s) is (are) required to abstain from voting on the resolution approving the same.

## **LETTER FROM THE BOARD**

As at the Latest Practicable Date, Champ Key Holdings Limited (“**Champ Key**”) (a company wholly owned by Mrs. Chu) holds 225,518,633 Shares, representing approximately 53.08% of the total number of Shares in issue, will abstain from voting on the resolution to approve the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps at the SGM.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, except as disclosed above, there are no other Shareholders who have a material interest in the ISP Works Master Agreement. As such, no other Shareholders will be required to abstain from voting on the resolution approving the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps.

A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying proxy form in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing the proxy shall be deemed to have been revoked. Voting on the proposed resolution at the SGM will be taken by poll.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising the Independent Non-executive Directors, namely Mr. Kan Fook Yee, Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen, has been formed to advise the Independent Shareholders in respect of the terms and the proposed Annual Caps of the ISP Works Master Agreement.

Altus Capital has been appointed as the Independent Financial Adviser for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms and the proposed Annual Caps of the ISP Works Master Agreement.

### **RECOMMENDATION**

The Board (excluding Mr. Chu and including the Independent Board Committee, after considering the opinion and advice of the Independent Financial Adviser) considers that the ISP Works Master Agreement and the Annual Caps of the transactions contemplated thereunder are fair and reasonable, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the ISP Works Master Agreement and the Annual Caps of the transactions contemplated thereunder.

## LETTER FROM THE BOARD

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 13 to 14 of this circular. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

Your attention is also drawn to the appendix of this circular.

Yours faithfully,  
For and on behalf of the Board  
**Synergis Holdings Limited**  
**Kingston Chu Chun Ho**  
*Chairman*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the ISP Works Master Agreement and the transactions contemplated thereunder.*



### SYNERGIS SYNERGIS HOLDINGS LIMITED

昇捷控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 02340)**

24 April 2018

*To the Independent Shareholders,*

Dear Sir or Madam

#### CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 24 April 2018 (the “Circular”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter have the same meanings as given to them in the section headed “Definitions” of the Circular.

We have been appointed by the Board as the Independent Board Committee to advise you on the terms of the ISP Works Master Agreement and the transactions contemplated thereunder together with the Annual Caps. Altus Capital has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 15 to 24 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the ISP Works Master Agreement and the transactions contemplated thereunder together with the Annual Caps, and taking into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the entering into of the ISP Works Master Agreement is in the ordinary and usual course of business of the Company and in the interests of the Group and the Shareholders as a whole, and the terms of the ISP Works Master Agreement and the transactions contemplated thereunder together with the Annual Caps are on

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We therefore recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the terms of the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps.

Yours faithfully,

Independent Board Committee

<b>Mr. Kan Fook Yee</b>	<b>Mr. Lau Man Tak</b>
<b>Mr. Eric Lee Hon Man</b>	<b>Dr. Wong Yun Kuen</b>
<i>Independent Non-executive Directors</i>	



## LETTER FROM ALTUS CAPITAL

*The following is the text of a letter of advice from, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the continuing connected transactions, which has been prepared for the purpose of incorporation in this circular.*

# ALTUS.

**Altus Capital Limited**  
21 Wing Wo Street  
Central, Hong Kong

24 April 2018

*To the Independent Board Committee and  
the Independent Shareholders*

Synergis Holdings Limited  
7th Floor, Linkchart Centre  
2 Tai Yip Street  
Kwun Tong  
Kowloon, Hong Kong

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the ISP Works Master Agreement and the transactions contemplated thereunder (including the Annual Caps). Details of the terms of the ISP Works Master Agreement (including the Annual Caps) are set out in the “Letter from the Board” contained in the circular of the Company dated 24 April 2018 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein or required by the context requires.

On 29 March 2018, the Company and Mrs. Chu entered into the ISP Works Master Agreement whereby Mrs. Chu and/or her associates may from time to time engage the Group for the provision of ISP Works on a non-exclusive basis from the period commencing on 1 June 2018 and ending on 31 December 2019.

## LETTER FROM ALTUS CAPITAL

### **LISTING RULES IMPLICATION**

As at the Latest Practicable Date, Mrs. Chu is the controlling shareholder of the Company, and hence a connected person of the Company. The transactions contemplated under the ISP Works Master Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As all the applicable percentage ratio (other than the profits ratio) on an annual basis calculated with reference to the Annual Caps are more than 5.0%, the ISP Works Master Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the announcement, reporting, annual review and the Independent Shareholders' approval requirements under Rule 14A of the Listing Rules.

As at the Latest Practicable Date, Mr. Chu, the son of Mrs. Chu, is an executive Director and the chairman and is considered to be interested in the ISP Works Master Agreement. He has abstained from voting on the relevant resolution passed by the Board to approve the ISP Works Master Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on, the Board resolution in relation to the ISP Works Master Agreement and the transactions contemplated thereunder.

### **Parties to abstain from voting at the SGM**

As at the Latest Practicable Date, Champ Key (a company wholly owned by Mrs. Chu) holds 225,518,633 Shares, representing approximately 53.08% of the total number of Shares in issue, will abstain from voting on the resolution to approve the ISP Works Master Agreement, the transactions contemplated thereunder and the Annual Caps at the SGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, except as disclosed above, there are no other Shareholders who have a material interest in the ISP Works Master Agreement. As such, no other Shareholders will be required to abstain from voting on the resolution approving the ISP Works Master Agreement and the Annual Caps.

### **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising the independent non-executive Directors, namely Mr. Kan Fook Yee, Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen, has been established to advise the Independent Shareholders in respect of the terms and the proposed Annual Caps of the ISP Works Master Agreement as to (i) whether the entering into of the ISP Works Master Agreement is in the ordinary and usual course of business of the Group, and in the interests of the Group and the Shareholders as a whole; (ii) whether the terms of the ISP Works Master Agreement are on normal commercial terms, and are fair and reasonable as far as the Independent Shareholders are concerned; (iii) whether the proposed Annual Caps for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 respectively are fair and reasonable; and (iv) how the Independent

## LETTER FROM ALTUS CAPITAL

Shareholders should vote in respect of the resolution to be proposed at the SGM to approve the continuing connected transactions contemplated under the ISP Works Master Agreement including the proposed Annual Caps.

### THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to them as to the Independent Board Committee and the Independent Shareholders (i) whether the entering into of the ISP Works Master Agreement is in the ordinary and usual course of business of the Group, and in the interests of the Group and the Shareholders as a whole; (ii) whether the terms and conditions of the ISP Works Master Agreement are on normal commercial terms, and are fair and reasonable as far as the Independent Shareholders are concerned; (iii) whether the proposed Annual Caps for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 respectively are fair and reasonable; and (iv) how the Independent Shareholders should vote in respect of the resolution to be proposed at the SGM to approve the continuing connected transactions contemplated under the ISP Works Master Agreement including the proposed Annual Caps.

We have not acted in any capacity for the Company's other transactions or its related parties in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the transactions contemplated under the ISP Works Master Agreement including the proposed Annual Caps is at market level and not conditional upon successful passing of the resolution to be proposed at the SGM, and our engagement is on normal commercial terms, we are independent of the Company.

### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the ISP Works Master Agreement; (ii) the annual report of the Company for the year ended 31 December 2015 (“**2015 Annual Report**”); (iii) the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”); (iv) the annual results announcement of the Company for the year ended 31 December 2017 (the “**2017 Annual Results Announcement**”); and (v) other information as set out in the Circular.

We have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of the SGM. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

## LETTER FROM ALTUS CAPITAL

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group. The Company will notify the Shareholders of any material change after the Latest Practicable Date and after the despatch of the Circular.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our recommendation, we have considered the principal factors and reasons set out below:

#### **1. Background of the Group and Mrs. Chu and her associates**

The Company is an investment holding company principally engaged in the provision of property and facility management business and the interiors and special projects business in Hong Kong, the PRC and Macau.

Mrs. Chu and/or her associates are principally engaged in, amongst other, the investment in, and development, operation and management of, property development in Hong Kong. In connection with the property development portfolio, Mrs. Chu and her associates may invite contractors (including the Group) to submit tenders for ISP Works from time to time.

#### **2. Reasons for and benefits of entering into the ISP Works Master Agreement**

As mentioned above, incidental to their property development portfolio, Mrs. Chu and/or her associates may from time to time invite contractors (including the Group) to submit tenders or quotations for work orders for ISP Works. The Group possesses the required qualification and experience in ISP Works. As part of the Group's ordinary and usual course of business, it is expected that the Group may participate in future tenders of Mrs. Chu and/or her associates in respect of ISP Works. As such, the Directors proposed to enter the ISP Works Master Agreement and seek approval from the Independent Shareholders to ensure compliance with Chapter 14A of the Listing Rules whilst facilitating the undertaking of ISP Works should the Group be awarded contracts by Mrs. Chu and/or her associates.

In this regard, we note that provision of ISP Works has been a substantial revenue contributor for the Group. In particular, revenue contribution from the provision of ISP Works respectively accounted for approximately 68.9%, 70.6% and 66.5% of the Group's revenue for the three years ended 31 December 2017 according to the 2015 Annual Report, 2016 Annual Report and 2017 Annual Results Announcement respectively. Further, as detailed under the section headed "3. Principal terms of the ISP Works Master

## LETTER FROM ALTUS CAPITAL

Agreement” in this letter, Mrs. Chu and/or her associates will enter into individual contracts with relevant members of the Group upon successful tender for each project whereby service fees and relevant terms and conditions are to be determined in the usual and ordinary course of business of the Group and on normal commercial terms (as defined in the Listing Rules) at the rates no more favourable than those provided to the customers who are Independent Third Parties. Please refer to the following section for our analysis in this respect. Moreover, we understand from the Management that it is common practice for ISP Works to be awarded via a tender process whereby specifications such as scope of work and timetable will be applicable to all bidders. The Group, as potential bidder, has no control over such details.

In view of the above, we are of the view that the ISP Works Master Agreement will afford the Group with business flexibility as it enables the Group to capture opportunities that may become available to members of the Group by participating in the tenders issued by Mrs. Chu and/or her associates from time to time whilst ensuring compliance with the requirements of Chapter 14A of the Listing Rules. As such, we concur with the Directors view that the transactions contemplated under the ISP Works Master Agreement to be consistent with the commercial objectives of the Group in that it is part of its ordinary and usual course of business and is in the interests of the Company and the Shareholders as a whole.

### **3. Principal terms of the ISP Works Master Agreement**

The principal terms of the ISP Works Master Agreement are as follows. Please refer to the “Letter of from the Board” set out in the Circular for further details.

Basis for the provision of services: For each engagement, Mrs. Chu and/or her associates will enter into an individual contract with the relevant member(s) of the Group which will set out the service fees and terms and conditions in respect of the engagement subject to the terms of the ISP Works Master Agreement, and such terms will be determined, among other things, the following:

- (a) in the usual and ordinary course of business of the Group and on normal commercial terms (as defined in the Listing Rules) at the rates no more favourable than those provided to the customers who are Independent Third Parties; and
- (b) comply with all applicable provisions of the Listing Rules.

## LETTER FROM ALTUS CAPITAL

We note from the ISP Works Master Agreement had no commitment imposed on the Group and that it provides that the transactions contemplated thereunder must be on normal commercial terms at the rates no more favourable than those provided to the customers who are Independent Third Parties. In this regard, as mentioned in the section headed “2. Reasons for and benefits of entering into the ISP Works Master Agreement” above, we understand that given the nature of ISP Work, it is often the case that project specifications vary on a case-by-case basis. As such the proposed terms (including the price) for each tender would reflect the specific circumstances as well as the latest competitive landscape at the time of the tender submission. Given this, we concur with the Management that it is commercially impractical to have specific pricing terms stipulated in the ISP Works Master Agreement.

In order to adhere to the abovementioned term, the Group intends to prepare the tendering documents relating to Mrs. Chu and/or her associates in accordance with its usual pricing policies and procedures established for the provision of ISP Works to Independent Third Parties, details of which are set out in the “Letter from the Board” in the Circular and are further elaborated in the section headed “4. Tender procedures and pricing policies” in this letter. As such, we concur with the Directors that the terms and conditions of the ISP Works Master Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **4. Tender procedures and pricing policies**

We note that the price and terms of the tenders to be submitted to Mrs. Chu and/or her associates are subject to the standard and systematic tender procedures maintained by the Group, which applies to work orders from or tenders to be submitted to both connected persons and Independent Third Parties, in order to ensure that the prices and terms of the proposed ISP Works submitted by the Group to Mrs. Chu and/or her associates are no more favourable than those submitted to Independent Third Parties. Please refer to the section headed “Pricing Basis” in the “Letter from the Board” of the Circular for details.

In addition, the Group will crosscheck whether the price and premium to be submitted to Mrs. Chu and/or her associates are in line with historic precedents for Independent Third Parties. Moreover, the commercial team will submit an engagement analysis report either to the tender committee or the managing director of the ISP segment for approval as set out in the “Letter from the Board”. We noted that the tender committee comprises the managing director of ISP segment, the sole director of the commercial team, employee in charge of the specific tender, and head of the quality assurance department in the case of connected transactions (all independent from Mrs. Chu and her associates), with both the sole director of the commercial team and the managing director of ISP segment each having about 30 years of experience in the construction industry.

As an additional safeguard, if the transaction amount exceeds HK\$100 million, which the Group considers to be material with reference to the historical value of contracts involving the provision of ISP Works to Independent Third Parties in 2016 to

## LETTER FROM ALTUS CAPITAL

2017, the tender committee has to obtain approval from the Executive Committee. The Executive Committee consists of the two executive Directors, a managing director and the finance director of the Group. Further, for transactions contemplated under the ISP Works Master Agreement, and if the amount requires Executive Committee to review, Mr. Chu shall abstain from discussing and voting on resolutions in respect of quotation to be submitted to Mrs. Chu and/or her associates. In other words, members of the Executive Committee considering transactions contemplated under the ISP Works Master Agreement will all be independent from Mrs. Chu and her associates. Further, based on our independent research, we note that such tender procedures are comparable to those adopted by companies listed on the Stock Exchange engaged in similar nature of business.

As aforementioned, given the nature of ISP Works, it is our understanding that project specifications may vary on a case-by-case basis, and therefore the proposed terms (including the price) for each tender would reflect accordingly the specific circumstances as well as the latest competitive landscape at the time of the tender submission. In view of this, we are in agreement with the Management that strict adherence to the existing mechanism of examining the terms and conditions provided by the Group to ensure the same are in line with normal market practices and standard terms no less favourable to the Company than those available to Independent Third Parties, will be sufficient to ensure the transactions under ISP Works Master Agreement are on normal commercial terms.

In addition, we have obtained documentation with regards to the tender submission to Mrs. Chu and/or her associates (being Project A as defined in the section headed “5. Proposed Annual Caps under the ISP Works Master Agreement”) and tender submission to Independent Third Parties and noted that Project A went through the same internal control procedures and adopted the same pricing policies. Based on the foregoing analysis and taking into consideration that any proposed quotation for the ISP Works to be offered by the Group to Mrs. Chu and/or her associates will be submitted together with a comparable pricing analysis for similar works offered to Independent Third Parties, to the tender committee for approval, we are of the view that the Company adopted the same internal control procedures and pricing policies regardless the identity of the employer (i.e. Independent Third Parties or connected persons).

### **5. Proposed Annual Caps under the ISP Works Master Agreement**

Under the ISP Works Master Agreement, the proposed Annual Caps for the total expected value of the ISP Works transactions for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 are as follows:

<b>Period/Year</b>	<b>Annual Caps</b> <i>HK\$ million</i>
1/6/2018–31/12/2018	350
1/1/2019–31/12/2019	150

## LETTER FROM ALTUS CAPITAL

With reference to the “Letter from the Board” of this Circular, we note that the Annual Caps are determined with reference to:

- (a) the expected fees to be paid by Mrs. Chu and/or her associates based on the current rates charged by the Group to Independent Third Parties for similar ISP Works; and
- (b) the expected demand of Mrs. Chu and/or her associates for the ISP Works.

In particular, we understand from the Management that the Annual Caps are determined with reference to two potential ISP Works contracts with the expected contract value of approximately HK\$200 million (“**Project A**”) and HK\$120 million (“**Project B**”), based on latest discussion with Mrs. Chu and/or her associates with the remaining balance being the Group’s allowance for certain flexibility to cater for potential additions on scope of work as is customary in its line of business and/or potential costs increases. In this regard, we noted that the Company had submitted its tender for Project A in March 2018 and the amount allocated for Project A in the Annual Caps corresponds with the contract sum and time schedule set out in the relevant tender submission. We also noted from our review that the tender submission for Project A was prepared subject to the internal control procedures set out in the “Letter of the Board” of the Circular. Please refer to our analysis set out under the section headed “4. Tender procedures and pricing policies” in this letter for further details.

As to Project B, we understand from the Management that the final schedule of such contract has yet to be released as at the date of this letter. As previously mentioned, as a potential bidder, the Group has no control over such matter. As such, for the purpose of Annual Caps determination, the Management has accounted the possibility that such potential contract could be awarded to the Group for the period from 1 June 2018 to 31 December 2018 as well as the year ending 31 December 2019. As mentioned in the section headed “2. Reasons for and benefits of entering into the ISP Works Master Agreement” in this letter, the entering into the ISP Works Master Agreement affords the Group with business flexibility. On this basis, we are of the view that the Management’s approach of accounting the maximum potential contract which the Group may successfully be awarded for when deriving the proposed Annual Caps to be reasonable. Accordingly, the Annual Cap for the period from 1 June 2018 to 31 December 2018 is estimated to be the aggregate value of potential Projects A and B with the aforementioned allowance for potential change in scope of work and/or costs fluctuations, while the Annual Cap for the year ending 31 December 2019 is estimated to be the value of potential Project B with the aforementioned allowance for potential change in scope of work and/or costs fluctuations.

For Project B, based on our discussion with and the information furnished by the Management, we noted the Annual Caps are determined with reference to (i) the gross floor area; (ii) the maximum plot ratio; (iii) the type of works to be involved; (iv) the estimated total construction costs based on the Group’s previous jobs and prevailing market rates; and (v) expected premium to be applied based on prevailing market conditions and historical rates charged to Independent Third Parties. Given the tender



## LETTER FROM ALTUS CAPITAL

terms of each project have yet to be available, it is noted that such contract values are best estimates of the Management based on latest available information for the purpose of estimating the Annual Caps and detailed costs estimation will be undertaken according to the procedures set out in the section headed “4. Tender procedures and pricing policies” in this letter. To further assess the fairness and reasonableness of the Annual Caps, we also noted (i) the costs estimations adopted by the Group are generally in line with the historical cost of previous projects and the publically available market data in respect of ISP Works costs; and (ii) the premium adopted is within the range of historical record of recent previous projects of similar scale. It should also be noted that the Group will only participate in the tender as and when the tendering process for Project B is open after having assessed the commercial viability of the terms and conditions set out in the tender. Further, we understand from the Management if at any time, the Group estimates that the relevant Annual Cap would be exceeded, or where one or more projects duration may extend beyond the term of the ISP Works Master Agreement, the Group will take steps as appropriate to ensure compliance with the requirements under the applicable Listing Rules.

In view of the foregoing analysis, we consider the proposed Annual Caps under the ISP Works Master Agreement for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 to be fair and reasonable so far as the Independent Shareholders are concerned.

### **6. Internal control measures on continuing connected transactions**

The Group has adopted internal control measures and policies in respect of continuing connected transactions to provide an effective framework for corporate governance and risk management and monitoring all continuing connected transactions of the Group. Detailed internal control measures on continuing connected transactions are set out in the paragraph headed “Internal control measures for the continuing connected transactions” in the “Letter from the Board” of the Circular.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors are required to review the Group’s continuing connected transactions annually and confirm in the Company’s annual report that they have been (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Group’s shareholders as a whole. In compliance with the Listing Rules, the Company engages auditors to report on the Group’s continuing connected transactions every year.

Apart from internal control measures required by the Listing Rules, we noted from the Management that there is a Quality Assurance Department, which performs internal review and control in the Group to ensure that the pricing is fair and reasonable. Moreover, we noted that the Finance Department and the Company Secretarial Department will follow up forthwith the Management to handle necessary amendment to the Annual Caps to ensure compliance with the Listing Rules.

## LETTER FROM ALTUS CAPITAL

Given the above, we consider that there exist appropriate procedures and arrangements to ensure that the transactions contemplated under the ISP Works Master Agreement will be conducted on terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole; and on normal commercial terms and in the ordinary and usual courses of business of the Group.

### RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the entering into of the ISP Works Master Agreement is in the ordinary and usual course of business of the Group, and in the interests of the Group and the Shareholders as a whole; (ii) the terms and conditions of the ISP Works Master Agreement are on normal commercial terms, and are fair and reasonable as far as the Independent Shareholders are concerned; and (iii) the proposed Annual Caps for the period from 1 June 2018 to 31 December 2018 and the year ending 31 December 2019 respectively are fair and reasonable.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution approving the ISP Works Master Agreement and the transactions contemplated thereunder (including the Annual Caps) at the SGM.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**  
**Charlotte Khoo**  
*Assistant Director*

*Ms. Charlotte Khoo (“Ms. Khoo”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Ms. Khoo has over 6 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) entered into the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules were as follows:

#### *Long Positions in the Shares and Underlying Shares of the Company*

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of interests in the total number of issued shares (Note)
Kan Fook Yee	Beneficial owner	200,000	—	200,000	0.05%

*Note:*

There were 424,850,000 Shares of the Company in issue at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company was interested in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of

Part XV of the SFO) which had been notified to the Company and the Stock Exchange or as recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Directors' interests in competing business**

As at the Latest Practicable Date, save as disclosed below, none of the Directors or their respective close associates were interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group:

Name of Director	Name of company	Nature of business	Nature of interests
Terence Leung Siu Cheong	新昌營造建築有限公司(Hsin Chong Construction Co. Ltd.*) (a wholly foreign owned enterprise in the PRC)	Building construction and civil engineering	Being the legal representative and a director of Hsin Chong Construction Co. Ltd.*

*Note:*

Although Terence Leung Siu Cheong has competing interests in Hsin Chong Construction Co. Ltd.\* by virtue of his common directorship, the Directors consider that such competition, if any, is neither significant nor material to the Group as a whole. Furthermore, Terence Leung Siu Cheong will fulfill his fiduciary duties in order to ensure that he will act in the best interest of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

**(c) Save as disclosed above, as at the Latest Practicable Date,**

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2017, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting as at the date of this circular and which is significant in relation to the business of the Group.

\* for identification purposes only

**(d) Substantial Shareholder Interests**

As at the Latest Practicable Date, so far as was known to, or can be ascertained after reasonable enquiry by the Directors or chief executive of the Company, the following person (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company:

***Long Positions in the Shares and Underlying Shares of the Company******(a) Ordinary Shares***

<b>Name of Shareholders</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Approximate percentage of interests in the total number of issued shares (Note (ii))</b>
Mrs. Chu	Interest of controlled corporation	225,518,633 (Note (i))	53.08%
Champ Key	Beneficial owner	225,518,633	53.08%

*Notes:*

- (i) Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.
- (ii) There were 424,850,000 Shares of the Company in issue at the Latest Practicable Date.

*(b) Convertible Preference Shares*

Name of Shareholders	Capacity	Number of Convertible Preference Shares held	Approximate percentage of interests in the total number of issued shares <i>(Note (ii))</i>
Mrs. Chu	Interest of controlled corporation	80,000,000 <i>(Note (i))</i>	100%
Champ Key	Beneficial owner	80,000,000	100%

*Notes:*

- (i) Champ Key is a company wholly-owned by Mrs. Chu.
- (ii) There were 80,000,000 Convertible Preference Shares of the Company in issue at the Latest Practicable Date, convertible into 80,000,000 Shares.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, (i) no other person (other than a Director or chief executive of the Company) had, or was taken or deemed to have; and (ii) none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries or associated companies, excluding contracts expiring within one year without payment of compensation other than statutory compensation.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up.

## 5. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice which is contained in this circular is as follows:

Name	Qualification
Altus Capital	a licensed corporation which is licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO

Altus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the Independent Financial Adviser was not interested in any Shares or share in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any asset which had been, since 31 December 2017, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 6. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

## 7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of each of the ISP Works Master Agreement, the consent letter from the expert as described in the paragraph headed “Qualification and consent of expert” and the letter from the Independent Financial Adviser will be available for inspection during normal business hours between 10:00 a.m. to 5:00 p.m. on any business day at the head office and principal place of business of the Company in Hong Kong at 7th Floor, Linkchart Centre, 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong from the date of this circular up to and including the date of the SGM.

**NOTICE OF SPECIAL GENERAL MEETING**



**SYNERGIS  
SYNERGIS HOLDINGS LIMITED**

**昇捷控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 02340)**

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**Meeting**”) of Synergis Holdings Limited (the “**Company**”) will be held at 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Friday, 18 May 2018 at 10:30 a.m. for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolution. Unless otherwise indicated, capitalized terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 24 April 2018 of which this notice convening the Meeting forms part.

**ORDINARY RESOLUTION**

**“THAT**

- (a) the ISP Works Master Agreement, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder, be and are hereby confirmed and approved;
- (b) the Annual Caps under the ISP Works Master Agreement be and are hereby approved; and
- (c) any one Director of the Company, or any two Directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the ISP Works Master Agreement.”

By order of the Board  
**Synergis Holdings Limited**  
**Eric Chan Kwong Leung**  
*Company Secretary*



## NOTICE OF SPECIAL GENERAL MEETING

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Principal Place  
of Business in Hong Kong:*  
7th Floor, Linkchart Centre  
2 Tai Yip Street  
Kwun Tong, Kowloon  
Hong Kong

*Notes:*

1. The resolution to be considered at the special general meeting will be determined by poll. On voting by poll, each member shall have one vote for each share held in the Company.
2. Any member of the Company entitled to attend and vote at the special general meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him. A proxy needs not be a member of the Company.
3. Where there are joint holders of any share, any one of such persons may vote at the special general meeting either personally or by proxy or by attorney, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy or by attorney, then that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy or an attorney and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, shall be deposited at the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the special general meeting or any adjourned meeting thereof. Delivery of an instrument appointing a proxy or a power of attorney shall not preclude a member of the Company from attending and voting in person at the special general meeting or any adjourned meeting, and in such event, the instrument appointing a proxy or power of attorney shall be deemed to be revoked.
5. As at the date of this notice, the Executive Directors of the Company are Mr. Kingston Chu Chun Ho (Chairman) and Mr. Terence Leung Siu Cheong (Deputy Chairman and Managing Director); and the Independent Non-executive Directors are Mr. Kan Fook Yee, Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen.