

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

Champ Key Holdings Limited
(incorporated in the British Virgin Islands with limited liability)

 **SYNERGIS 新昌**
total management solutions 整全管理
SYNERGIS HOLDINGS LIMITED
新昌管理集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 02340)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF AN AGGREGATE OF APPROXIMATELY
64.38% SHAREHOLDING INTEREST IN SYNERGIS
HOLDINGS LIMITED AND CONVERTIBLE PREFERENCE
SHARES BY CHAMP KEY HOLDINGS LIMITED
AND**

(2) MANDATORY UNCONDITIONAL CASH OFFERS BY



KINGSTON SECURITIES

**FOR AND ON BEHALF OF CHAMP KEY HOLDINGS
LIMITED FOR ALL THE ISSUED SHARES IN
SYNERGIS HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED
AND/OR AGREED TO BE ACQUIRED BY
CHAMP KEY HOLDINGS LIMITED)
AND FOR THE CANCELLATION OF ALL OUTSTANDING
OPTIONS OF
SYNERGIS HOLDINGS LIMITED;
AND
(3) RESUMPTION OF TRADING IN THE SHARES**

Financial adviser to the Offeror



KINGSTON CORPORATE FINANCE

* For identification purposes only

THE ACQUISITIONS

The Company was notified of the Acquisitions, details of which are set out as below. On 18 November 2016, the Offeror (a) acquired 55,000,000 Shares from Vendor I, representing approximately 15.80% of the Shares in issue as at the date of this joint announcement (or approximately 12.85% of the Shares in issue as enlarged by the full conversion of CPSs), at a total consideration of HK\$61,600,000 (equivalent to HK\$1.12 per Share); and (b) entered into the SPA with Vendor II, being an indirect wholly-owned subsidiary of Hsin Chong, for the acquisition of 169,116,777 Shares, representing approximately 48.58% of the Shares in issue as at the date of this joint announcement (or approximately 39.51% of the Shares in issue as enlarged by the full conversion of CPSs) and the 80,000,000 CPSs convertible into 80,000,000 Shares (representing approximately 18.69% of the Shares in issue as enlarged by the full conversion of CPSs) at an aggregate consideration of HK\$279,010,790 (equivalent to approximately HK\$1.12 per Share, assuming all CPSs are converted into new Shares). The Company was notified of the entering into of the SPA on 18 November 2016 (after trading hours).

Completion of both Acquisitions took place on 21 November 2016.

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to the completion of the Acquisitions, (a) Vendor I held 57,846,436 Shares, representing approximately 16.62% of the Shares in issue as at the date of this joint announcement; and (b) Vendor II held 169,116,777 Shares, representing approximately 48.58% of the Shares in issue as at the date of this joint announcement, and 80,000,000 CPSs convertible into 80,000,000 Shares. All of the Shares and CPSs then owned by Vendor II were charged to Kingston Finance which is a company ultimately controlled by Mrs. Chu, being the sole shareholder and director of the Offeror, to secure a loan facility granted by Kingston Finance to Hsin Chong. Mrs. Chu, Kingston Finance and other related companies were therefore deemed under Part XV of the SFO to be interested in 169,116,777 Shares and 80,000,000 CPSs prior to the signing of the SPA. The charges of such securities have been released on 18 November 2016. Save for the aforesaid, immediately prior to the Acquisitions, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. The Company has been notified by Vendor I that the 2,846,436 Shares not sold to the Offeror have been sold on 21 November 2016 to a third party that is not a Director, a Shareholder, or the Offeror or parties acting in concert with the Offeror.

Following the completion of the Acquisitions and as at the date of this joint announcement, (a) the Offeror and parties acting in concert with it owned an aggregate of 224,116,777 Shares and 80,000,000 CPSs convertible into 80,000,000 Shares, representing approximately 64.38% of the Shares in issue (assuming none of the CPSs is converted) or approximately 71.04% of the Shares in issue as enlarged by the full conversion of the CPSs; and (b) Vendor I and Vendor II are no longer interested in any securities of the Company.

As at the date of this joint announcement, the Company has 348,086,000 Shares and 80,000,000 CPSs in issue and 7,244,000 Options outstanding. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following the completion of the Acquisitions, the Offeror and parties acting in concert with it are required to make mandatory unconditional cash offers for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror) and to cancel all outstanding Options. As all CPSs are held by the Offeror as at the date of this joint announcement, no comparable offer will be made in respect of the CPSs.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

The Share Offer

The Share Offer Price of HK\$1.12 for each Share under the Share Offer is approximately equal to but not lower than the price per Sale Share acquired by the Offeror under the Acquisitions. Hence the Share Offer will be made on the following terms:

For each Offer Share HK\$1.12 in cash

The Option Offer

As at the date of this joint announcement, the Company had 7,244,000 Options outstanding, of which the subscription rights attached to (a) 6,814,000 Options may be exercised at an exercise price of HK\$0.952 for each Share; (b) 330,000 Options may be exercised at HK\$0.86 for each Share; and (c) 100,000 Options may be exercised at HK\$0.85 for each Share respectively. In light of the aforesaid, the Option Offer will be made on the following terms:

For cancellation of each outstanding Option:

- Options with an exercise price of HK\$0.952 each. HK\$0.168 in cash
- Options with an exercise price of HK\$0.86 each HK\$0.260 in cash
- Options with an exercise price of HK\$0.85 each HK\$0.270 in cash

The principal terms of the Offers are set out under the section headed “Mandatory Unconditional Cash Offers” in this joint announcement.

CONFIRMATION OF FINANCIAL RESOURCES

Kingston Corporate Finance, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable in respect of the full acceptance of the Offers as described above.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, to be comprising all the independent non-executive Directors namely Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To, each of whom has no direct or indirect interest in the Offers other than their respective holding of the Options, will be formed in due course for the purpose of advising the Independent Shareholders and the Option Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offers. Further announcement(s) will be made as soon as practicable when the Independent Board Committee is constituted and the independent financial adviser to the Independent Board Committee is appointed.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a Composite Document. The Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders about the Offers, the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offers will be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement (or such later date as the Executive may approve) pursuant to Rule 8.2 of the Takeovers Code.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 November 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 December 2016.

WARNING

Shareholders, Option Holders and potential investors should note that the Independent Board Committee which has not yet been constituted as of the date of this joint announcement has yet to consider and evaluate the Offers or the terms thereof. Insofar as the Company is concerned, this joint announcement is made in compliance with the Takeovers Code for the sole purpose of informing Shareholders of the fact that the Company has been informed that the Offers will be made. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement and strongly recommend the Shareholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser to be appointed by the Independent Board Committee.

Shareholders, Option Holders and potential investors of the Company should exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

(A) THE ACQUISITIONS

The Company was notified of the Acquisitions, details of which are set out as below. On 18 November 2016, the Offeror (a) acquired 55,000,000 Shares from Vendor I by way of bought and sold notes, representing approximately 15.80% of the Shares in issue as at the date of this joint announcement (or approximately 12.85% of the Shares in issue as enlarged by the full conversion of the CPSs), at a total consideration of HK\$61,600,000 (equivalent to HK\$1.12 per Share); and (b) entered into the SPA with Vendor II, being an indirect wholly-owned subsidiary of Hsin Chong, for the acquisition of 169,116,777 Shares, representing approximately 48.58% of the Shares in issue as at the date of this joint announcement (or approximately 39.51% of the Shares in issue as enlarged by the full conversion of the CPSs) and the 80,000,000 CPSs convertible into 80,000,000 Shares (representing approximately 18.69% of the Shares in issue as enlarged by the full conversion of the CPSs) at an aggregate consideration of HK\$279,010,790 (equivalent to approximately HK\$1.12 per Share, assuming all CPSs are converted into new Shares). The Company was notified of the entering into of the SPA on 18 November 2016 (after trading hours).

Completion of both Acquisitions took place on 21 November 2016.

As at the date of the SPA, the Company had a total of 348,086,000 Shares and 80,000,000 CPSs in issue and 7,244,000 Options outstanding. Save as aforesaid, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Further information and principal terms of the SPA are set out as follows:

Date:

18 November 2016 (after trading hours)

Parties involved:

- a. the Vendor II: Smart Lane Holdings Limited (as seller), a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Hsin Chong; and
- b. the Offeror: Champ Key Holdings Limited (as purchaser), whose details are set out below under the paragraph headed “Information on the Offeror” in this joint announcement.

Sale and purchase of Sale Shares II and CPSs and consideration

Pursuant to the SPA, the Offeror has agreed to purchase and Vendor II has agreed to sell the Sale Shares II and CPSs at a total consideration of HK\$279,010,790, equivalent to approximately HK\$1.12 per Sale Share, on the basis that all of the 80,000,000 outstanding CPSs be converted into 80,000,000 new Shares. Sale Shares II represented approximately 48.58% of the Shares in issue as at the date of this joint announcement, assuming none of the CPSs is converted. In the event that all CPSs are converted at the prevailing exercise price, the aggregate number of Sale Shares II and the new Shares falling to be issued on the conversion of the CPSs will be 249,116,777 Shares, representing approximately 58.19% of the enlarged Shares then in issue. The consideration was determined after arm’s length negotiations between the Offeror and Vendor II and having taken into account the net asset value of the Group and recent market prices of the Shares.

Completion of the SPA

The SPA is unconditional. Pursuant to the SPA, completion of the SPA is to take place on the date of the SPA or such other day as agreed between the parties to the SPA.

Completion of the SPA took place on 21 November 2016. The consideration for the SPA has been settled by the Offeror’s own financial resources.

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to the completion of the Acquisitions, (a) Vendor I held 57,846,436 Shares, representing approximately 16.62% of the Shares in issue as at the date of this joint announcement; and (b) Vendor II held 169,116,777 Shares, representing approximately 48.58% of the Shares in issue as at the date of this joint announcement and 80,000,000 CPSs convertible into 80,000,000 Shares. All of the Shares and CPSs then owned by Vendor II were charged to Kingston Finance which is a company ultimately controlled by Mrs. Chu, being the sole shareholder and director of the Offeror, to secure a loan facility granted by Kingston Finance to Hsin Chong. Mrs. Chu, Kingston Finance and other related companies were therefore deemed under Part XV of the SFO to be interested in 169,116,777 Shares and 80,000,000 CPSs prior to the signing of the SPA. The charges of such securities have been released on 18 November 2016. Save for the aforesaid, immediately prior to the Acquisitions, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. The Company has been notified by Vendor I that the 2,846,436 Shares not sold to the Offeror have been sold on 21 November 2016 to a third party that is not a Director, a Shareholder, or the Offeror or parties acting in concert with the Offeror.

Following the completion of the Acquisitions and as at the date of this joint announcement, (a) the Offeror and parties acting in concert with it owned an aggregate of 224,116,777 Shares and 80,000,000 CPSs convertible into 80,000,000 Shares, representing approximately 64.38% of the Shares in issue (assuming none of the CPSs is converted) or approximately 71.04% of the Shares in issue as enlarged by the full conversion of the CPSs; and (b) Vendor I and Vendor II are no longer interested in any securities of the Company.

As at the date of this joint announcement, the Company has 348,086,000 Shares and 80,000,000 CPSs in issue and 7,244,000 Options outstanding. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following the completion of the Acquisitions, the Offeror and parties acting in concert with it are required to make mandatory unconditional cash offers for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror) and to cancel all outstanding Options. As all CPSs are held by the Offeror as at the date of this joint announcement, no comparable offer will be made in respect of the CPSs.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

The Share Offer

The Share Offer Price of HK\$1.12 for each Share under the Share Offer is approximately equal to but not lower than the price per Sale Share acquired by the Offeror under the Acquisitions. Hence the Share Offer will be made on the following terms:

For each Offer Share HK\$1.12 in cash

The Option Offer

As at the date of this joint announcement, the Company had 7,244,000 Options outstanding, of which the subscription rights attached to (a) 6,814,000 Options may be exercised at an exercise price of HK\$0.952 for each Share; (b) 330,000 Options may be exercised at an exercise price of HK\$0.86 for each Share; and (c) 100,000 Options may be exercised at an exercise price of HK\$0.85 for each Share respectively. In light of the aforesaid, the Option Offer will be made on the following terms:

For cancellation of each outstanding Options:

- Options with an exercise price of HK\$0.952 eachHK\$0.168 in cash
- Options with an exercise price of HK\$0.86 eachHK\$0.260 in cash
- Options with an exercise price of HK\$0.85 eachHK\$0.270 in cash

Comparison of value

The Offer Price of HK\$1.12 per Offer Share represents:

- (i) a discount of approximately 30.00% to the closing price of HK\$1.600 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 24.22% to the average closing price of HK\$1.478 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 27.88% to the average closing price of approximately HK\$1.553 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 17.34% to the average closing price of approximately HK\$1.355 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 35.43% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.827 per Share as at 30 June 2016 calculated based on the information as set out in the 2016 interim report of the Company.

Highest and lowest closing prices of Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the Offer Period from 30 May 2016 to 29 November 2016 are HK\$1.75 per Share on 9 November 2016 and HK\$1.07 per Share on 14 September 2016 and 15 September 2016, respectively.

Total value of the Offers

Assuming that there is no other change in the issued share capital of the Company and all the CPSs are not converted (save for such changes as mentioned below) and that up to the close of the Offers:

- (i) none of the outstanding Options (which carry rights to subscribe for up to 7,244,000 Shares) are exercised prior to the close of the Offers, there will be 348,086,000 Shares in issue and 7,244,000 Options outstanding upon the close of the Offers, a total of 123,969,223 Shares will be subject to the Share Offer and 7,244,000 Options will be subject to the Option Offer; or
- (ii) all of the outstanding Options (which carry rights to subscribe for up to 7,244,000 Shares) are exercised in full prior to the close of the Offers, there will be 355,330,000 Shares in issue and a total of 131,213,223 Shares will be subject to the Share Offer and nil Option will be subject to the Option Offer.

Under Scenario (i) above, on the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Share Offer and the Option Offer will be HK\$138,845,529.76 and HK\$1,257,552.00 respectively, amounting to a total of HK\$140,103,081.76.

Under Scenario (ii) above, on the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer will be HK\$146,958,809.76.

Close of Offer Period

The Offeror will not extend the offer period for the Offers beyond 21 days following the despatch of the Composite Document, unless otherwise required by the Takeovers Code or other regulations.

Financial resources

The Offeror has financed and settled the consideration for the Acquisitions by its own financial resources and will also finance the consideration for the full acceptance of the Offers by its own financial resources.

Kingston Corporate Finance, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable in respect of the full acceptance of the Offers.

Effect of accepting the Offers

The Offers are unconditional in all respects. By validly accepting the Share Offer, Shareholders would sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of the posting of the Composite Document.

By validly accepting the Option Offer, Option Holders would agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, that is, the date of the posting of the Composite Document.

Acceptance of the Offers by any Shareholders or Option Holders (as the case may be) will be deemed to constitute a warranty by such person that all Shares or Options sold by such person under the Offers are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offers are made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but within seven (7) Business Days following the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Shares or the Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render each such acceptance of any of the Share Offer and the Option Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offers will be rounded up to the nearest cent.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, would be deducted from the amount payable to Shareholders who accept the Share Offer. The Offeror would bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, and would be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Overseas Shareholders and Option Holders

As the Offers to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, overseas Shareholders and Option Holders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers. It is the responsibility of the overseas Shareholders and Option Holders who wish to accept the Share Offer and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any overseas Shareholders and Option Holders will be deemed to constitute a representation and warranty from such overseas Shareholders and Option Holders to the Offeror that the local laws and requirements have been complied with. The overseas Shareholders and Option Holders should consult their professional advisers if in doubt. Shareholders and/or Option Holders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

Shareholders and Option Holders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror or the Company accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Other arrangements

During the six months immediately prior to the start of the Offer Period and ending on the date of this joint announcement, apart from Kingston Finance, a company in which Mrs. Chu is the controlling shareholder having taken charge of the 169,116,777 Shares and 80,000,000 CPSs held by Vendor II (the then controlling shareholder of the Company prior to the completion of the SPA) to secure repayment obligation for a loan facility granted by Kingston Finance to Hsin Chong, the Offeror, Mrs. Chu and parties acting in concert with any of them have not dealt in nor do they have any Shares, Options, derivatives, warrants or other securities convertible into Shares. Mrs. Chu is the sole shareholder and director of the Offeror.

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares and CPSs, none of the Offeror, Mrs. Chu and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares, Options, derivatives, warrants or other securities convertible into Shares;
- (ii) none of the Offeror, Mrs. Chu and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offers;
- (iii) save for the acquisition of 80,000,000 CPSs under the SPA, there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, Mrs. Chu or any person acting in concert with any of them;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (v) there is no agreement or arrangement to which the Offeror, Mrs. Chu and/or parties acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (vi) none of the Offeror, Mrs. Chu and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (vii) there is no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any person acting in concert with it and any of the Directors, recent directors of the Company, Shareholders, or recent shareholders of the Company (including Vendor I and Vendor II) having any connection with or dependence upon the Offers.

Effect of completion of the Acquisitions on the shareholding structure of the Company

As at the date of this joint announcement, the Company has 80,000,000 CPSs outstanding. Set out below are the shareholding structure of the Company (i) as at the Last Trading Day and immediately before completion of the Acquisitions; and (ii) immediately upon completion of the Acquisitions and as at the date of this joint announcement, assuming that (A) no outstanding Options are exercised; and (B) all outstanding Options are exercised:

Assuming none of the 80,000,000 CPSs held by the Offeror are converted:

	As at the Last Trading Day and immediately before completion of the Acquisitions		Immediately upon completion of the Acquisitions and as at the date of this joint announcement assuming that			
			(A) no outstanding Options are exercised		(B) all outstanding Options are exercised	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
The Offeror and parties acting in concert with it	–	–	224,116,777	64.38	224,116,777	63.07
Vendor I (Note 2)	57,846,436	16.62	–	–	–	–
Vendor II (Note 3)	169,116,777	48.58	–	–	–	–
Wilfred Wong Ying Wai (Note 4)	10,152,000	2.92	10,152,000	2.92	10,152,000	2.86
Directors						
– Terence Leung Siu Cheong (Note 5)	–	–	–	–	900,000	0.26
– Stephen Ip Shu Kwan (Note 6)	–	–	–	–	400,000	0.11
– Kan Fook Yee (Note 6)	–	–	–	–	300,000	0.08
– Wong Tsan Kwong (Note 6)	–	–	–	–	100,000	0.03
– David Yu Hon To (Note 6)	–	–	–	–	100,000	0.03
Sub-total of Directors:	–	–	–	–	1,800,000	0.51
Other public Shareholders	110,970,787	31.88	113,817,223	32.70	119,261,223	33.56
	<u>348,086,000</u>	<u>100.00</u>	<u>348,086,000</u>	<u>100.00</u>	<u>355,330,000</u>	<u>100.00</u>

Assuming all of the 80,000,000 CPSs held by the Offeror are converted after completion of the Acquisitions:

	As at the Last Trading Day and immediately before completion of the Acquisitions		Immediately upon completion of the Acquisitions and as at the date of this joint announcement, assuming that all CPSs are converted and			
			A) no outstanding options are exercised		B) all outstanding options are exercised	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
The Offeror and parties acting in concert with it (Note 1)	–	–	304,116,777	71.04	304,116,777	69.86
Vendor I (Note 2)	57,846,436	16.62	–	–	–	–
Vendor II (Note 3)	169,116,777	48.58	–	–	–	–
Wilfred Wong Ying Wai (Note 4)	10,152,000	2.92	10,152,000	2.37	10,152,000	2.33
Directors						
– Terence Leung Siu Cheong (Note 5)	–	–	–	–	900,000	0.21
– Stephen Ip Shu Kwan (Note 6)	–	–	–	–	400,000	0.09
– Kan Fook Yee (Note 6)	–	–	–	–	300,000	0.07
– Wong Tsan Kwong (Note 6)	–	–	–	–	100,000	0.02
– David Yu Hon To (Note 6)	–	–	–	–	100,000	0.02
Sub-total of Directors	–	–	–	–	1,800,000	0.41
Other public Shareholders	110,970,787	31.88	113,817,223	26.59	119,261,223	27.40
	<u>348,086,000</u>	<u>100.00</u>	<u>428,086,000</u>	<u>100.00</u>	<u>435,330,000</u>	<u>100.00</u>

Notes:

- As of the date of this joint announcement, the Offeror and parties acting in concert with it hold 224,116,777 Shares and 80,000,000 CPSs.
- Vendor I is owned as to 50% by Dr. Wilfred Wong Ying Wai and 50% by Ms. Ma Kwing, Pony. The Company has been notified by Vendor I that the 2,846,436 Shares not sold to the Offeror have been sold on 21 November 2016 to a third party that is not a Director, a Shareholder, or the Offeror or parties acting in concert with the Offeror.
- Vendor II is wholly-owned by Hsin Chong.
- Dr. Wilfred Wong Ying Wai was a former director of the Company who resigned as a director on 11 December 2015.
- An executive Director. The number of Shares set out opposite to his name represents the underlying Shares issuable upon exercise in full of the Options held by Mr. Terence Leung Siu Cheong.
- An independent non-executive Director. The number of Shares set out opposite to their respective names represents the underlying Shares issuable upon exercise in full of the Options held by each of these Directors respectively.

Information on the Offeror

The Offeror was incorporated in the British Virgin Islands with limited liability on 5 October 2016. The Offeror is an investment holding company and, save for the Acquisitions, it had not carried on any business since its incorporation. As at the date of this joint announcement, the Offeror is wholly owned by Mrs. Chu, who is also the sole director of the Offeror.

The biography of Mrs. Chu is set out below:

Mrs. Chu Yuet Wah, aged 58, is a reputable and experienced businesswoman with over 20 years of experience in the financial services industry and 35 years of experience in property investments in Hong Kong and overseas. Mrs. Chu has also been appointed as the Vice Chairman of The Institute of Securities Dealers and Vice Chairman of Hong Kong Securities Professionals Association. Moreover, she is a Member of National Committee of Chinese People's Political Consultative Conference, Permanent Member of the Friends of Hong Kong Association, Founder and Honorary Chairman of The Chamber of Hong Kong Listed Companies, Chairman (2015–16) and Advisory Board Member (2016–17) of Po Leung Kuk, Standing Chairman of Federation of Hong Kong Guangdong Community Organisations, Chairman of the Hong Kong Federation of Dongguan Associations, Chairman of Aplichau Promotion of Tourism Association, Chairman of The Aplichau KaiFong Welfare Association, Honorary President of Hong Kong Army Cades Association, Honorary President of Hong Kong New Arrivals Services Foundation Limited, Honorary Vice President of Hong Kong Girl Guides Association and Director of Sun Yat-Sen University Advisory Board. She received an Honorary Ph.D. degree in Business Management from York University, the United States and holds a Bachelor's degree in Management degree from Golden Gate University, the United States. Mrs. Chu is currently the chief executive officer and an executive director of Kingston Financial Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1031), and the chairman and an executive director of Sincere Watch (Hong Kong) Limited, a company whose shares are listed on the Main Board of Stock Exchange (stock code: 444).

The Offeror and Mrs. Chu are third parties independent of, and not acting in concert with, either Vendor I or Vendor II.

Information of the Group and Intention of the Offeror regarding the Group

The principal business of the Group is the provision of property management and facility management services, ISP business and ancillary business in Hong Kong, Mainland China and Macau.

The Offeror intends to continue the existing principal activities of the Group. Following completion of the Offers, the Offeror will conduct a review on the business operations and financial position of the Group for the purpose of formulating suitable business plans and strategies for the future business development of the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider acquisition of assets and/or business by the Group in order to enhance its financial performance as well as value to the Shareholders in the long run. As at the date of this joint announcement, the Offeror has no concrete plan for any acquisition or disposal of the existing assets or business of the Group.

Proposed change of board composition of the Company

As at the date of this joint announcement, the Board is made up of seven Directors, comprising three executive Directors, namely Ir. Joseph Choi Kin Hung, Mr. Terence Leung Siu Cheong and Mr. Lui Chun Pong, and four independent non-executive Directors, namely Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To.

As at the date of the joint announcement, save for Ir. Joseph Choi Kin Hung and Mr. Lui Chun Pong who have indicated that they intend to resign following the close of the Offers, all other existing Directors intend to remain as Directors after the close of the Offers. The Offeror intends to nominate new directors to the Board. Pursuant to the terms of SPA, Vendor II shall use its reasonable endeavours to cause such persons as the Offeror may nominate to be appointed as Directors and such appointment(s) shall be effective on a date to be determined by the Offeror and/or such effective date shall be the earliest date permitted under the Takeovers Code. Further announcement(s) will be made on any proposed change of the composition of the board of directors of the Company.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

Public float and maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

The Offeror and the new Directors to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. In this connection, in the event that the public float fell below 25% upon close of the Offers, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the Listing Rules can be met within a period of 90 days from the date immediately following the close of the Share Offer (or such other period as agreed between the Offeror and the placing agent, if one is to be engaged by the Offeror). Appropriate announcement(s) will be made in this regard as and when appropriate in compliance with the Listing Rules.

WARNING

Shareholders, Option Holders and potential investors should note that the Independent Board Committee which has not yet been constituted as of the date of this joint announcement has yet to consider and evaluate the Offers or the terms thereof. Insofar as the Company is concerned, this joint announcement is made in compliance with the Takeovers Code for the sole purpose of informing Shareholders of the fact that the Company has been informed that the Offers will be made. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement and strongly recommend the Shareholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser to be appointed by the Independent Board Committee.

Shareholders, Option Holders and potential investors of the Company should exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

GENERAL

Independent Board Committee and independent financial adviser

An Independent Board Committee, to be comprising all the independent non-executive Directors namely Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To, each of whom has no direct or indirect interest in the Offers other than their respective holding of the Options as set out above in the section headed “Effect of completion of the Acquisitions on the shareholding structure of the Company”, will be formed in due course in order to advise the Independent Shareholders and the Option Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offers.

Further announcement(s) will be made when the Independent Board Committee is formed and an independent financial adviser to the Independent Board Committee is appointed.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Offeror and the Company (including their respective holders having interests of 5% or more of any relevant securities of the Offeror or the Company) are reminded to disclose their dealings in the relevant securities in the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other person themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with the relevant information as to those dealings, including identities of clients, as part of that cooperation.”

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a Composite Document. The Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders about the Offers, the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offers will be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement (or such later date as the Executive may approve) pursuant to Rule 8.2 of the Takeovers Code.

Resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 November 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 December 2016.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“Acquisitions”	the acquisition of: (a) Sale Shares I by the Offeror pursuant to the bought and sold notes dated 18 November 2016 entered into between Vendor I and the Offeror, and (b) Sale Shares II and CPSs by the Offeror pursuant to the SPA
“acting in concert”	has the meaning defined in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code

“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CPSs”	the unlisted restricted voting convertible preference shares of the Company of HK\$0.10 each which are convertible into 80,000,000 Shares subject to adjustments
“Closing Date”	the date to be stated in the Composite Document as the First Closing Date or any subsequent closing date as and may be announced by the Offeror and approved by the Executive under the Takeovers Code
“Company”	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 2340)
“Composite Document”	the offer and response documents proposed to be jointly issued by or on behalf of the Offeror and the Company together with the forms of acceptance to the Shareholders and Option Holders pursuant to the Offers
“Director(s)”	the director(s) of the Company
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	the first closing date of the Offers
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hsin Chong”	Hsin Chong Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 404)
“Independent Board Committee”	an independent committee of the Board to be constituted for the purpose of advising the Independent Shareholders and the Option Holders in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror
“Kingston Finance”	Kingston Finance Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Ample Cheer Limited which is 80% owned by Best Forth Limited, and Best Forth Limited is wholly owned by Mrs. Chu
“Kingston Securities”	Kingston Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO which shall make the Offers on behalf of the Offeror
“Last Trading Day”	18 November 2016, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Main Board”	the main board maintained and operated by the Stock Exchange
“Mrs. Chu”	Mrs. Chu Yuet Wah, the ultimate beneficial owner and sole director and shareholder of the Offeror
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from 30 November 2016 (i.e. the date of this joint announcement) and ending on the Closing Date
“Offeror”	Champ Key Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Option(s)”	option(s) granted by the Company pursuant to the old share option scheme adopted by the Company on 19 September 2003 (terminated by the ordinary resolution passed at the annual general meeting of the Company held on 17 June 2013) and a new share option scheme adopted by the Company on 17 June 2013, which entitle(s) holder(s) thereof to subscribe for Shares in accordance with the terms and conditions thereof
“Option Holder(s)”	means holder(s) of the Option(s)
“Option Offer”	the mandatory unconditional cash offer to be made by Kingston Securities for and on behalf of the Offeror for the cancellation of all outstanding Options held by the Option Holders in accordance with the Takeovers Code
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Sale Share(s)”	any Shares referred to under the Sale Shares I, Sale Shares II and any of the 80,000,000 Shares falling to be issued upon conversion of the CPSs
“Sale Share(s) I”	55,000,000 Shares beneficially owned by Vendor I prior to the completion of the Acquisitions, representing approximately 15.80% of the Shares in issue as at the date of this joint announcement
“Sale Share(s) II”	169,116,777 Shares beneficially owned by Vendor II prior to the completion of the Acquisitions, representing approximately 48.58% of the Shares in issue as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the mandatory unconditional cash offer to be made by Kingston Securities on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror)
“Share Offer Price”	HK\$1.12 per Share
“SPA ”	the sale and purchase agreement dated 18 November 2016 entered into between Vendor II and the Offeror for the sale and purchase of the Sale Shares II and the CPSs
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers
“Vendor I”	Summit View Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. It is owned as to 50% by Dr. Wilfred Wong Ying Wai and 50% by Ms. Ma Kwing, Pony

“Vendor II”

Smart Lane Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Hsin Chong

By order of the board
Champ Key Holdings Limited
Chu Yuet Wah
Director

By order of the board
Synergis Holdings Limited
Joseph Choi Kin Hung
Executive Director and Chairman

Hong Kong, 30 November 2016

As at the date of this joint announcement, the executive directors of the Company are Ir. Joseph Choi Kin Hung (Chairman), Mr. Terence Leung Siu Cheong (Managing Director) and Mr. Lui Chun Pong; and the independent non-executive directors are Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mrs. Chu Yuet Wah is the sole director of the Offeror.

The director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company, the Vendor I, the Vendor II and parties acting in concert with any of them) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Company, the Vendor I, the Vendor II and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.

* for identification purposes only