HSIN CHONG CONSTRUCTION GROUP LTD.
新昌營造集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00404)

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

JOINT ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Reference is made to

1. the joint announcement of HCCG and Synergis dated 17 December 2010 in relation to the Original Tenancy Agreement of 17 December 2010 and the Carpark Agreements of 1 April 2005; and

2. the joint announcement of HCCG and Synergis dated 24 July 2013 in relation to, amongst others, the Supplemental Tenancy Agreement pursuant to which Cogent Spring agrees to let and SMS agrees to rent the First Supplemental Hsin Chong Premises for a term of one year commencing from 1 January 2013 to 31 December 2013 at a monthly rent of HK$83,395 (inclusive of the management fee and the air-conditioning fee).

Both the Original Tenancy Agreement and Supplemental Tenancy Agreement expired on 31 December 2013. The respective board of directors of HCCG and Synergis announces that on 7 January 2014, Cogent Spring entered into the Renewal Tenancy Agreement with SMS for the renewal of both tenancies of the Original Hsin Chong Premises and First Supplemental Hsin Chong Premises for a term of two years commencing from 1 January 2014 to 31 December 2015 (both days inclusive).

LISTING RULES IMPLICATION

Synergis is a non-wholly owned subsidiary of HCCG whereas Carrick, a substantial shareholder of HCCG, is interested in 17.42% equity interests in Synergis. Therefore, Synergis is regarded as a connected person of HCCG under the Listing Rules. HCCG is a substantial shareholder of Synergis and hence a connected person of Synergis under the Listing Rules. Accordingly, the Renewal Tenancy Agreement, the First Sub-lease Agreement, the Second Sub-lease Agreement and the Carpark Agreements (when aggregated under Rule 14A.25 of the Listing Rules) constitute continuing connected transactions on the part of each of HCCG and Synergis under chapter 14A of the Listing Rules. As each of the percentage ratios (other than profits ratio) on an annual basis calculated with reference to the Aggregate Annual Cap is less than 5% for HCCG and Synergis, the Renewal Tenancy Agreement, the First Sub-lease Agreement, the Second Sub-lease Agreement and the Carpark Agreements (when aggregated under Rule 14A.25 of the Listing Rules) are only subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the joint announcement of HCCG and Synergis dated 17 December 2010 in relation to, amongst other things, the Original Tenancy Agreement of 17 December 2010 pursuant to which:

(a) Deventer agrees to let and SMS agrees to rent the Original Hsin Chong Premises for a term of three years commencing from 1 January 2011 to 31 December 2013 at a monthly rent of HK$114,907 (inclusive of management fee and air-conditioning fee); and

(b) Deventer agrees to let and SMS agrees to rent various car parking spaces at a licence fee of HK$24,500 per month inclusive of management fee, rates and government rent.

Reference is also made to the joint announcement of HCCG and Synergis dated 24 July 2013 in relation to, amongst others, the Supplemental Tenancy Agreement pursuant to which Cogent Spring agrees to let and SMS agrees to rent the First Supplemental Hsin Chong Premises for a term of one year commencing from 1 January 2013 to 31 December 2013 at a monthly rent of HK$83,395 (inclusive of the management fee and the air-conditioning fee).

Both the Original Tenancy Agreement and Supplemental Tenancy Agreement expired on 31 December 2013. The respective board of directors of HCCG and Synergis announces that on 7 January 2014, Cogent Spring entered into the Renewal Tenancy Agreement with SMS for the renewal of both tenancies of the Original Hsin Chong Premises and First Supplemental Hsin Chong Premises for a term of two years commencing from 1 January 2014 to 31 December 2015 (both days inclusive), particulars of which are as follows:

RENEWAL TENANCY AGREEMENT

Date	:	7 January 2014
Parties	:	(i) Cogent Spring (as lessor); and (ii) SMS (as lessee)
Term	:	two years commencing from 1 January 2014 to 31 December 2015 (both days inclusive)
Hsin Chong Premises	:	portions of the third floor, fifth floor, eighth floor and tenth floor of Hsin Chong Center, No. 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong with the gross floor area of 15,815 square feet
Monthly rental (inclusive of management fee and air-conditioning fee)	:	HK$294,159 payable by cheque in advance (calculated at the rate of HK$18.60 per square foot)
Deposit	:	HK$588,318

AGGREGATION UNDER RULE 14A.25 OF THE LISTING RULES

1. First Sub-lease Agreement and Second Sub-lease Agreement

Reference is made to the joint announcement of HCCG and Synergis dated 24 July 2013 in relation to, amongst others:

(a) the First Sub-lease Agreement pursuant to which HCCG agrees to let and Hsin Chong Interiors agrees to rent the Second Supplemental Hsin Chong Premises for a term of two years commencing from 1 January 2013 to 31 December 2014 at a monthly rent of HK$54,509 (inclusive of the management fee and the air-conditioning fee); and

(b) the Second Sub-lease Agreement pursuant to which HCCC agrees to let and Hsin Chong Interiors agrees to rent the Linkchart Premises for a term of 16 months commencing from 1 January 2013 to 30 April 2014 at a monthly rent of HK$75,208 (inclusive of the management fee) for the period from 1 January 2013 to 31 March 2013 and HK$89,782 (inclusive of the management fee) for the period from 1 April 2013 to 30 April 2014. The Second Sub-lease Agreement was amended by its supplemental agreement of 5 August 2013, the joint announcement of which was made on 5 August 2013. Pursuant to such a supplemental agreement, the payment of the monthly rent under the Second Sub-lease Agreement by Hsin Chong Interiors to HCCC was adjusted, as more particularly described in the joint announcement of 5 August 2013.

2. Carpark Agreements

Reference is made to the joint announcement of HCCG and Synergis dated 17 December 2010 in relation to, amongst other things, the Carpark Agreements of 1 April 2005 pursuant to which Deventer agrees to let and SMS agrees to rent various car parking spaces at a licence fee of HK$24,500 per month inclusive of management fee, rates and government rent.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the First Sub-lease Agreement, the Second Sub-lease Agreement and the Carpark Agreements should be aggregated together with the transaction contemplated under the Original Tenancy Agreement or Renewal Tenancy Agreement.

AGGREGATE ANNUAL CAPS

The Aggregate Annual Caps for HCCG and Synergis under the Renewal Tenancy Agreement, First Sub-lease Agreement, Second Sub-lease Agreement and Carpark Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) for each of the two years ending 31 December 2014 and 2015 will be approximately as follow:

	2014	**2015**
	HK$	*HK$*
Renewal Tenancy Agreement	4,000,000	4,000,000
First Sub-lease Agreement *(note 1)*	720,000	N/A
Second Sub-lease Agreement *(note 2)*	400,000	N/A
Carpark Agreements	360,000	360,000
Total	5,480,000	4,360,000

Notes:

1. The First Sub-lease Agreement will expire on 31 December 2014

2. The Second Sub-lease Agreement will expire on 30 April 2014

REASONS FOR ENTERING INTO OF THE RENEWAL TENANCY AGREEMENT

HCCG and Synergis have been using Hsin Chong Center as headquarters and office purposes since March 1999. The Renewal Tenancy Agreement was concluded after due negotiation on an arm's length basis upon normal commercial terms and with reference to the prevailing market rates for comparable office rentals in the nearby area. The Renewal Tenancy Agreement generated further rental incomes for HCCG. Synergis considers it to be commercially necessary and beneficial to renew the tenancies so that Synergis and its subsidiaries can continue to use the premises as office premises and save relocation costs.

The HCCG Directors, including the independent non-executive directors, are of the opinion that the terms of the Renewal Tenancy Agreement are fair and reasonable and in the interests of HCCG and its shareholders as a whole. The Synergis Directors, including the independent non-executive directors, are of the opinion that the terms of the Renewal Tenancy Agreement are fair and reasonable and in the interests of Synergis and its shareholders as a whole.

None of the HCCG Director nor the Synergis Director has material interest under the Renewal Tenancy Agreement and hence none of them has abstained from voting on the relevant resolution at the board meeting to approve the Renewal Tenancy Agreement.

INFORMATION ON HCCG

HCCG is an investment holding company. The principal activities of HCCG's subsidiaries are building construction, civil engineering, electrical and mechanical installation, interiors and special projects, property development and investment, provision of property and facility management services. The provision of property and facility management services and interiors and special projects are undertaken by the Synergis Group.

INFORMATION ON SYNERGIS

Synergis is an investment holding company. The principal activities of Synergis' subsidiaries are the provision of property and facility management services, interiors and special projects and related services.

LISTING RULES IMPLICATION

Synergis is a non-wholly owned subsidiary of HCCG whereas Carrick, a substantial shareholder of HCCG, is interested in 17.42% equity interests in Synergis. Therefore, Synergis is regarded as a connected person of HCCG under the Listing Rules. HCCG is a substantial shareholder of Synergis and hence a connected person of Synergis under the Listing Rules. Accordingly, the Renewal Tenancy Agreement, the First Sub-lease Agreement, the Second Sub-lease Agreement and the Carpark Agreements (when aggregated under Rule 14A.25 of the Listing Rules) constitute continuing connected transactions on the part of each of HCCG and Synergis under chapter 14A of the Listing Rules. As each of the percentage ratios (other than profits ratio) on an annual basis calculated with reference to the Aggregate Annual Cap is less than 5% for HCCG and Synergis, the Renewal Tenancy Agreement, the First Sub-lease Agreement, the Second Sub-lease Agreement and the Carpark Agreements (when aggregated under Rule 14A.25 of the Listing Rules) are only subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the transaction under the Renewal Tenancy Agreement will be included in the annual report and accounts of HCCG and Synergis for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

"Aggregate Annual Cap"	the maximum amount of rental payable by SMS and Hsin Chong Interiors under the First Sub-lease Agreement, the Second Sub-lease Agreement, the Original Tenancy Agreement and the Carpark Agreements for each of the two years ending 31 December 2014 and 2015
"Assignment"	the assignment dated 4 July 2011 and entered into between Deventer and Cogent Spring in relation to assigning the ownership of Hsin Chong Center from Deventer to Cogent Spring
"Carpark Agreements"	two agreements made between Deventer as landlord and SMS as tenant on 1 April 2005 in relation to various car parking spaces on monthly term commencing from 1 April 2005, such agreements were assigned and novated by Deventer to Cogent Spring pursuant to the Assignment

"Carrick"	Carrick Worldwide Limited, a company incorporated in the British Virgin Islands with limited liability and is directly interested in approximately 13.15% and 17.42% of HCCG and Synergis respectively, and is under the estate of the deceased Dr. David CHU Shu Ho
"Cogent Spring"	Cogent Spring Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of HCCG
"connected person"	has the meaning ascribed to it under the Listing Rules
"Deventer"	Deventer Limited, a company incorporated in Hong Kong with limited liability but was deregistered on 16 May 2013
"First Supplemental Hsin Chong Premises"	portion of the third floor and portion of the eighth floor of Hsin Chong Center, No. 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong with the gross floor area of 6,415 square feet
"First Sub-lease Agreement"	the agreement dated 24 July 2013 and entered into between HCCG as the lessor and Hsin Chong Interiors as the lessee in relation to the tenancy of the Second Supplemental Hsin Chong Premises
"HCCC"	Hsin Chong Construction Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of HCCG
"HCCG"	Hsin Chong Construction Group Ltd., a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"HCCG Director(s)"	the director(s) of HCCG
"HCCG Group"	HCCG and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hsin Chong Interiors"	Hsin Chong Interiors (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Synergis

"Linkchart Premises"	certain portion of the seventh floor and eighth floor (including five workstations and one manager room) of Linkchart Centre of No. 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong in the total area of approximately 5,500 square feet
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Hsin Chong Premises"	portion of the fifth floor and portion of the tenth floor of Hsin Chong Center, No. 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong with an existing gross floor area of 9,400 square feet
"Original Tenancy Agreement"	the tenancy agreement dated 17 December 2010 entered into between Deventer as landlord and SMS as tenant in relation to the leasing of the Original Hsin Chong Premises, such agreement was assigned and novated by Deventer to Cogent Spring pursuant to the Assignment (as supplemented by the Supplemental Tenancy Agreement)
"PRC"	the People's Republic of China
"Second Sub-lease Agreement"	the agreement dated 24 July 2013 and entered into between HCCC as the lessor and Hsin Chong Interiors as the lessee in relation to the tenancy of the Linkchart Premises
"Second Supplemental Hsin Chong Premises"	certain portion of the seventh floor of Hsin Chong Center of No. 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong in the total area of 4,193 square feet
"SMS"	Synergis Management Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Synergis
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Tenancy Agreement"	the supplemental agreement dated 24 July 2013 and entered into between Cogent Spring and SMS in relation to the leasing of the First Supplemental Hsin Chong Premises

"Synergis"	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"Synergis Director(s)"	the director(s) of Synergis
"Synergis Group"	Synergis and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent

By order of the board of directors of
Hsin Chong Construction Group Ltd.
Wilfred WONG Ying Wai
Chairman and Chief Executive Officer

By order of the board of directors of
Synergis Holdings Limited
Fan Cheuk Hung
Managing Director

Hong Kong, 7 January 2014

This joint announcement is available for viewing on the Stock Exchange's website: www.hkexnews.hk and the websites of HCCG: www.hsinchong.com and Synergis: www.synergis.com.hk respectively.

As at the date of this joint announcement, the board of directors of HCCG comprises Dr. Wilfred WONG Ying Wai (chairman and chief executive officer), Dr. Catherine CHU, Dr. Barry John BUTTIFANT and Mr. Joseph CHOI Kin Hung as executive directors; Dr. Kenneth CHU Ting Kin as a non-executive director; and Hon. Jeffrey LAM Kin Fung, Hon. Abraham SHEK Lai Him, Dr. Joseph CHOW Ming Kuen and Mr. CHENG Sui Sang as independent non-executive directors.

As at the date of this joint announcement, the board of directors of Synergis comprises Dr. Wilfred Wong Ying Wai (chairman), Dr. Fan Cheuk Hung (managing director) and Dr. Catherine Chu as executive directors; Mr. Tenniel Chu and Dr. Barry John Buttifant as non-executive directors; and Mr. Stephen Ip Shu Kwan, Dr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as independent non-executive directors.

* *for identification purposes only*