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 7 January 2014 in relation to, amongst others, the Original Tenancy Agreement dated 7 January 2014 entered into between Cogent Spring and SMS; and

2. the joint announcement of HCCG and Synergis dated 27 February 2015 in relation to, amongst others, (i) the Sub-Lease Agreement entered into between HCCG and Hsin Chong Interiors, and (ii) the Carpark Agreement entered into between Cogent Spring and SMS, both dated 27 February 2015 respectively.

The Original Tenancy Agreement expired on 31 December 2015. The respective board of directors of HCCG and Synergis announces that on 18 January 2016, Cogent Spring entered into the New Tenancy Agreement with SMS for the renewal of tenancy of the Hsin Chong Premises for a term of one year commencing from 1 January 2016 to 31 December 2016 (both days inclusive).

LISTING RULES IMPLICATIONS

Synergis is a non-wholly owned subsidiary of HCCG where Dr. Wong, an executive director of HCCG within 12 months from the date of this joint announcement and a substantial shareholder of HCCG, is directly and indirectly interested in an aggregate of 67,998,436 Synergis Shares, representing approximately 19.56% of the issued share capital of Synergis. Therefore, Synergis is regarded as a connected person of HCCG under the Listing Rules.

HCCG is a substantial shareholder of Synergis and is indirectly interested in 169,116,777 Synergis Shares, representing approximately 48.64% of the issued share capital of Synergis. Therefore, HCCG is regarded as a connected person of Synergis under the Listing Rules.

The New Tenancy Agreement, the Sub-Lease Agreement and the Carpark Agreement 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 the profits ratio) on an annual basis calculated with reference to the Aggregate Annual Cap is less than 5% for HCCG and Synergis, the New Tenancy Agreement together with the Sub-Lease Agreement and the Carpark Agreement (when aggregated under Rule 14A.81 of the Listing Rules) are only subject to the 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 7 January 2014 in relation to, amongst others, the Original Tenancy Agreement dated 7 January 2014 entered into between Cogent Spring and SMS for a term of two years commencing from 1 January 2014 to 31 December 2015 at a monthly rent of HK$294,159 (inclusive of management fee and air-conditioning fee).

The Original Tenancy Agreement expired on 31 December 2015. The respective board of directors of HCCG and Synergis announces that on 18 January 2016, Cogent Spring entered into the New Tenancy Agreement with SMS for the renewal of tenancy of the Hsin Chong Premises for a term of one year commencing from 1 January 2016 to 31 December 2016 (both days inclusive), particulars of which are as follows:

NEW TENANCY AGREEMENT

Date	:	18 January 2016
Parties	:	(i) Cogent Spring (as landlord); and (ii) SMS (as tenant)
Term	:	one year commencing from 1 January 2016 to 31 December 2016 (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 a gross floor area of 16,464 square feet, ie, 649 square feet more than that of the Original Tenancy Agreement
Monthly rental (inclusive of management fee and air-conditioning fee)	:	HK$325,987.20 payable in advance (calculated at the rate of HK$19.80 per square feet)
Deposit	:	HK$651,974.40

AGGREGATION UNDER RULE 14A.81 OF THE LISTING RULES

Reference is made to the joint announcement of HCCG and Synergis dated 27 February 2015 in relation to, amongst others:

1. SUB-LEASE AGREEMENT

the Sub-Lease Agreement pursuant to which HCCG agrees to let and Hsin Chong Interiors agrees to rent the Sub-Lease Premises for a term of two years commencing from 1 January 2015 to 31 December 2016 (both days inclusive) at a monthly rent of HK$77,989.80 (inclusive of management fee and air-conditioning fee); and

2. CARPARK AGREEMENT

the Carpark Agreement pursuant to which Cogent Spring agrees to let and SMS agrees to rent various car parking spaces for a term of two years commencing from 1 January 2015 to 31 December 2016 (both days inclusive) at a licence fee of HK$18,300 per month (inclusive of management fee, rates and government rent).

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Sub-Lease Agreement and the Carpark Agreement should be aggregated together with the transaction contemplated under the New Tenancy Agreement.

AGGREGATE ANNUAL CAP

The Aggregate Annual Cap for HCCG and Synergis under the New Tenancy Agreement, the Sub-Lease Agreement and the Carpark Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) for the year ending 31 December 2016 is approximately as follow:

	2016
	HK$
New Tenancy Agreement	4,000,000
Sub-Lease Agreement	1,000,000
Carpark Agreement	230,000
Total	5,230,000

The Aggregate Annual Cap was arrived at by reference to the rental payable under the New Tenancy Agreement, the Sub-Lease Agreement and the Carpark Agreement for the year ending 31 December 2016.

The actual payment made under the Original Tenancy Agreement for the two financial years ended 31 December 2014 and 2015, which have not exceeded the annual cap amounts, were as follows:

	2014	**2015**
	HK$'000	*HK$'000*
Original Tenancy Agreement	3,839	3,972

REASONS FOR ENTERING INTO THE NEW TENANCY AGREEMENT

HCCG and Synergis have been using Hsin Chong Center as headquarters and office purposes since March 1999. The rental rate under the New Tenancy Agreement was agreed to after arm's length negotiations upon normal commercial terms and with reference to the prevailing market rates for comparable office rentals in the nearby area. The New Tenancy Agreement generated stable and recurrent income for HCCG. Synergis considers it to be commercially necessary and beneficial to renew the tenancy so that Synergis and its subsidiaries can continue to use the premises as office premises and can save relocation costs.

The HCCG Directors, including the independent non-executive directors, are of the view that the terms of the New Tenancy Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the HCCG Group and in the interests of HCCG and its shareholders as a whole.

The Synergis Directors, including the independent non-executive directors, are of the view that the terms of the New Tenancy Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Synergis Group 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 New Tenancy Agreement and hence none of them has abstained from voting on the relevant board resolution to approve the New 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 management and facility management services. The provision of property management 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 management and facility management services, interiors and special projects business and ancillary business in Hong Kong, Chinese Mainland and Macau.

LISTING RULES IMPLICATIONS

Synergis is a non-wholly owned subsidiary of HCCG where Dr. Wong, an executive director of HCCG within 12 months from the date of this joint announcement and a substantial shareholder of HCCG, is directly and indirectly interested in an aggregate of 67,998,436 Synergis Shares, representing approximately 19.56% of the issued share capital of Synergis. Therefore, Synergis is regarded as a connected person of HCCG under the Listing Rules.

HCCG is a substantial shareholder of Synergis and is indirectly interested in 169,116,777 Synergis Shares, representing approximately 48.64% of the issued share capital of Synergis. Therefore, HCCG is regarded as a connected person of Synergis under the Listing Rules.

The New Tenancy Agreement, the Sub-Lease Agreement and the Carpark Agreement 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 the profits ratio) on an annual basis calculated with reference to the Aggregate Annual Cap is less than 5% for HCCG and Synergis, the New Tenancy Agreement together with the Sub-Lease Agreement and the Carpark Agreement (when aggregated under Rule 14A.81 of the Listing Rules) are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Aggregate Annual Cap"	the maximum amount of rental for the year ending 31 December 2016 payable (i) by SMS under the New Tenancy Agreement; (ii) by Hsin Chong Interiors under the Sub-Lease Agreement; and (iii) by SMS under the Carpark Agreement;
"Carpark Agreement"	the licence agreement dated 27 February 2015 entered into between Cogent Spring as lessor and SMS as lessee in relation to the licence of various car parking spaces;

"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 same meaning ascribed to it under the Listing Rules;
"Dr. Wong"	Dr. Wilfred Wong Ying Wai, currently a senior adviser to the board of HCCG, and was an executive director of both HCCG and Synergis respectively within 12 months from the date of this joint announcement;
"HCCG"	Hsin Chong Construction Group Ltd., a company incorporated in Bermuda with limited liability and 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 from time to time;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"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;
"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 a gross floor area of 16,464 square feet;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"New Tenancy Agreement"	the tenancy agreement dated 18 January 2016 entered into between Cogent Spring as landlord and SMS as tenant in relation to the renewal of the tenancy in respect of the Hsin Chong Premises;
"Original 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 a gross floor area of 15,815 square feet;

"Original Tenancy Agreement"	the tenancy agreement dated 7 January 2014 entered into between Cogent Spring as landlord and SMS as tenant in relation to the tenancy of the Original Hsin Chong Premises;
"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;
"Sub-Lease Agreement"	the sub-lease agreement dated 27 February 2015 entered into between HCCG as lessor and Hsin Chong Interiors as lessee in relation to the tenancy of the Sub-Lease Premises;
"Sub-Lease Premises"	certain portion of the seventh floor of Hsin Chong Center, No. 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong in the total area of 4,193 square feet;
"subsidiary"	has the same meaning ascribed to it under the Listing Rules;
"substantial shareholder"	has the same meaning ascribed to it under the Listing Rules;
"Synergis"	Synergis Holdings Limited, a company incorporated in Bermuda with limited liability and 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 from time to time;
"Synergis Shares"	ordinary share(s) of HK$0.10 each in the share capital of Synergis;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong; and
"%"	per cent.

By order of the board of directors of
Hsin Chong Construction Group Ltd.
Joseph Choi Kin Hung
Executive Director and
Chief Executive Officer

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

Hong Kong, 18 January 2016

As at the date of this joint announcement, the executive directors of HCCG are Ir. Joseph Choi Kin Hung (Chief Executive Officer), Mr. Lui Chun Pong (Chief Financial Officer), Mr. Wilfred Wu Shek Chun (Director of Mergers and Acquisitions) and Mr. Zhou Wei; the non-executive directors are Mr. Lin Zhuo Yan (Non-executive Chairman), Mr. Yan Jie, Mr. Chen Lei and Mr. Chui Kwong Kau; and the independent non-executive directors are Mr. Cheng Sui Sang, Mr. Gao Jingyuan, Ms. Lee Jai Ying and Mr. Kwok, Shiu Keung Ernest.

As at the date of this joint announcement, the executive directors of Synergis are Ir. Joseph Choi Kin Hung (Chairman), Ms. Brenda Yau Shuk Mee (Co-Managing Director), Mr. Terence Leung Siu Cheong (Co-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.

* *for identification purposes only*