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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This voluntary announcement is made by Synergis Holdings Limited (the "Company", together with its subsidiaries, the "Group").

The board of directors (the "Board") of the Company has noted that an announcement issued by Hsin Chong Group Holdings Limited ("Hsin Chong") on 22 May 2017 regarding its failure to pay the half-yearly interest in the amount of US$13.125 million (approximately HK$102.4 million) on the senior notes with principal amount of US$300 million on 18 May 2017. While, as mentioned in the Company's 2016 annual report, the Group had made a provision of approximately HK$90 million against contracting work-in-progress and receivables based on an impairment assessment on the respective balances arising from transactions with Hsin Chong and its subsidiaries, the Group had also entered into a settlement agreement with Hsin Chong on 27 March 2017 for the recovery of receivables of approximately HK$77 million over a period of five months starting from 31 March 2017 to 31 July 2017 (the "Settlement Agreement"). As at the date of this announcement, the Company has received only approximately HK$3.5 million (including interest) under the Settlement Agreement. Given Hsin Chong's announcement referred to above, there is no assurance that the Group would be able to recover such amount within the agreed period. The Group is monitoring the situation closely and seeking legal advice as to actions it may take to protect its rights. In the meantime, to broaden the source of working capital of the Group and provide appropriate liquidity buffer to enable it to continue to invest in improving the performance of its core businesses, the Company has announced placing of new shares under general mandate, on a best effort basis, on 14 May 2017.

By order of the Board of
Synergis Holdings Limited
Kingston Chu Chun Ho
Executive Director and Chairman

Hong Kong, 24 May 2017

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman), and Mr. Terence Leung Siu Cheong (Deputy Chairman and Managing Director) as Executive Directors; and Mr. Stephen Ip Shu Kwan, Mr. Kan Fook Yee, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as Independent Non-executive Directors.

* *for identification purposes only*