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

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to (a) the announcement of the Company dated 8 September 2017 in relation to the continuing connected transactions under 2017 General Business Services Master Agreement entered into between Mrs. Chu and the Company; and (b) the announcement of the Company dated 29 March 2018 and the circular of the Company dated 24 April 2018 in relation to the continuing connected transactions under the 2018 ISP Works Master Agreement entered into between Mrs. Chu and the Company.

Given that the term of each of the above-mentioned master agreements as well as the annual caps for each of the continuing connected transactions thereunder will expire on 31 December 2019, the Company and Mrs. Chu entered into the General Business Services Master Agreement and ISP Works Master Agreement for a term of three years from 1 January 2020 to 31 December 2022 (both days inclusive) on 17 December 2019, which is beneficial to the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mrs. Chu is a controlling shareholder of the Company. Therefore, Mrs. Chu is regarded as a connected person of the Company under the Listing Rules and the transactions contemplated under the Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profit ratio) of the highest annual caps of the transactions contemplated under each of the Master Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the announcement, reporting and annual review requirements but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

References are made to (a) the announcement of the Company dated 8 September 2017 in relation to the continuing connected transactions under 2017 General Business Services Master Agreement entered into between Mrs. Chu and the Company; and (b) the announcement of the Company dated 29 March 2018 and the circular of the Company dated 24 April 2018 in relation to the continuing connected transactions under the 2018 ISP Works Master Agreement entered into between Mrs. Chu and the Company.

Given that the term of each of the above-mentioned master agreements as well as the annual caps for each of the continuing connected transactions thereunder will expire on 31 December 2019, the Company and Mrs. Chu entered into the General Business Services Master Agreement and ISP Works Master Agreement for a term of three years from 1 January 2020 to 31 December 2022 (both days inclusive) on 17 December 2019, which is beneficial to the Group and the Shareholders as a whole.

GENERAL BUSINESS SERVICES MASTER AGREEMENT

The principal terms of the General Business Services Master Agreement are as follows:

Date:	17 December 2019
Parties:	(a) the Company; and (b) Mrs. Chu
Term:	commencing from 1 January 2020 to 31 December 2022 (both days inclusive).
Type of services:	the provision of the Services 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 General Business Services Master Agreement and such terms will be determined (a) in the ordinary and usual 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) in compliance with all applicable provisions of the Listing Rules. However, each of Mrs. Chu and/or her associates and the Group reserves the right not to make or accept such appointment or engagement in respect of any transactions.

The annual caps and historical transaction amounts under the 2017 General Business Services Master Agreement

The annual caps and historical transaction amounts under the 2017 General Business Services Master Agreement are set out below:

Period/Financial Year	Annual caps	Historical transaction amounts
	HK$	*HK$*
8/9/2017–31/12/2017	5,700,000	1,759,581
1/1/2018–31/12/2018	11,800,000	7,511,691
1/1/2019–31/12/2019	10,000,000	3,501,881*

* This amount is extracted from the Company's management account up to 30 September 2019.

Based on the management assessment on the utilization of annual cap, it is expected that the annual cap of HK$10,000,000 for the Services, will not be exceeded for the year ending 31 December 2019.

The annual caps under the General Business Services Master Agreement

The annual caps under the General Business Services Master Agreement for the three financial years ending 31 December 2020, 2021 and 2022 respectively, are as follows:

Financial Year	Annual caps
	HK$
1/1/2020–31/12/2020	6,000,000
1/1/2021–31/12/2021	6,600,000
1/1/2022–31/12/2022	7,300,000

The above annual caps of the Services were determined with reference to, amongst other things, (a) the historical fees paid by Mrs. Chu and/or her associates for the Services; (b) 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 Services; and (c) the expected demand for the Services by Mrs. Chu and/or her associates.

In determining the fee for each engagement under the General Business Services Master Agreement, the Group will take into account factors including but not limited to the nature of the Services to be provided, the scale, complexity, technical requirements and the possible risk factors associated with the engagement, which is same as the procedures to be applied to the Independent Third Parties.

THE ISP WORKS MASTER AGREEMENT

The principal terms of the ISP Works Master Agreement are as follows:

Date:	17 December 2019
Parties:	(a) the Company; and (b) Mrs. Chu
Term:	commencing from 1 January 2020 to 31 December 2022 (both days inclusive).
Type 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 and such terms will be determined (a) in the ordinary and usual 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) in compliance with all applicable provisions of the Listing Rules. However, each of Mrs. Chu and/or her associates and the Group reserves the right not to make or accept such appointment or engagement in respect of any transactions.

The annual caps and historical transaction amounts under the 2018 ISP Works Master Agreement

The annual caps and historical transaction amounts under the 2018 ISP Works Master Agreement are set out below:

Period/Financial Year	**Annual caps** *HK$*	**Historical transaction amounts** *HK$*
1/6/2018–31/12/2018	350,000,000	141,738,760
1/1/2019–31/12/2019	150,000,000	391,000*

* This amount is extracted from the Company's management account up to 30 September 2019.

Based on the management assessment on the utilization of annual cap, it is expected that the annual cap of HK$150,000,000 for the ISP Works, will not be exceeded for the year ending 31 December 2019.

The annual caps under the ISP Works Master Agreement

The annual caps under the ISP Works Master Agreement for the three financial years ending 31 December 2020, 2021 and 2022 respectively, are as follows:

Financial Year	Annual caps *HK$*
1/1/2020–31/12/2020	8,000,000
1/1/2021–31/12/2021	8,000,000
1/1/2022–31/12/2022	8,000,000

The above annual caps of the ISP Works were determined with reference to, amongst other things, (a) the historical fees paid by Mrs. Chu and/or her associates for the ISP Works; (b) 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 (c) the expected demand for the ISP Works by Mrs. Chu and/or her associates.

In determining the fee for each engagement under the ISP Works Master Agreement, the Group will take into account factors including but not limited to the nature of the ISP Works to be provided, the scale, complexity, technical requirements, quantity, specifications, expected completion time and the possible risk factors associated with the engagement. The Group will perform site inspection, formulate a tentative program and conduct quantitative costs analysis and risk assessment, which is same as the procedures to be applied to the Independent Third Parties.

INFORMATION ABOUT THE PARTIES AND REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER AGREEMENTS

The principal businesses of the Group are provision of property management and facility management services, ancillary business and the interiors and special projects 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 and management portfolio, Mrs. Chu and her associates will invite property management services providers and contractors to submit tenders or quotations of work orders for the Services and the ISP Works from time to time.

The Group possesses the required qualifications and experience in the Services and the ISP Works with good quality standard. Mrs. Chu and/or her associates require the relevant Services and ISP Works for certain properties owned by them from time to time. The entering of the Master Agreements is beneficial to the Group and the Shareholders as a whole.

The Directors (including Independent Non-executive Directors) consider that the terms of the Master Agreements (including the annual caps) and the transactions contemplated thereunder are (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms on arm's length basis or on terms no more favourable than terms available to Independent Third Parties; (c) fair and reasonable; and (d) in the interests of the Group 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 also performs internal review and control over the connected transactions or continuing connected transactions ("CTs/CCTs"). In particular, the Quality Assurance Department executes the following works to ensure that the pricing of each CT/CCT is no more favourable than that provided to Independent Third Parties:

1. reviews the contracts of CTs/CCTs to be entered into between the Company and connected persons;

2. 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;

3. 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;

4. ensures that the pricing and other contract terms for the Group's CTs/CCTs are on normal commercial terms; and

5. ensures that the CTs/CCTs have been conducted in accordance with the terms of the governing contracts and in compliance with the applicable laws and regulations.

In the event that the aggregated amounts of the CCTs incurred and/or to be incurred for a financial year are expected to exceed the annual caps, 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 proper compliance with the requirements under the Listing Rules. The Finance Department and the Company Secretarial Department will also notify and follow up with the management of the Company when the master agreements about to expire so as to enable the Company to follow proper procedures for the renewal of the master agreements where if required.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mrs. Chu is the controlling shareholder of the Company. Therefore, Mrs. Chu is regarded as a connected person of the Company under the Listing Rules and the transactions contemplated under the Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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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 Master Agreements. He has abstained from voting on the relevant resolutions passed by the Board to approve the Master Agreements, the transactions contemplated thereunder and the annual caps under the Master Agreements. Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on, the Board resolutions in relation to the Master Agreements, the transactions contemplated thereunder and the annual caps under the Master Agreements.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"2017 General Business Services Master Agreement"	the general business services master agreement entered into between Mrs. Chu and the Company on 8 September 2017 in connection with the provision of the Services by the Group to Mrs. Chu and/or her associates
"2018 ISP Works Master Agreement"	the ISP works master 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
"associate(s)"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	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 (stock code: 2340)
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"General Business Services Master Agreement"	the general business services master agreement entered into between Mrs. Chu and the Company on 17 December 2019 in connection with the provision of the Services by the Group to Mrs. Chu and/or her associates for the period from 1 January 2020 to 31 December 2022 (both days inclusive)

"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons
"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 building projects; (v) maintenance works; (vi) construction works; (vii) planning and designs; (viii) project management and consultancy; (ix) curtain wall; and (x) sourcing services which may from time to time be provided by the Group to Mrs. Chu and/or her associates
"ISP Works Master Agreement"	the ISP works master agreement entered into between Mrs. Chu and the Company on 17 December 2019 in connection with the provision of the ISP Works by the Group to Mrs. Chu and/or her associates for the period from 1 January 2020 to 31 December 2022 (both days inclusive)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Master Agreements"	the General Business Services Master Agreement and the ISP Works Master Agreement
"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
"PRC"	the People's Republic of China, for the purpose of this announcement, shall exclude Hong Kong and Macau
"Services"	the general business services, including but not limited to, the property and assets management, real estate advisory services, technical support services and minor renovation works, general consultancy and other ancillary services which may from time to time be provided by the Group to Mrs. Chu and/or her associates
"Shareholder(s)"	holder(s) of ordinary shares 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
"%"	per cent.

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

Hong Kong, 17 December 2019

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman) and Ms. Hui Suk Man (Deputy Chairman and Managing Director for the property and facility management) as Executive Directors; and Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen as Independent Non-executive Directors.