

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 announcement.*



SYMPHONY  
**SYMPHONY HOLDINGS LIMITED**

新豐集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 01223)**

**(Warrant Code: 01537)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE DISPOSAL OF 100% EQUITY INTERESTS  
IN TARGET COMPANIES**

**THE DISPOSAL**

The Board is pleased to announce that on 4<sup>th</sup> April 2018 (after the trading hours of the Stock Exchange), two indirect wholly-owned subsidiaries of the Group, Excel Top Group Limited (“**Vendor 1**”) and Avril Investments Limited (“**Vendor 2**”), entered into a co-operation agreement (“**the Agreement**”) with Team Metro Limited (“**Purchaser**”) relating to the disposal of the Boom Origin Limited (“**Target Company 1**”), Ample Apex Limited (“**Target Company 2**”) and their respective subsidiaries namely, 沈阳建新联合置业有限公司 (Shenyang Keenson Alliance Properties Limited\*) (“**Shenyang Company 1**”) and 沈阳建洋置业有限公司 (Shenyang Kingsford Properties Limited\*) (“**Shenyang Company 2**”).

Pursuant to the Agreement, Vendor 1 and Vendor 2 had conditionally agreed to sell and the Purchaser had conditionally agreed to purchase the Sale Shares and the shareholders’ loan of Target Company 1 and Target Company 2 at a consideration of RMB505,311,615 (“**Consideration**”). Each of Target Company 1 and Target Company 2 are wholly-owned subsidiaries of Vendor 1 and Vendor 2 respectively.

**IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Disposal are more than 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

\* For identification purpose only

## **THE DISPOSAL**

On 4<sup>th</sup> April 2018 (after the trading hours of the Stock Exchange), the Purchaser, an independent third party, entered into the Agreement with Vendor 1 and Vendor 2 whereby each of them had conditionally agreed to sell and the Purchaser had conditionally agreed to purchase the Sale Shares and the shareholders' loan of Target Company 1 and Target Company 2 at the Consideration of RMB505,311,615.

## **THE AGREEMENT**

### **Date:**

4<sup>th</sup> April 2018

### **Parties:**

- (i) Excel Top Group Limited, as Vendor 1;
- (ii) Avril Investments Limited, as Vendor 2;
- (iii) Team Metro Limited, as Purchaser;
- (iv) Boom Origin Limited, Target Company 1;
- (v) Ample Apex Limited, Target Company 2;
- (vi) Shenyang Company 1; and
- (vii) Shenyang Company 2

The Company indirectly owns 100% equity interest in (a) Target Company 1 through Vendor 1 and (b) Target Company 2 through Vendor 2. Both Target Company 1 and Target Company 2 are accounted as wholly-owned subsidiaries of the Company.

### **Information on Purchaser:**

The Purchaser is an investment holding company incorporated in the British Virgin Islands. Save as aforesaid, to the best of the Directors' knowledge, information and belief after making reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **Assets to be disposed of:**

Pursuant to the Agreement, each of Vendor 1 and Vendor 2 has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and shareholders' loan of Target Company 1 and Target Company 2. The Sale Shares

represent 100% of the issued share capital of each of Target Company 1 and Target Company 2.

Target Company 1 owns the entire issued share capital of Shenyang Company 1. Target Company 2 owns the entire issued share capital of Shenyang Company 2.

Shenyang Company 1 and Shenyang Company 2 are the registered owners of 3 parcels of land located north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC (“**Shenyang Properties**”). The 3 parcels of land are Site No. 028 (site area 94,450 square metres), Site No. 110 (site area 44,237 square metres) and Site No. 111 (site area 55,101 square metres). Shenyang Company 1 is the registered owner of Site No. 110 and Site No. 028. Shenyang Company 2 is the registered owner of Site No. 111.

**Consideration:**

The Consideration for the Sale Shares and the shareholders’ loan of Target Company 1 and Target Company 2 is RMB505,311,615 (or its equivalent in USD) which shall be payable in the following manner by the Purchaser to the Vendor or its designee:

- i. RMB10,000,000 (“Deposit”) is payable within 5 business days after the following conditions precedent are satisfied : -
  - (a) the pledge agreement in relation to the 50% equity interests of Shenyang Company 1 and Shenyang Company 2 in favour of a PRC affiliate of the Purchaser, has been submitted to the industry and commerce division in Shenyang and an acknowledgement receipt has been issued within 3 business days from the date of the Agreement; and
  - (b) the receipt by the Purchaser of a corporate guarantee issued by the Company in favour of the Purchaser;
- ii. within 10 Business Days after the Deposit has been received, a prepayment in the amount of RMB101,062,323 (or its equivalent in USD) (“**Prepayment**”) being 20% of the Consideration will be made and the Deposit will be refunded to the PRC affiliate of the Purchaser;
- iii. within 7 Business Days after the issuance of due diligence report (or after the parties have reach consensus over any outstanding matters) after closing adjustment of certain assets and liabilities, other than Shenyang Properties and the amount due to the Vendors of Target Companies and the Shenyang Companies, the Purchaser will pay RMB252,655,808 (or its equivalent in USD) (“**1<sup>st</sup> Installment**”). The Prepayment will be utilized to satisfy the 1st Installment, the Purchaser will further pay the net amount of RMB151,593,485 (or its equivalent in USD), being 30% of the Consideration; and

*\*for identification purpose only*

- iv. RMB252,655,807 (or its equivalent in USD) (“**2<sup>nd</sup> Installment**”) being the remaining 50% of the Consideration is payable within 7 Business Days after the earlier of the satisfaction of the following conditions : -
- (a) Shenyang Company 1 and Shenyang Company 2 having obtained the “Pre-sale Permit of Commercial Houses” in relation to Site No. 110, Site No. 111 and Site No. 028; or
- (b) 6 months after the Sale Shares had been transferred to the Purchaser.

The Consideration has been determined after arm’s length negotiations between the Vendors and the Purchaser on normal commercial terms with reference to the bidding results of comparable parcels of land located in Shenbei New District, Shenyang, PRC and the closing adjustment position of the Target Companies and the Shenyang Companies. The core assets of the Target Companies consist of the Shenyang Properties. The book value of the Shenyang Properties as at 31<sup>st</sup> December 2017 was RMB402,104,000.

## **INFORMATION ON TARGET COMPANIES**

Target Company 1 and Target Company 2 are investment holding companies incorporated in Hong Kong with limited liability. Both companies are accounted for as wholly-owned subsidiaries of the Group.

Set out below are the consolidated summary of the audited financial information of Target Companies prepared under the Hong Kong Financial Reporting Standards for the two years ended 31 December 2016 and 2017:

	<i>For the year ended</i>	
	<i>31 December 2016</i>	<i>31 December 2017</i>
	<i>HK\$</i>	<i>HK\$</i>
Turnover	-	-
Profit before taxation	2,793,360	6,676,222
(Loss) / Profit after taxation	2,003,467	(2,765,902)

## **REASONS FOR THE DISPOSAL**

The principal activities of the Group consist of retailing and sourcing, outlet malls, duty-free, branding, financial services and property investment and holding.

The core assets of Target Company 1 and Target Company 2 are the Shenyang Properties. The parent company of the Purchaser is a renowned real estate property developer in the PRC and this acquisition will compliment the Purchaser’s property portfolio. Not only will the Disposal generate positive cash flow for the Group, the development of the Shenyang Properties will be further accelerated by the Purchaser. The traffic flow of the

neighborhood region where our owned and operated Shenyang Park Outlets is located will be further enhanced. It is envisaged that our Shenyang Park Outlets will benefit directly from the increased traffic flow and rising consumption.

With the opening of the Anyang outlet mall in September last year and the preparatory work of the opening of Xiamen Park Outlet in full swing, the Directors consider that it is strategically advantageous for the Group to devote time and resources to its core business activities and dispose of other assets to interested buyer when the opportunities arise.

It is expected that the unaudited gain before taxation accrued to the Group, upon completion of the Disposal, will be approximately HK\$196,799,000 after adjusting certain assets and liabilities of the Target Companies and their PRC subsidiaries (excluding the Shenyang Properties and the amount due to the Vendors (“**Shareholders’ Loans**”), the Shareholders’ Loans will subsequently be assigned to the Purchaser); the transactional expenses; and PRC withholding tax. The Group intends to utilize the proceeds towards the general working capital of the Group.

The Target Companies will cease to be subsidiaries of the Group upon completion of the Disposal.

The Directors are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under the Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Agreement”	the conditional co-operation agreement dated 4 <sup>th</sup> April 2018 entered into between Vendor 1, Vendor 2, the Purchaser, the Target Companies and Shenyang Companies in relation to the disposal of the entire equity interest in the Target Companies
“Board”	the board of Directors of the Company
“Business Day”	a day (excluding Saturdays and Sundays) on which banks generally are open in PRC for the transaction of normal

banking business

“Company”	Symphony 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 (Stock code: 01223 and Warrant code: 01537)
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of 100% equity interest in the Target Companies pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Team Metro Limited, a company incorporated in the British Virgin Islands
“RMB”	the lawful currency of the PRC
“Sale Shares”	1 ordinary share in each of Target Company 1 and Target Company 2, representing the entire issued share capital of both Target Company 1 and Target Company 2.
“Shenyang Company 1”	沈阳建新联合置业有限公司 (Shenyang Keenson Alliance Properties Limited <sup>*</sup> ), incorporated in PRC
“Shenyang Company 2”	沈阳建洋置业有限公司 (Shenyang Kingsford Properties Limited <sup>*</sup> ), incorporated in PRC
“Shenyang Companies”	Shenyang Company 1 and Shenyang Company 2
“Shenyang Park Outlets”	an outlet mall owned and operated by the Company, with a site area of 100,146 square metres located north of Puheda Road, Hushi Tai Development Zone, Shenbei New District, Shenyang, Liaoning Province, PRC

*\* for identification purpose only*

“Site No. 028”	a parcel of land having a site area of 94,450 square metres located north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC (equivalent to site no. 124 on the published annual report of the Company for the year ended 31 <sup>st</sup> December 2016)
“Site No. 110”	a parcel of land having a site area of 44,237 square metres located north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC (equivalent to site no. 88 on the published annual report of the Company for the year ended 31 <sup>st</sup> December 2016)
“Site No. 111”	a parcel of land having a site area of 55,101 square metres located north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC (equivalent to site no. 89 on the published annual report of the Company for the year ended 31 <sup>st</sup> December 2016)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company 1 and Target Company 2
“Target Company 1”	Boom Origin Limited, a company incorporated in Hong Kong with limited liability
“Target Company 2”	Ample Apex Limited, a company incorporated in Hong Kong with limited liability
“USD”	United States dollar, the lawful currency of the United States of America
“Vendors”	Vendor 1 and Vendor 2
“Vendor 1”	Excel Top Group Limited
“Vendor 2”	Avril Investments Limited
“Xiamen Park Outlet”	the outlet mall located at two adjoining lots of state-owned land in Xiamen, Fujian Province, PRC with an aggregate site area of approximately 60,273 square metres, located at the north crossroad of Haixiang Avenue and Tianshui Road, Jimei District, Xiamen, Fujian Province, PRC

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong  
“%” per cent

By order of the Board  
**Symphony Holdings Limited**  
**Cheng Tun Nei**  
*Chairman*

Hong Kong, 4<sup>th</sup> April 2018

As at the date of this announcement, the Directors are:

Executive Directors: Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)  
Mr. Chan Kar Lee Gary  
Mr. Hong Kim Cheong

Independent non-executive  
Directors: Mr. Shum Pui Kay  
Mr. Wah Wang Kei Jackie  
Mr. Chow Yu Chun Alexander