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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
ACQUISITION OF LAND USE RIGHTS IN XIAMEN, PRC**

On 20th February 2017, Majestic City (Hong Kong) Limited, a wholly-owned subsidiary of the Company, has successfully won the tender for the Land and has entered into a confirmation letter with the Xiamen Land Bureau. The total consideration payable for the Acquisition is RMB302,703,000 (equivalent to approximately HKD342,054,390), comprising: (i) the price for the land use rights of the Land, (ii) related Land transaction taxes, and (iii) a performance bond equivalent to 20% of the price of the Land. The Purchaser will enter into a contract for transfer of the rights to use the Land with Xiamen Land Bureau before 1st March 2017.

The Land is located at the north crossroad of Haixiang Avenue and Tianshui Road, Jimei District, Xiamen, Fujian Province, PRC. The aggregate site area of the Land is approximately 60,273 sq. m., with a maximum permissible gross floor area of approximately 54,800 sq. m.

On the basis that one or more of the applicable percentage ratios in respect of the consideration of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

INTRODUCTION

On 20th February 2017, Majestic City (Hong Kong) Limited, a wholly-owned subsidiary of the Company, has successfully tendered for the Land at a total consideration of RMB302,703,000 (equivalent to approximately HKD342,054,390) and has entered into a

confirmation letter with the Xiamen Land Bureau. A contract for transfer of the rights to use the Land will be entered into with Xiamen Land Bureau before 1st March 2017.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Xiamen Land Bureau and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

DETAILS OF THE LAND

The Land is located at Jimei District, Xiamen, Fujian Province, PRC, more particularly located at the north crossroad of Haixiang Avenue and Tianshui Road in the Jimei District. Further details of the Land are set out below:

Location	:	North crossroad of Haixiang Avenue and Tianshui Road, Jimei District, Xiamen, Fujian Province, PRC
Site Area	:	Approximately 60,273 sq. m.
Maximum Permissible Gross Floor Area	:	Approximately 54,800 sq. m.
Permitted Land Uses	:	Wholesale and retail (commercial)
Term of Land Use Rights	:	40 years from the date of transfer of the Land

CONSIDERATION AND COMPLETION

The price for the land use rights of the Land is RMB 246,000,000 (equivalent to approximately HKD277,980,000). The total consideration payable for the Acquisition, inclusive of the related Land transaction taxes and the performance bond (being equivalent to 20% of the price of the land use rights of the Land), is RMB302,703,000 (equivalent to approximately HKD342,054,390), which is payable in cash. The performance bond will be refunded (without interest) upon fulfilment by the Purchaser of performance criteria that are specified in the tender documents.

The consideration of the land use rights of the Land was derived from a public auction held by Xiamen Land Bureau on 7th February 2017, which was conducted in accordance with the terms of the auction promulgated by Xiamen Land Bureau.

On 23rd January 2017, the Purchaser had paid into escrow RMB49,200,000 (equivalent to approximately HKD55,596,000) as earnest money for the open tender, which will form part of the consideration. Unless otherwise extended, the balance of the consideration will be payable to Xiamen Land Bureau before 27th February 2017.

FINANCIAL EFFECTS OF THE ACQUISITION

The aggregate consideration for the Acquisition is RMB302,703,000 (equivalent to approximately HKD342,054,390), which will be satisfied partially by a bank loan in the amount of HKD167,000,000 while the remaining balance of HKD175,054,390 will be settled from internal cash reserves of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land will be utilized for the development of the first premium outlet mall in Xiamen. The premium outlet mall is expected to house the world's leading premium brands at bargain prices. As Xiamen has always been a tourist attraction and as both the per capita and disposal income of Xiamen's population is on the rise, the Directors believe that the development of the first premium outlet mall in Xiamen will generate positive returns to the Group. The Group is currently exploring options in the development of the Land, including whether to introduce one or more partner(s) in the development of the Land and the operation of the mall.

The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE GROUP

The principal businesses of the Group are retailing (outlet malls and duty free business), sports branding, financial services and property investment and holding.

INFORMATION ON THE PURCHASER

The principal business of the Purchaser is investment holding.

LISTING RULES IMPLICATIONS

On basis of that one or more of the applicable percentage ratios in respect of the consideration of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

"Acquisition"	the acquisition of the rights to use the Land by the Purchaser through an open tender
"Board"	board of directors of the Company

"Company"	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Exchange (Stock Code : 01223 and Warrant Code : 01537)
"Director(s)"	executive directors, non-executive director and independent non-executive director(s) of the Company
"Exchange"	The Stock Exchange of Hong Kong Limited
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Land"	two adjoining lots of state-owned land in Xiamen, Fujian Province, PRC with an aggregate site area of approximately 60,273 sq. m. located at the north crossroad of Haixiang Avenue and Tianshui Road, Jimei District, Xiamen, Fujian Province, PRC
"Listing Rules"	Rules Governing the Listing of Securities on the Exchange
"PRC"	the People's Republic of China
"Purchaser"	Majestic City (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"RMB"	the Renminbi, the lawful currency of the People's Republic of China
"Shareholder(s)"	shareholder(s) of the Company
"sq. m."	square metre(s)
"Xiamen Land Bureau"	廈門市國土資源與房產管理局 (Xiamen Municipal Land Resources and Housing Administrative Bureau*), a PRC governmental bureau responsible for the management of land resources in Xiamen, PRC

* For identification purpose only

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

Hong Kong, 21st February 2017

In this announcement, RMB has been converted into HKD at the exchange rate of RMB1:HKD1.13 and vice versa. Such conversion shall not be construed as representations that amounts of RMB could have been converted into HKD and vice versa at such rate or any other exchange rate.

In this announcement, unless the context otherwise requires, the terms “associate”, “close associate”, “connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” have the meanings given to such terms in the Listing Rules.

At the date of this announcement, the directors of the Company are:

Executive Directors:	Mr. Cheng Tun Nei (<i>Chairman & Chief Executive Officer</i>) Mr. Chan Kar Lee Gary
Non-executive Director:	Mr. Hong Kim Cheong
Independent non-executive Directors:	Mr. Shum Pui Kay Mr. Wah Wang Kei Jackie Mr. Chow Yu Chun Alexander