

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



SYMPHONY
SYMPHONY HOLDINGS LIMITED
新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

(Warrant Code: 01537)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED ACQUISITION OF
THE 42% EQUITY INTEREST IN
GIANT EAGLE ENTERPRISES LIMITED
NOT ALREADY OWNED BY THE COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) RESUMPTION OF TRADING**

THE ACQUISITION

After trading hours of the Stock Exchange on 9 December 2016, the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 42% of the issued share capital of the Target, and the Sale Loan at an aggregate Consideration of HK\$215,300,000. The Consideration shall be satisfied at Completion as to (i) HK\$15,300,000 in cash payable by the Purchaser to the Vendor; and (ii)

HK\$200,000,000 by the allotment and issuance of 250,000,000 Consideration Shares by the Company to the Vendor or its nominee, credited as fully paid, at the issue price of HK\$0.80 per Consideration Share. The Consideration Shares will be issued by the Company under a specific mandate to be sought at the SGM.

Upon Completion, the Target will change from an indirect 58%-owned subsidiary of the Company to an indirect wholly-owned subsidiary of the Company.

REGULATORY IMPLICATIONS

Implications under the Listing Rules

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Vendor is a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Implications under the Takeovers Code

As at the date of this announcement, the Vendor is interested in Shares representing approximately 29.63% of the existing issued share capital of the Company. Upon Completion, the Vendor will be interested in Shares representing approximately 35.59% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares after the date of this announcement and up to Completion).

Upon Completion, the Vendor would be obliged under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the issued Shares other than those already owned or agreed to be acquired by the Vendor and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. In this regard, the Vendor will make an application to the Executive for the Whitewash Waiver. The granting of the Whitewash Waiver is a condition precedent for Completion which is not capable of being waived. If the Whitewash Waiver is not obtained, the Acquisition will not proceed.

GENERAL

The Listing Rules Independent Board Committee has been constituted pursuant to the Listing Rules to give a recommendation to the Independent Shareholders in respect of the Acquisition. The Takeovers Code Independent Board Committee has been constituted pursuant to the Takeovers Code to give a recommendation to the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver.

An independent financial adviser will be appointed by the Company to advise (i) the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (ii) the Takeovers Code Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver.

The Circular containing, among other things, (i) further details of the Agreement; (ii) the recommendation of the Listing Rules Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) the recommendation of the Takeovers Code Independent Board Committee to the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (iv) the letter of advice from the independent financial adviser to the Listing Rules Independent Board Committee, the Takeovers Code Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (v) the valuation reports of the properties of the Group and the Target Group prepared in compliance with Chapter 5 of the Listing Rules and Rule 11 of the Takeovers Code; and (vi) the notice of SGM is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement pursuant to Rule 14A.68(11) of the Listing Rules and 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier. The Company will seek the Executive's consent if it becomes clear that the Circular may not be able to be issued within 21 days from the date of this announcement and will apply to the Executive for an extension of the deadline for the despatch of the Circular. Further announcements will be made by the Company in this regard as and when appropriate.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange was halted with effect from 9:00 a.m. on Monday, 12 December 2016 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants with effect from 9:00 a.m. on Wednesday, 14 December 2016.

WARNING

Completion is conditional upon fulfillment of the Conditions. Accordingly, the Acquisition may or may not proceed. Shareholders, holders of the Warrants and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to the actions that they should take.

The Board is pleased to announce that after trading hours of the Stock Exchange on 9 December 2016, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 42% of the issued share capital of the Target, and the Sale Loan, at an aggregate Consideration of HK\$215,300,000. Details of the Agreement are summarised below.

THE AGREEMENT

Date

9 December 2016

Parties

- (i) Cosmo Group Holdings Limited, a direct wholly-owned subsidiary of the Company, being the Purchaser; and
- (ii) Goldsilk Capital Limited, being the Vendor.

The Vendor is principally engaged in investment holding and is wholly and beneficially owned by Mr. Cheng, the Chairman and Chief Executive Officer of the Company and an executive Director. As at the date of this announcement, the Vendor is a substantial Shareholder interested in 801,830,000 Shares, representing approximately 29.63% of the existing issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company under the Listing Rules.

Assets to be acquired

Pursuant to the Agreement, the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares and the Sale Loan at Completion free and clear of any encumbrance and third party claims together with all accrued benefits and rights attached thereto as at the date of the Agreement.

The Sale Shares represent 42% of the issued share capital of the Target as at the date of the Agreement. Further details of the Target are set out in the section headed “Information of the Target Group” below.

Consideration

The Consideration is HK\$215,300,000, which shall be satisfied at Completion as to (i) HK\$15,300,000 in cash payable by the Purchaser to the Vendor; and (ii) HK\$200,000,000 by the allotment and issuance of 250,000,000 Consideration Shares by the Company to the Vendor or its nominee, credited as fully paid, at an issue price of HK\$0.80 per Consideration Share.

Consideration Shares

The 250,000,000 Consideration Shares, when allotted and issued, will represent (i) approximately 9.24% of the existing issued share capital of the Company; and (ii) approximately 8.46% of the issued share capital as enlarged by the allotment and issuance of the Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares after the date of this announcement up to Completion).

The Consideration Shares will be allotted and issued by the Company under a specific mandate to be sought at the SGM. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares then in issue.

The issue price of the Consideration Shares

The issue price of HK\$0.80 per Consideration Share represents:

- (i) a premium of approximately 12.68% over the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day of HK\$0.71 per Share;
- (ii) a premium of approximately 12.68% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.71 per Share;
- (iii) a premium of approximately 12.68% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$0.71 per Share;
- (iv) a discount of approximately 4.76% to the unaudited consolidated equity attributable to the Shareholders of approximately HK\$0.84 per Share (based on the unaudited consolidated equity attributable to the Shareholders of approximately HK\$2,266.9 million as at 30 June 2016 and 2,698,663,580 Shares in issue as at that date).

The issue price of the Consideration Shares was determined after arm's length negotiations between the parties to the Agreement with reference to the prevailing market prices of the Shares.

Conditions

Completion is conditional upon the satisfaction of the following Conditions by 30 April 2017:

- (i) the Agreement and the Whitewash Waiver having been approved by the Shareholders who are permitted under the Listing Rules and the Takeovers Code to vote at the SGM;
- (ii) the Whitewash Waiver having been granted by the Executive; and
- (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares.

None of the above conditions are capable of being waived.

Completion

Completion shall take place on the third Business Day after satisfaction of all the Conditions or on such other date as the parties to the Agreement shall mutually agree in writing.

Upon Completion, the Target will change from an indirect 58%-owned subsidiary of the Company to an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE TARGET GROUP

Business

The Target is an investment holding company incorporated in the British Virgin Islands with limited liability and the issued share capital of the Target is owned as to 58% by the Purchaser and 42% by the Vendor respectively as at the date of this announcement.

The Target Group is engaged in property and investment holding in the PRC. As at the date of this announcement, the Target Group holds the Shenyang Properties which comprise (i) a parcel of commercial land with a site area of approximately 55,101 sq. m. situated at north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC; and (ii) two parcels of commercial/residential land with a total site area of approximately 138,687 sq. m. adjacent to the aforesaid commercial land in Shenyang, the PRC. The Shenyang Properties are currently vacant.

The Target also holds a 25% equity interest in 武漢喬尚實業發展有限公司 (Wuhan Qiaoshang Industrial Development Company Limited*) (“**Wuhan Qiaoshang**”) which in turn holds a 50% equity interest in Anyang Guolu. Anyang Guolu is a joint venture company established in 2016 to develop the Anyang Property and carry out the business of outlet mall operation in Anyang, the PRC. The remaining 75% equity interests in Wuhan Qiaoshang are held as to 35% by 武漢金漿商業營運管理有限公司 (Wuhan Jinjiang Operation Management Company Limited*), as to 25% by 武漢舵落口物流有限公司 (Wuhan Tuoluokou Logistics Company Limited*) and as to 15% by 武漢一冶華碩投資有限公司 (Wuhan Yiye Huashuo Investment Company Limited*), all are third parties independent of the Company and its connected persons. The remaining 50% equity interest in Anyang Guolu is held by an indirect wholly-owned subsidiary of the Purchaser. Accordingly, the Group has a 57.25% effective interest in Anyang Guolu. Construction work of the Anyang Property is in progress and application has been made to the PRC government authority for the sale of certain divided units of the Anyang Property. It is expected that sale may commence in 2017.

Financial information

Set out below is certain audited financial information of the Target Group for each of the two years ended 31 December 2014 and 2015:

	For the year ended	
	31 December	
	2014	2015
	<i>HK\$</i>	<i>HK\$</i>
Profit before taxation	345,434	1,276,600
Profit after taxation	345,434	1,025,827

The profits of the Target Group represented mainly interest income net of administrative expenses.

The audited consolidated net liabilities of the Target Group amounted to approximately HK\$6.5 million and the amount of the Sale Loan amounted to approximately HK\$153.3 million as at 31 December 2015.

BASIS OF DETERMINING THE CONSIDERATION

The Target was previously a wholly-owned subsidiary of the Company. On 16 October 2014, the Group transferred the Sale Shares and 42% of the shareholder's loan then outstanding to the Vendor to settle part of the consideration for the acquisition of Trillion Earning Limited (the "**Previous Transaction**"). Details of the Previous Transaction were disclosed in the circular of the Company dated 25 August 2014.

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to the consideration for the Sale Shares and 42% of the shareholder's loan then outstanding of approximately HK\$215.2 million when they were transferred to the Vendor under the Previous Transaction, which is also the Vendor's cost of the Sale Shares and the Sale Loan. The parties to the Agreement have also taken into account the following factors in the negotiation of the Consideration: (i) the slight appreciation in the value of the Shenyang Properties since the Previous Transaction; (ii) the face value of the Sale Loan remained at approximately HK\$153.3 million since the Previous Transaction; and (iii) there is no material change in the value of the Target's investment in 12.5% effective interest in Anyang Guolu after taking into account the latest value of the Anyang Property.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The principal business activities of the Group are the development and management of outlet malls, branding, retailing and sourcing, property investment and holding in Hong Kong and the PRC, provision of financial services and duty-free business.

The Target was previously a wholly-owned subsidiary of the Company prior to the Previous Transaction. On 16 October 2014, the Group transferred the Sale Shares and 42% of the shareholder's loan then outstanding to the Vendor to settle part of the consideration for the acquisition of Trillion Earning Limited which is an investment holding company holding a commercial property in Beijing, the PRC. The Previous Transaction was intended to enable the Group to enlarge its property portfolio to include a commercial property in Beijing to generate recurring rental income for the Group, and to introduce the Vendor as a partner to develop the Shenyang Properties and reduce the capital commitment on the part of the Group to fund the development costs of the Shenyang Properties.

After completion of the Previous Transaction, the property market in Shenyang remained sluggish and the commencement of the development work of the Shenyang Properties has been postponed. On the other hand, the outlet mall adjacent to the Shenyang Properties operated by the Group (i.e. the Shenyang Park Outlets) gradually built up its occupancy rate and is now fully leased. In light of this, the Company intends to expand the north wing of the Shenyang Park Outlets and considers that it is an opportune time to re-formulate the development plan for the Shenyang Properties with a view to creating synergy with the Shenyang Park Outlets. The Directors are of the view that acquiring the Sale Shares from the Vendor would enable the Group to reconsolidate control over the Shenyang Properties and enjoy more flexibility in designing and implementing the development plan of the Shenyang Properties. The Group may consider to co-operate with other developer(s) with national brand to develop the Shenyang Properties if the Acquisition is completed and when suitable opportunity arises.

The Target also holds a 12.5% effective interest in the Anyang Property through its indirect investment in Anyang Guolu. Application has been made to the PRC government for the sale of certain divided units of the Anyang Property which is expected to commence in 2017. The Company considers that the Anyang Property will generate a positive return to the Group in the long run and that the Acquisition would enable the Group to increase its effective holding in Anyang Guolu from 57.25% to 62.5%.

The cash consideration for the Acquisition of HK\$15.3 million is intended to be funded by internal resources of the Group. The issue of the Consideration Shares to settle part of the Consideration allows the Group to reduce the cash outlay needed to complete the Acquisition and at the same time enlarge the capital base of the Company.

In view of the above, the Directors (excluding the non-executive Director and independent non-executive Directors who shall form their view after receiving the advice of an independent financial adviser) are of the view that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Group and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structures of the Company (i) as at the date of this announcement; and (ii) upon Completion and immediately after the allotment and issuance of the Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares after the date of this announcement and up to Completion):

	(i) As at the date of this announcement		(ii) Upon Completion and immediately after the allotment and issuance of the Consideration Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor (<i>Note 1</i>)	801,830,000	29.63	1,051,830,000	35.59
Mr. Or Ching Fai (<i>Note 2</i>)	470,000,000	17.37	470,000,000	15.90
Tung Fai Holdings Company Limited (<i>Note 3</i>)	10,000,000	0.37	10,000,000	0.34
Mr. Chan Kar Lee Gary (<i>Note 4</i>)	6,000,000	0.22	6,000,000	0.20
Public Shareholders	1,417,923,580	52.41	1,417,923,580	47.97
Total	<u>2,705,753,580</u>	<u>100.00</u>	<u>2,955,753,580</u>	<u>100.00</u>

Notes:

1. The Vendor is wholly and beneficially owned by Mr. Cheng, the Chairman and Chief Executive Officer of the Company and an executive Director.
2. Mr. Or Ching Fai (“**Mr. Or**”) is the beneficial owner of 350,000,000 Shares and 120,000,000 Shares are jointly held by Mr. Or and his spouse Ms. Wong Lai Ning. Mr. Or is thus deemed to be interested in 470,000,000 Shares.
3. Tung Fai Holdings Company Limited is wholly owned by Asian League Limited, which is in turn wholly owned by Mr. Shum Pui Kay, an independent non-executive Director.
4. Mr. Chan Kar Lee Gary is an executive Director.

As at the date of this announcement, Mr. Chan Kar Lee Gary, an executive Director, is beneficially interested in 6,000,000 Shares. Mr. Shum Pui Kay, an independent non-executive Director, through Tung Fai Holdings Company Limited, is beneficially interested in 10,000,000 Shares and 2,350,000 Warrants. Save as disclosed herein and save for the 801,830,000 Shares and 160,366,000 Warrants held by the Vendor, the Vendor has confirmed that (i) none of the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights and rights over any Shares or any options, warrants or convertible securities in respect of the Shares or has entered into any outstanding derivatives contracts in respect thereof; and (ii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Vendor, its ultimate beneficial owner and/or any parties acting in concert with any of them has borrowed or lent. On 15 September and 14 October 2016, the Company issued a total of 6,000,000 new Shares to Mr. Chan Kar Lee Gary, an executive Director, at the issue price of HK\$0.55 per Share upon the exercise of the subscription rights attaching to the Share Options granted to him. On 4 October 2016, Mr. Shum Pui Kay acquired 350,000 Warrants in the market at a total acquisition cost of about HK\$33,940. The Vendor has confirmed that, save for the dealings by Mr. Chan Kar Lee Gary and Mr. Shum Pui Kay (who are Directors and became parties presumed to be acting in concert with Mr. Cheng and the Vendor under presumption (6) of the definitions of acting in concert under the Takeovers Code after the signing of the Agreement) as disclosed above, none of the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them has dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Company during the six months period immediately prior to the date of this announcement.

The Vendor has confirmed that as at the date of this announcement, save for the Agreement, (i) there are no agreements or arrangements to which the Vendor is a party which relate to circumstances in which it may or may not invoke or seek a precondition or a condition to the Acquisition and/or the Whitewash Waiver; (ii) none of the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them has received any irrevocable commitment to vote for or against the Acquisition and/or the Whitewash Waiver; and (iii) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in the Takeovers Code) of the Company or the Vendor, which might be material to the Acquisition and/or the Whitewash Waiver.

REGULATORY IMPLICATIONS

Implications under the Listing Rules

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the relevant reporting and announcement requirements under Chapter 14. The Vendor is wholly and beneficially owned by Mr. Cheng, the Chairman and Chief Executive Officer of the Company and an executive Director. As at the date of this announcement, the Vendor is a substantial Shareholder interested in 801,830,000 Shares, representing approximately 29.63% of the existing issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction for the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Implications under the Takeovers Code

As at the date of this announcement, the Vendor is interested in 801,830,000 Shares, representing approximately 29.63% of the existing issued share capital of the Company. Upon Completion, the Vendor will be interested in 1,051,830,000 Shares, representing approximately 35.59% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares after the date of this announcement and up to Completion).

As at the date of this announcement, the Company has (i) 2,705,753,580 Shares in issue; (ii) outstanding Share Options entitling the holders thereof to subscribe for a total of 9,000,000 Shares at HK\$0.76 per Share upon the exercise of the Share Options; and (iii) outstanding Warrants entitling the holders thereof to subscribe for a total of 539,732,716 Shares at HK\$1.00 per Share upon the exercise of the Warrants. Save for the aforesaid Share Options and Warrants, the Company does not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Upon Completion, the Vendor would be required under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the issued Shares and other issued securities of the Company other than those already owned or agreed to be acquired by the Vendor and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. In this regard, the Vendor will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, (i) approval of the Independent Shareholders at the SGM by way of a poll; and (ii) the Vendor and parties acting in concert with it not having made any acquisitions or disposals of voting rights of the Company since the date of this announcement and up to Completion unless with the prior consent of the Executive. The Executive may or may not grant the Whitewash Waiver. The granting of the Whitewash Waiver is a condition precedent for Completion which is not capable of being waived. If the Whitewash Waiver is not obtained and/or approved by the Independent Shareholders, the Acquisition will not proceed.

INDEPENDENT BOARD COMMITTEES AND INDEPENDENT FINANCIAL ADVISER

The Listing Rules Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Shum Pui Kay, Mr. Wah Wang Kei Jackie and Mr. Chow Yu Chun Alexander, has been constituted pursuant to the Listing Rules to give a recommendation to the Independent Shareholders in respect of the Acquisition. The Takeovers Code Independent Board Committee, comprising the non-executive Director and all the independent non-executive Directors, namely Mr. Hong Kim Cheong, Mr. Shum Pui Kay, Mr. Wah Wang Kei Jackie and Mr. Chow Yu Chun Alexander, has been constituted pursuant to the Takeovers Code to give a recommendation to the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver.

An independent financial adviser will be appointed by the Company with the approval of the Takeovers Code Independent Board Committee to advise (i) the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (ii) the Takeovers Code Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver. Further announcement will be made by the Company upon the appointment of the independent financial adviser.

The voting in respect of the Acquisition and the Whitewash Waiver at the SGM will be conducted by way of a poll. As at the date of this announcement, the Vendor is interested in 801,830,000 Shares, representing approximately 29.63% of the existing issued share capital of the Company. Mr. Cheng, the Vendor, their respective associates and parties acting in concert with any of them and the Shareholder(s) who is/are involved in or interested in the Acquisition and/or the Whitewash Waiver shall abstain from voting on the resolution(s) approving the Acquisition and the Whitewash Waiver at the SGM. In addition, Mr. Cheng has abstained from voting at the Board meeting which approved the Acquisition and the Whitewash Waiver.

DESPATCH OF THE CIRCULAR

The Circular containing, among other things, (i) further details of the Agreement; (ii) the recommendation of the Listing Rules Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) the recommendation of the Takeovers Code Independent Board Committee to the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (iv) the letter of advice from the independent financial adviser to the Listing Rules Independent Board Committee, the Takeovers Code Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (v) the valuation reports of the properties of the Group and the Target Group prepared in compliance with Chapter 5 of the Listing Rules and Rule 11 of the Takeovers Code; and (vi) the notice of SGM is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement pursuant to Rule 14A.68(11) of the Listing Rules and 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier. The Company will seek the Executive's consent if it becomes clear that the Circular may not be able to be issued within 21 days from the date of this announcement and will apply to the Executive for an extension of the deadline for the despatch of the Circular. Further announcements will be made by the Company in this regard as and when appropriate.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange was halted with effect from 9:00 a.m. on Monday, 12 December 2016 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants with effect from 9:00 a.m. on Wednesday, 14 December 2016.

WARNING

Completion is conditional upon fulfillment of the Conditions. Accordingly, the Acquisition may or may not proceed. Shareholders, holders of the Warrants and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to the actions that they should take.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used herein shall have the meanings set forth below:

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loan by the Company from the Vendor pursuant to the terms and conditions of the Agreement
“acting in concert”	the meaning ascribed to it under the Takeovers Code
“Agreement”	the sale and purchase agreement dated 9 December 2016 and entered into between the Purchaser and the Vendor in respect of the Acquisition
“Anyang Guolu”	安陽國旅尚柏萊置業有限公司 (Anyang Guolu Shangbolai Property Company Limited*), a company established in the PRC
“Anyang Property”	a site on west of Zhonghau Road, north of Anbao Main Road, south of Wenyi Street, at Baoliansi Zhen, Wenfeng District, Anyang, Henan Province, the PRC

“associates”	the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day except a Saturday, Sunday or other day on which commercial banking institutions in the British Virgin Islands or Hong Kong are authorised or required by law or executive order to close, or a public holiday in Hong Kong
“Circular”	the circular to be despatched to the Shareholders containing, among other things, (i) further details of the Agreement; (ii) the recommendation of the Listing Rules Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) the recommendation of the Takeovers Code Independent Board Committee to the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (iv) the letter of advice from the independent financial adviser to the Listing Rules Independent Board Committee, the Takeovers Code Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver; (v) the valuation reports of the properties of the Group and the Target Group; and (vi) the notice of SGM
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the shares and warrants of which are listed on the Main Board of the Stock Exchange (Stock code: 1223 and Warrant code: 1537)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Condition(s)”	the condition(s) precedent to Completion
“connected person(s)”	the meaning ascribed to it under the Listing Rules

“Consideration”	HK\$215,300,000, being the consideration for the Sale Shares and the Sale Loan
“Consideration Shares”	the new Shares to be allotted and issued by the Company to the Vendor as partial payment of the Consideration
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Cheng and the Vendor, their respective associates and parties acting in concert with any of them and Shareholders who are involved in or interested in the Acquisition and/or the Whitewash Waiver
“Last Trading Day”	9 December 2016, being the date of the Agreement and the last trading day of the Shares and the Warrants before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established pursuant to the Listing Rules to give recommendation to the Independent Shareholders in respect of the Acquisition
“Mr. Cheng”	Mr. Cheng Tun Nei, the Chairman and Chief Executive Officer of the Company and an executive Director

“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Cosmo Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Sale Loan”	the entire debt owed by the Target Group to the Vendor and any of its affiliates immediately before Completion on any account whatsoever and whether or not then due for payment
“Sale Shares”	42 ordinary shares in the Target representing 42% of the issued share capital of the Target
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option(s)”	the share option(s) of the Company granted pursuant to the share option scheme approved and adopted by the Company on 10 June 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Shenyang Properties”	three parcels of land situated at north of Puheda Road, Daoyi Development Zone, Shenbei New District, Shenyang, Liaoning Province, the PRC held by the Target Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Takeovers Code Independent Board Committee”	the independent committee of the Board comprising the non-executive Director and all independent non-executive Directors established pursuant to the Takeovers Code to give recommendation to Independent Shareholders in respect of the Acquisition and the Whitewash Waiver
“Target”	Giant Eagle Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect 58%-owned subsidiary of the Company as at the date of this announcement
“Target Group”	the Target and its subsidiaries
“Vendor”	Gold silk Capital Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheng
“Warrant(s)”	the warrant(s) issued by the Company which carries(carry) the right to subscribe for Share(s) at the subscription price of HK\$1.00 per Share, subject to adjustments
“Whitewash Waiver”	the whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of the Vendor to make mandatory general offers for all the issued Shares and other issued securities of the Company other than those already owned or agreed to be acquired by the Vendor and parties acting in concert with it as a result of the Company allotting and issuing the Consideration Shares to the Vendor
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“sq. m.” square metres

“%” per cent.

Terms marked with “” are included for identification purposes only.*

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

Hong Kong, 13 December 2016

At the date of this announcement, the Directors are:

Executive Directors: Mr. Cheng Tun Nei
(Chairman and Chief Executive Officer)
Mr. Chan Kar Lee Gary

Non-executive Directors: Mr. Hong Kim Cheong

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than that relating to the Vendor and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vendor and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, Mr. Cheng is the sole director of the Vendor.

The sole director of the Vendor accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.