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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)

INSIDE INFORMATION

This announcement is made by Symphony Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) would like to inform the shareholders and potential investors of the Company that based on the preliminary review of its management accounts the unaudited consolidated net profit of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2016 is expected to record a decrease of approximately 99% as compared to that of the corresponding period in 2015.

The Board considers that the expected decrease in the unaudited consolidated net profit for the six months ended 30 June 2016 is mainly attributable to the fact that during the six months ended 30 June 2015, there was an one-off net gain from disposal of the trademarks and intellectual property relating to the “**PONY**” brand in the United States of America, Mexico and Canada at an aggregate amount of approximately HK\$194 million which was not repeated in the six months ended 30 June 2016. Excluding this factor, the unaudited interim results for the six months ended 30 June 2015 would have recorded an unaudited consolidated loss and the unaudited interim results for the six months ended 30 June 2016 is expected to improve when compared to that in the corresponding period of last year mainly due to (i) improved overall cost control on all segments of the business; (ii) improved performance of the remaining portion of the “**PONY**” brand; and (iii) decreasing losses of the outlet operation.

As the Company is still in the process of finalizing the unaudited financial statements of the Group for the six months ended 30 June 2016, the information contained in this announcement is only based on the preliminary assessment by the Company’s management of the unaudited management accounts for the six months ended 30 June 2016. Details of the Group’s

** For identification purpose only*

performance will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2016 as soon as practicable in compliance with the Listing Rules.

The Board considers that the overall operation of the Group as a whole remains sound and intact. The Group has a relatively low debt-equity ratio and its cash position is strong. The Board is reviewing the Group's strategies and operations with a view to improving its business performance in the current competitive market conditions.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 August 2016

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

Executive Directors:	Mr. Cheng Tun Nei (<i>Chairman and 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