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SYMPHONY

SYMPHONY HOLDINGS LTD.

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

CONTINUING CONNECTED TRANSACTIONS

On 31 December 2015, Mr. Cheng, together with GCL, a company owned by Mr Cheng, entered into a securities margin financing agreement with China Rise. On the same day Ms. Fung entered into a separate securities margin financing agreement with China Rise. As Mr. Cheng, GCL, Ms. Fung are connected persons of the Company within the definition of Listing Rule 14A.07, the facilities under those agreements are continuing connected transactions. As the relevant percentage ratios fall within the exemption under Listing Rule 14A.76, the agreements are exempted from the circular, independent financial advisor and shareholders' approval requirements.

On 31 December 2015, Mr Cheng together with GCL entered into a margin financing agreement with China Rise and Ms. Fung entered into a separate securities margin financing agreement with China Rise.

The principal business of China Rise is dealing in securities and, in the ordinary and usual course of its business, it also offers securities margin financing (within the meaning of Listing Rule 14.04(1)(e)(iii)(A)) to its clients. Mr. Cheng, a director and substantial shareholder of the Company, GCL, wholly-owned by Mr. Cheng (and thus his associate) and Ms. Fung, a director of certain subsidiaries of the Company (“**the Clients**”) are all clients of China Rise. The Clients are also connected persons or deemed connected persons of the Company.

The Margin Financing Agreements are separate continuing connected transactions of the Company. The aggregate annual cap for each of the two continuing connected transactions under the two Margin Financing Agreements was set at HK\$10,000,000 after arm's length negotiations, the Board having considered the current state of the securities

** For identification purposes only*

market, the anticipated trading volume of securities by the Clients after discussion with the Clients and the historical amount of previous transactions with the relevant Clients.

The table below sets out the historical transaction amounts of margin financing by China Rise of the Clients:

| | Year ended 31 December 2012 HK\$ | Year ended 31 December 2013 HK\$ | Year ended 31 December 2014 HK\$ |
|--|---|---|---|
| Maximum daily outstanding balance of margin loan (Mr. Cheng & GCL) | 8,156,697.73 | 9,286,561.19 | 12,987,107.78 |
| Maximum daily outstanding balance of margin loan (Ms. Fung) | 2,001,993.02 | 2,426,507.87 | 3,330,460.86 |

As the relevant percentage ratios fall within the exemption under Listing Rule 14A.76, the Margin Financing Agreements are exempt from the circular, independent financial advisor and shareholders' approval requirements.

The separate margin financing facilities are provided to each of the Clients subject to each of Mr. Cheng and GCL together, in the case of their Margin Financing Agreement and Ms. Fung in the case of her Margin Financing Agreement having provided a cash deposit of HK\$10,000,000.00 or assets of equivalent value by way of Collateral. The annual interest rate to be charged is 8% which was determined by reference to the rates offered in the market by other securities brokers for services of a similar nature. Moreover, the interest rate charged will be reviewed from time to time and subject to adjustments at the discretion of the Company for the purpose of alignment with the prevailing market practice. The term of each of the Margin Financing Agreements is fixed at three years and each is on terms similar to those offered to independent third parties.

As the Group is engaged in the securities dealing business, entering into the Margin Financing Agreements is expected to contribute to the turnover of the Group. In addition, they also enable the Company to earn interest from extending the margin loan facilities. The directors (including the independent non-executive directors) consider that the terms of the Margin Financing Agreements fair and reasonable, on normal commercial terms

and in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

As Mr. Cheng has an interest in the Margin Financing Agreement between him, GCL and China Rise, he abstained from voting on the board resolution approving that Margin Financing Agreement.

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 GCL

The principal business of Goldsilk Capital Limited is investment holding.

DEFINITIONS

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

| | |
|-----------------|---|
| "Board" | board of directors of the Company |
| "China Rise" | China Rise Securities Asset Management Company Limited, a licensed corporation incorporated in Hong Kong with limited liability to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance and an indirect wholly-owned subsidiary of the Company; |
| "Company" | Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “GCL” | Goldsilk Capital Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly owned by Mr. Cheng; |
| "Group" | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange; |

| | |
|-------------------------------|--|
| "Margin Financing Agreements" | the margin financing agreement entered into on 31 December 2015 by China Rise and Mr. Cheng together with GCL; and the margin financing agreement entered into on the same day by China Rise and Ms. Fung; |
| "Mr. Cheng" | Mr. Cheng Tun Nei, a director and a substantial shareholder of the Company; |
| "Ms. Fung Kim Wan Ewim" | Ms. Fung, a director of certain subsidiaries of the Company |

By order of the Board
Symphony Holdings Limited
Chow So Ying Anna
Company Secretary

Hong Kong, 31 December 2015

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 |