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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)**

**DISCLOSEABLE TRANSACTION IN RELATION TO  
THE DISPOSALS OF AND THE GRANT OF OPTION OVER  
PONY TRADEMARKS  
AND  
RESUMPTION OF TRADING**

**THE DISPOSALS**

After Stock Exchange trading hours on 2 February 2015, the US Sellers (wholly-owned subsidiaries of Symphony) and the Purchaser entered into the US TPA, pursuant to which, amongst other things, the US Sellers have agreed to sell and the Purchaser has agreed to buy the US Transferred Assets free from encumbrances at a cash consideration of US\$30.0 million (equivalent to approximately HK\$232.5 million). The US Transferred Assets comprise the Trademarks and Intellectual Property relating to the “PONY” brand in the US Iconix Territory. Concurrently with the execution of the US TPA, the Non-US Seller (a wholly-owned subsidiary of Symphony) and the Purchaser entered into the Non-US TPA, pursuant to which, amongst other things, the Non-US Seller has agreed to sell and the Purchaser has agreed to buy the Non-US Transferred Assets free from encumbrances at a cash consideration of US\$7.0 million (equivalent to approximately HK\$54.3 million). The Non-US Transferred Assets comprise the Trademarks and Intellectual Property relating to the “PONY” brand in the Non-US Iconix Territory.

\* *For identification only*

Completion of the TPAs has taken place on 2 February 2015 after signing of the TPAs and the cash consideration has been received by the US Sellers and the Non-US Seller from the Purchaser. The proceeds from the Disposals, net of expenses directly attributable thereto, are estimated to be approximately HK\$285 million.

## **THE CALL OPTION**

In addition to the US Transferred Assets and the Non-US Transferred Assets, the Purchaser and its affiliates are in discussions and have executed a term sheet dated 2 February 2015 with the China Ocean Group, pursuant to which, amongst other things, the China Ocean Group granted the Call Option to the Purchaser's affiliates for no additional consideration. Pursuant to the Call Option, the Purchaser's affiliates have the right to purchase the Trademarks in the Foreign Iconix Territory from the China Ocean Group at a total consideration of US\$16.0 million (equivalent to approximately HK\$124.0 million) on or before 28 February 2015.

## **POSSIBLE DISPOSAL OF TRADEMARKS IN THE LATIN AMERICA REGION**

ALS is in separate discussions with the China Ocean Group to acquire the Trademarks in the Latin America Region for a total consideration of US\$15.0 million (equivalent to approximately HK\$116.3 million). As at the date hereof, no definitive agreements have been entered into with ALS. Further announcement(s) will be made by Symphony in compliance with the Listing Rules if the discussions with ALS materialise.

## **LISTING RULES IMPLICATIONS**

The Disposals and the grant of the Call Option constitute a discloseable transaction for Symphony under Chapter 14 of the Listing Rules. Symphony shall make further announcement(s) on the exercise or transfer (if any) or expiry of the Call Option in accordance with Rules 14.74 and 14.77 of the Listing Rules.

## **RESUMPTION OF TRADING**

Trading of the shares of Symphony on the Stock Exchange was halted at the request of Symphony with effect from 9:00 a.m. on Tuesday, 3 February 2015 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the shares of Symphony with effect from 9:00 a.m. on Wednesday, 4 February 2015.

After Stock Exchange trading hours on 2 February 2015, the US Sellers (wholly-owned subsidiaries of Symphony) and the Purchaser entered into the US TPA, pursuant to which, amongst other things, the US Sellers have agreed to sell and the Purchaser has agreed to buy the US Transferred Assets free from encumbrances at a cash consideration of US\$30.0 million (equivalent to approximately HK\$232.5 million). Concurrently with the execution of the US TPA, the Non-US Seller (a wholly-owned subsidiary of Symphony) and the Purchaser entered into the Non-US TPA, pursuant to which, amongst other things, the Non-US Seller has agreed to sell and the Purchaser has agreed to buy the Non-US Transferred Assets free from encumbrances at a cash consideration of US\$7.0 million (equivalent to approximately HK\$54.3 million). Details of the TPAs are set out below.

## **THE US TPA**

### **Date:**

2 February 2015

### **Parties:**

- (i) Pony, Inc. and Pony International, LLC (the US Sellers); and
- (ii) US Pony Holdings, LLC (the Purchaser).

### **Assets disposed of:**

Pursuant to the US TPA, the Purchaser has agreed to buy and the US Sellers have agreed to sell all their and their affiliates' right, title and interest in and to the US Transferred Assets, which comprise (i) Trademarks in the US Iconix Territory; (ii) all other Intellectual Property in the US Iconix Territory related to the Trademarks in the US Iconix Territory; (iii) all licence and other agreements relating to the Trademarks and the related Intellectual Property in the US Iconix Territory, together with all rights, claims and interest of the US Sellers and their affiliates provided for or granted thereunder; and (iv) all other assets related to the Trademarks and the related Intellectual Property in the US Iconix Territory.

**Consideration:**

The consideration for the US Transferred Assets of US\$30.0 million (equivalent to approximately HK\$232.5 million) has been paid by the Purchaser to the US Sellers in cash upon completion of the US TPA which took place on 2 February 2015 after signing of the US TPA.

**THE NON-US TPA****Date:**

2 February 2015

**Parties:**

- (i) Super Jumbo Holdings Limited (the Non-US Seller); and
- (ii) US Pony Holdings, LLC (the Purchaser).

**Assets disposed of:**

Pursuant to the Non-US TPA, the Purchaser has agreed to buy and the Non-US Seller has agreed to sell all its and its affiliates' right, title and interest in and to the Non-US Transferred Assets, which comprise (i) Trademarks in the Non-US Iconix Territory; (ii) all other Intellectual Property in the Non-US Iconix Territory related to the Trademarks in the Non-US Iconix Territory; (iii) all licence and other agreements relating to the Trademarks and the related Intellectual Property in the Non-US Iconix Territory, together with all rights, claims and interest of the Non-US Seller and its affiliates provided for or granted thereunder; and (iv) all other assets related to the Trademarks and the related Intellectual Property in the Non-US Iconix Territory.

**Consideration:**

The consideration for the Non-US Transferred Assets of US\$7.0 million (equivalent to approximately HK\$54.3 million) has been paid by the Purchaser to the Non-US Seller in cash upon completion of the Non-US TPA which took place on 2 February 2015 after signing of the Non-US TPA.

## **THE CALL OPTION**

In addition to the US Transferred Assets and the Non-US Transferred Assets, the Purchaser and its affiliates are in discussions and have executed a term sheet dated 2 February 2015 with the China Ocean Group, pursuant to which, amongst other things, the China Ocean Group granted the Call Option to the Purchaser's affiliates for no additional consideration. Pursuant to the Call Option, the Purchaser's affiliates have the right to purchase the Trademarks in the Foreign Iconix Territory from the China Ocean Group at a total consideration of US\$16.0 million (equivalent to approximately HK\$124.0 million) on or before 28 February 2015.

## **POSSIBLE DISPOSAL OF TRADEMARKS IN THE LATIN AMERICA REGION**

ALS is in separate discussions with the China Ocean Group to acquire the Trademarks in the Latin America Region for a total consideration of US\$15.0 million (equivalent to approximately HK\$116.3 million). As at the date hereof, no definitive agreements have been entered into with ALS. Further announcement(s) will be made by Symphony in compliance with the Listing Rules if the discussions with ALS materialise. In the event that the aforesaid possible transaction materialises and the Call Option is exercised, the Group would continue to own the Trademarks in certain parts of the world including Korea, Japan, Southeast Asia, Hong Kong, Macau and the Philippines.

## **INFORMATION ON THE US TRANSFERRED ASSETS, THE NON-US TRANSFERRED ASSETS AND THE TRADEMARKS IN THE FOREIGN ICONIX TERRITORY**

China Ocean is an indirect wholly-owned subsidiary of Symphony which, through its wholly-owned subsidiaries (including the US Sellers and the Non-US Seller), owns various trademarks relating to the brand name "PONY" worldwide excluding the PRC and Taiwan. "PONY" is a US-based brand founded by a Uruguay-born entrepreneur in 1972. It offers diverse lifestyle and casual products including men's and women's apparel, footwear and accessories such as gloves, scarfs, socks and knitted headwear.

The US Sellers own the Trademarks in the US Iconix Territory which have been licenced to ALS who is a third party independent of Symphony and its connected persons. For each of the two financial years ended 31 December 2013 and 2014, the US Sellers received royalty income of approximately HK\$3.1 million and HK\$6.3 million respectively from licencing arrangements of the Trademarks in the US Iconix Territory. The carrying value of the US Transferred Assets contained in the unaudited consolidated financial statements of the Group as at 31 December 2014 amounted to approximately US\$6.2 million (equivalent to approximately HK\$48.1 million).

The Non-US Seller owns the Trademarks worldwide (including the Non-US Iconix Territory and the Foreign Iconix Territory but excluding the US, Iceland, the PRC and Taiwan). The Trademarks in Canada have been licenced to ALS while the Trademarks in Mexico have been licenced to a third party independent of Symphony and its connected persons. For each of the two financial years ended 31 December 2013 and 2014, the Non-US Seller received royalty income of approximately HK\$0.5 million and HK\$2.8 million respectively from licencing arrangements of the Trademarks in the Non-US Iconix Territory. The carrying value of the Non-US Transferred Assets contained in the unaudited consolidated financial statements of the Group as at 31 December 2014 amounted to approximately US\$2.1 million (equivalent to approximately HK\$16.3 million).

For each of the two financial years ended 31 December 2013 and 2014, the Non-US Seller received royalty income of approximately HK\$1.1 million and HK\$0.5 million respectively from licencing arrangements of the Trademarks in the Foreign Iconix Territory. The carrying value of the Trademarks in the Foreign Iconix Territory contained in the unaudited consolidated financial statements of the Group as at 31 December 2014 amounted to approximately US\$1.9 million (equivalent to approximately HK\$14.7 million).

## **INFORMATION ON THE PURCHASER**

The Purchaser is a company incorporated in Delaware, the US and is an affiliate of Iconix Brand Group, Inc., which owns, licences and markets a growing portfolio of consumer brands. Iconix Brand Group licences its brands to a network of leading retailers and manufacturers that touch every major segment of retail distribution from the luxury market to the mass market in both the US and worldwide. Iconix Brand Group is listed on Nasdaq under the symbol "ICON". 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 Symphony and its connected persons.

## **REASONS FOR THE DISPOSALS AND THE GRANT OF THE CALL OPTION**

The principal activities of the Group are (i) retailing and sourcing; (ii) property investment and holding in Hong Kong and the PRC; (iii) management and operation of outlet malls in the PRC; (iv) provision of financial services including securities brokerage, margin financing, underwriting and placing, consulting and money lending; (v) development and management of “PONY” brand; and (vi) management of duty free business.

As mentioned in the annual report of Symphony for the year ended 31 December 2013, Symphony had made some important strategic decisions to exit the shoe manufacturing operation, and to re-direct its effort to other potential profitable business ventures such as outlet mall investment cum management services, and provision of financial services. The Directors consider the Disposals would allow the Group to focus its management and financial resources on the business segments relating to the outlet mall and provision of financial services. The grant of the Call Option is to facilitate the continued negotiation by the parties on the possible disposal of the Trademarks in the Foreign Iconix Territory by the Non-US Seller to the Purchaser’s affiliates. The Disposals will also enable the Group to realise the brand value of “PONY” in the US Iconix Territory and the Non-US Iconix Territory, generate cash inflow for the Group to strengthen its cash position and enable the Group to capture future business opportunities which may arise in the long run.

The Directors believe that the terms of the Disposals and the grant of the Call Option are fair and reasonable and in the interests of Symphony and its shareholders as a whole.

The consideration for the Disposals and the exercise price of the Call Option were determined after arm’s length negotiations between the Purchaser and the China Ocean Group taking into account (i) the royalty income to be generated from the licence agreements with licencees which are third parties independent of Symphony and its connected persons in respect of the Trademarks in the US Iconix Territory, the Non-US Iconix Territory and the Foreign Iconix Territory; and (ii) the overall development of the “PONY” brand.

Based on the aggregate consideration of US\$37.0 million (equivalent to approximately HK\$286.8 million) and the aggregate carrying value of the US Transferred Assets and the Non-US Transferred Assets contained in the unaudited financial statements of the Group as at 31 December 2014 of approximately US\$8.3 million (equivalent to approximately HK\$64.3 million), the Disposals are expected to result in a gain of approximately US\$28.7 million (equivalent to approximately HK\$222.5 million) for the Group before deduction of tax and expenses directly attributable thereto, which is subject to audit.

Based on the exercise price of the Call Option of US\$16.0 million (equivalent to approximately HK\$124.0 million) and the carrying value of the Trademarks in the Foreign Iconix Territory contained in the unaudited financial statements of the Group as at 31 December 2014 of approximately US\$1.9 million (equivalent to approximately HK\$14.7 million), the Group is expected to record a gain of approximately US\$14.1 million (equivalent to approximately HK\$109.3 million) before deduction of tax and expenses directly attributable thereto, which is subject to audit.

The proceeds from the Disposals, net of expenses directly attributable thereto, are estimated to be approximately HK\$285 million. The proceeds from the disposal of the Trademarks in the Foreign Iconix Territory upon the exercise of the Call Option, net of expenses directly attributable thereto, are estimated to be approximately HK\$123 million. It is expected that (i) approximately 60% of the net proceeds will be utilised for funding the financial services business of the Group, the future of which Symphony is optimistic about; (ii) approximately 20% of the net proceeds will be utilised for the Group's outlet mall development; and (iii) the remaining approximately 20% of the net proceeds will be used as general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

The Disposals and the grant of the Call Option constitute a discloseable transaction for Symphony under Chapter 14 of the Listing Rules. Symphony shall make further announcement(s) on the exercise or transfer (if any) or expiry of the Call Option in accordance with Rules 14.74 and 14.77 of the Listing Rules.

## **RESUMPTION OF TRADING**

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## DEFINITIONS

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

“ALS”	ANTHONY L&S ATHLETICS, LLC, a New York corporation, the existing licensee of the Trademarks in the US and Canada
“Call Option”	the call option to be exercised at the discretion of the Purchaser’s affiliates on or before 28 February 2015 to acquire the Trademarks in the Foreign Iconix Territory from the China Ocean Group for a total consideration of US\$16.0 million
“China Ocean”	China Ocean Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Symphony
“China Ocean Group”	China Ocean and its subsidiaries
“connected person(s)”	has the meanings ascribed thereto in the Listing Rules
“Director(s)”	director(s) of Symphony
“Disposals”	the US Disposal and the Non-US Disposal
“Foreign Iconix Territory”	Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Sweden, Switzerland, Turkey, Ukraine, UK, Egypt, Oman, South Africa, Israel, Kuwait, Qatar, Russian Federation, Saudi Arabia and UAE
“Group”	Symphony and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intellectual Property”	all of the following in any jurisdiction: (i) trademarks, service marks, trade names, corporate names, logos, slogans, trade dress, Internet domain names, websites, social media accounts and social network site handles and other indicia of origin, whether registered or unregistered, and all registrations, applications for registration, and all renewals related to the foregoing, together with the associated goodwill; (ii) original works of authorship, drawings, designs, design rights, and copyrights, whether registered or unregistered, and all registrations, applications for registration, and all renewals and extensions related to the foregoing and all associated moral rights and special rights of authorship; (iii) trade secrets and other know-how and confidential information; (iv) patents, patent applications and inventions; and (v) any other intellectual property or industrial property rights recognised under applicable law
“Latin America Region”	every country in the America other than the US, Mexico and Canada, and their respective territories, protectorates, processions and dependencies
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“Non-US Disposal”	the disposal of the Non-US Transferred Assets free from encumbrances by the Non-US Seller to the Purchaser pursuant to the Non-US TPA
“Non-US Iconix Territory”	Mexico and Canada, and their respective territories, protectorates, processions and dependencies

“Non-US Seller”	Super Jumbo Holdings Limited, an entity incorporated in the British Virgin Islands, and a wholly-owned subsidiary of China Ocean
“Non-US TPA”	the trademark purchase agreement dated 2 February 2015 entered into between the Non-US Seller and the Purchaser in relation to the Non-US Disposal
“Non-US Transferred Assets”	(i) the Trademarks and the related Intellectual Property in the Non-US Iconix Territory; (ii) all licence and other agreements relating to the Trademarks and the related Intellectual Property in the Non-US Iconix Territory, together with all rights, claims and interest of the Non-US Seller and its affiliates provided for or granted thereunder; and (iii) all other assets related to the Trademarks and the related Intellectual Property in the Non-US Iconix Territory
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Purchaser”	US Pony Holdings, LLC, a company incorporated with limited liability in Delaware, the US
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Symphony”	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)
“TPAs”	the US TPA and the Non-US TPA

“Trademarks”	all trademarks, service marks, trade names, corporate names, logos, slogans, trade dress, internet domain names, websites, social media accounts, and social network site handles, other internet or electronic media based applications that are now in existence or may be developed in the future that enable marketing professionals and users to create and share content or to participate in social networking, used or held for use in connection with the business bearing the word “Pony”, “City Wings” and/or the chevron design
“US”	the United States of America
“US Disposal”	the disposal of the US Transferred Assets free from encumbrances by the US Sellers to the Purchaser pursuant to the US TPA
“US Iconix Territory”	the US, its territories, and possessions
“US Sellers”	Pony Inc., a Delaware corporation, and Pony International, LLC, a California limited liability company, both are wholly-owned subsidiaries of China Ocean
“US TPA”	the trademark purchase agreement dated 2 February 2015 entered into between the US Sellers and the Purchaser in relation to the US Disposal
“US Transferred Assets”	(i) the Trademarks and the related Intellectual Property in the US Iconix Territory; (ii) all licence and other agreements relating to the Trademarks and the related Intellectual Property in the US Iconix Territory, together with all rights, claims and interest of the US Sellers and their affiliates provided for or granted thereunder; and (iii) all other assets related to the Trademarks and the related Intellectual Property in the US Iconix Territory

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

“US\$” United States dollars, the lawful currency of the US

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

Hong Kong, 3 February 2015

*For illustration purpose, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1=HK\$7.75. This does not mean HK\$ could be converted into US\$, or vice versa, based on such exchange rate.*

At the date of this announcement, the Directors are:

Executive Directors: Mr. Cheng Tun Nei (*Chairman*)  
Mr. Sze Sun Sun Tony (*Managing Director*)  
Mr. Chan Ting Chuen  
Ms. Chen Fang Mei  
Mr. Chan Kar Lee Gary

Non-executive Director: Mr. Liu George Hong-chih

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