SYMPHONY

SYMPHONY HOLDINGS LTD.

新灃集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN SHENYANG, PRC

On 20 October 2009, Shenyang ATLS, a wholly-owned subsidiary of the Company, successfully tendered for the Land at a consideration of RMB102,984,082.00, equivalent to approximately HKD117,027,365.91. The Land is located at North Puhe Road, Shenyang, Liaoning Province, a new administrative zone approved by the State Council as pilot new development in Northeast China. The aggregate site area of the Land is approximately 145,312 sq. m., with a maximum permissible gross floor area of approximately 263,524 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 20 October 2009, Shenyang ATLS, a wholly-owned subsidiary of the Company, successfully tendered for the Land at a transfer price of RMB102,984,082.00, equivalent to approximately HKD117,027,365.91. A contract for transfer of the rights to use the Land ("**Transfer Contract**") will be entered into with Shenyang Land Bureau within a specified period.

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

DETAILS OF THE LAND

The Land is located at Hushi Tai Development Zone, Shenyang, Liaoning Province, PRC, which is along the North Puhe Road in Shenbei New District. Shenbei New District is a new administrative zone approved by the State Council as pilot new development. Further details of the Land are set out below:

Location	:	North Puhe Road, Hushi Tai Development Zone, Shenyang, Liaoning Province, PRC
Site Area	:	Approximately 145,312 sq. m.
Maximum Permissible Gross Floor Area	:	Approximately 263,524 sq. m.
Permitted Land Use	:	Commercial and industrial
Term of Land Use Rights	:	Maximum 50 years

CONSIDERATION AND COMPLETION

The total consideration for acquiring the land use rights of the Land is RMB102,984,082.00, equivalent to approximately HKD117,027,365.91, which is payable by cash.

The consideration of the land use rights of the Land was derived from a public bidding held by Shenyang Land Bureau on 20 October 2009 which was conducted in accordance with the relevant PRC laws and regulations. It was determined on the basis of an average value of about RMB708.71 per square metre.

On 12 October 2009, the Purchaser set aside in escrow USD1,750,000.00, equivalent to approximately HKD13,562,500.00, as the earnest money for the open tender, which formed part of the consideration. Unless otherwise extended, the balance of the consideration will be payable within 30 days from the date on which the Transfer Contract is entered into with Shenyang Land Bureau.

FINANCIAL EFFECTS OF THE ACQUISITION

The aggregate consideration for the Acquisition is RMB102,984,082.00, equivalent to approximately HKD117,027,365.91, for which the funding will be sourced by the Company from its internal cash reserves of the Group. The funding requirement for the Acquisition is not expected to have any material impact on the Company.

As the Land will be owned by Shenyang ATLS, a wholly-owned subsidiary of the Company, the Land will be treated as non-current asset of Shenyang ATLS and will be fully consolidated into the consolidated financial statements of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land will be utilized for mixed-use development of factory outlet mall, entertainment complexes and eco-industrial attractions to complement our branding and retailing business, which is consistent with the Group's business scope. The factory outlet mall will be developed with open-mall architecture concept, covering the world's premium brands at bargain. In view of the rapid economic growth in PRC, the increasing consumption expenditure of the Chinese consumers and the rising demands for high quality consumer goods, the Directors believe that the development of outlet mall in

PRC will allow the Group to capture higher returns. The rental proceeds from the outlet mall will provide reliable cash flow for the Group. The Directors believe that the Acquisition will enable the Group to strengthen its business presence in the PRC retail market.

Shenyang, the capital of Liaoning Province, is located within the Bohai Rim Economic Belt which is the largest political, economic, cultural and transportation center of Northeast China. Given its historical and industrial importance, it attracts millions of tourists and investors each year. Shenbei New District is a new administrative zone approved by the State Council as pilot new development. With the geographical advantage and supportive governmental policy, tremendous growth potential is expected in the area.

The successful acquisition of the Land in Shenyang exemplifies the Group's commitment to its long-term investment plan in PRC. The Group will continue to explore other investment opportunities in China and strategically allocate its resources to premium projects for sustainability while maximizing the returns for the Shareholders as well as the Group.

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

INFORMATION OF THE COMPANY

The Company is an investment holding company. The principal activities of the Company are footwear manufacturing and trading, property investment and investment holding in Hong Kong and PRC. The Company is a seasoned market player in brand development and retailing in Greater China. It has under its brand development portfolio a number of famous and heritage brands. Managing more than 300 points-of-sale all over PRC, the Company owns an extensive network and brand marketing know-how.

GENERAL

Based on the calculation reckoned on the 100% of the investment of Shenyang ATLS, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

Acquisition	the acquisition of the rights to use the Land by the Purchaser through an open tender
Board	the board of directors of the Company
Company	Symphony Holdings Limited, a company incorporated

	in Bermuda with limited liability and the shares of which are listed on the Exchange
Director(s)	the director(s) of the Company
Exchange	The Stock Exchange of Hong Kong Limited
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Land	two adjoining lots of state-owned land in Shenyang, Liaoning Province, PRC with an aggregate site area of approximately 145,312 sq. m. located at North Puhe Road, Hushi Tai Development Zone, Shenyang, Liaoning Province, PRC
Listing Rules	Rules Governing the Listing of Securities on the Exchange
PRC	the People's Republic of China
Purchaser	Shenyang ATLS
RMB	Renminbi, the lawful currency of PRC
Shareholders	holder(s) of the shares of HKD0.25 each in the share capital of the Company
Shenyang ATLS	瀋陽澳特萊斯實業有限公司 (Shenyang Ao Te Lai Si Enterprise Company Limited)#, a wholly owned subsidiary of the Company incorporated in Shenyang, PRC
Shenyang Land Bureau	瀋陽市規劃和國土資源局瀋北分局 (Shenyang Municipal Bureau of Planning and Land Resources Shenbei Branch)#
Sq. m.	square metre(s)
USD	United States dollars, the lawful currency of the United States of America

For illustration purposes in this announcement, the amounts in RMB and USD are translated to HKD at the rates of RMB0.88 = USD0.13 = HKD1.00. No representation is made that any amount in RMB or USD has been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Chan Ting Chuen
Chairman

Hong Kong • 23 October 2009

As at the date of this announcement, directors of the Company are:

Executive Directors:	Mr. Chan Ting Chuen (Chairman) Mr. Sze Sun Sun Tony (Deputy Chairman & Managing Director) Mr. Chang Tsung Yuan (Deputy Chairman) Mr. Chan Lu Min Ms. Chen Fang Mei Dr. Ho Ting Seng
Non-executive Director:	Mr. Li I Nan
Independent Non-executive Directors:	Mr. Cheng Kar Shing Mr. Feng Lei Ming Mr. Ho Shing Chak Mr. Huang Shenglan

* For identification purposes only.

The unofficial English transliterations or translations are for identification purpose only.