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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)

**MAJOR TRANSACTION
INVOLVING
ACQUISITION OF LAND IN SHENYANG, PRC
TO BE FUNDED BY WAY OF
FURTHER INJECTION INTO A NON WHOLLY-OWNED
SUBSIDIARY**

On 8 December 2011, Shenyang Keenson, a non wholly-owned subsidiary of Boom Origin, which in turn is a wholly owned subsidiary of the Company, was successful in the Open Auction in bidding for the Land situated at North Puhe Road, Shenyang, Liaoning Province, PRC at an aggregate Premium of RMB177,943,800.00 (approximately HKD218,924,257.14). On 8 December 2011, Shenyang Keenson entered into a Confirmation Agreement with the Land Bureau confirming the successful bid of Shenyang Keenson for the Land.

Boom Origin, a wholly-owned subsidiary of the Company, shall inject further cash into Shenyang Keenson in the aggregate amount of USD29,300,000.00 (approximately HKD228,059,480.00) in order to fund the acquisition of the Land. The Further Injection will be contributed solely by Boom Origin. Upon completion of the Further Injection, the shareholding interest of Boom Origin in Shenyang Keenson shall be increased from 62.0% to 89.8%.

Taking into consideration 100% of the Further Injection and 62% of the January Acquisition, when aggregated pursuant to Rule 14.22 of the Listing Rules, constitute a major transaction of the Company under Rule 14.06(3) of the Listing Rules.

Under the Listing Rules, the transaction is subject to the approval of the Shareholders. Well Success, a Shareholder, holds 664,677,468 Shares, representing approximately 50.8% in the issued share capital of the Company. Since none of the Shareholders is required to abstain from voting in respect of the transaction and written approval of Well Success has been obtained for the purpose of approving the transaction, no physical Shareholders' meeting will be convened as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the transaction will be despatched to the Shareholders on or around Tuesday, 3 January 2012 in accordance with the Listing Rules.

INTRODUCTION

References are made to the Company's announcement dated 20 January 2011 and the Company's circular dated 11 February 2011. As disclosed therein, Boom Origin, a wholly-owned subsidiary of the Company, was successful in bidding for one parcel of the land situated at North Puhe Road, Shenyang, Liaoning Province, PRC at an aggregate premium of RMB65,727,334.60 (approximately HKD80,864,339.76). Following the January Acquisition, a PRC investor, Shenyang TongDing, an Independent Third Party has agreed to invest a total of USD4,066,000.00 (approximately HKD31,511,500.00) by way of contribution into 38% equity interest in the registered capital of Shenyang Keenson, a project company incorporated for holding and developing the land.

On 8 December 2011, Shenyang Keenson was successful in the Open Auction in bidding for another one parcel of the Land situated at North Puhe Road, Shenyang, Liaoning Province, PRC at an aggregate Premium of RMB177,943,800.00 (approximately HKD218,924,257.14). On 8 December 2011, Shenyang Keenson entered into a Confirmation Agreement with the Land Bureau confirming the successful bid of Shenyang Keenson for the Land.

Upon the successful bid of the Land, Boom Origin shall inject further cash into Shenyang Keenson in the aggregate amount of USD29,300,000.00 (approximately HKD228,059,480.00) in order to fund the acquisition of the Land. At present, Boom Origin and Shenyang TongDing respectively holds 62% and 38% of equity interest in Shenyang Keenson. The Further Injection will be contributed solely by Boom Origin. Upon completion of the Further Injection, the equity interest of Shenyang Keenson held by Boom Origin shall increase from 62% to 89.8%.

DETAILS OF THE ACQUISITION OF THE LAND

- Tender Award Date** : 8 December 2011
- Type** : Open Auction
- Parties** : (a) the Land Bureau as the Vendor. The Company confirmed that the Land Bureau and its ultimate beneficial owner are Independent Third Parties; and
- (b) Shenyang Keenson as the successful Purchasers.

Confirmation Agreement

On 8 December 2011, Shenyang Keenson entered into the Confirmation Agreement with the Land Bureau confirming the successful bid of Shenyang Keenson for the Land. Pursuant to the Confirmation Agreement, the December Acquisition is conditional upon (a) the development of the Land in line with the PRC Government relocation plan, (b) the payment of the Premium for the Land, and (c) signing of the contracts for the transfer of the land use right of State-owned land for construction# (國有建設用地使用權出讓合同) for the Land with the Land Bureau.

Premium and Payment Terms

The Premium for acquiring the land use right of the Land is RMB177,943,800.00, equivalent to approximately HKD218,924,257.14, which is payable by cash. The Premium of the Land was derived from the Open Auction held by the Land Exchange Center on 8 December 2011 which is required to be conducted in accordance with the relevant PRC laws and regulations. It was determined with reference to the average market price of similar plots of land in the proximity.

On 7 December 2011, Shenyang Keenson remitted to the Land Exchange Center an amount of RMB36,000,000.00, equivalent to approximately HKD44,290,800.00, as deposit for the Open Auction, which formed part of the Premium. Unless otherwise extended, the balance of the Premium will be payable within three months from the date on which the Confirmation Agreement is entered into with the Land Bureau.

Under the Confirmation Agreement, the total Premium will be payable in cash as follows:

Date of Payment	Amount Payable
On or before 15 December 2011	50% of the Premium (inclusive of deposit remitted)
Within three months from the date of the Confirmation Agreement	Balance of the Premium (representing 50% of the total Premium)

Completion

Completion of the December Acquisition is expected to take place within three months from the date of the Confirmation Agreement. Under the terms of the Open Auction, Shenyang Keenson will enter into the contracts for the transfer of the land use right of State-owned land for construction# (國有建設用地使用權出讓合同) with the Vendor, and application for the issue of the new land use right certificate will take place after payment by the Purchaser of the consideration in full.

PARTICULARS OF THE LAND

The Land is located at North Puhe Road, Shenbei New District, Shenyang, Liaoning Province, PRC. Further details of the December Acquisition are set out below:

Location	: North Puhe Road, Shenbei New District, Shenyang, Liaoning Province, PRC
Site Area	: Approximately 94,450 square metres
Maximum Permissible Gross Floor Area	: Approximately 188,900 square metres
Permitted Land Use	: Residential & Commercial
Term of Land Use Rights	: Maximum 70 years

DETAILS OF THE FURTHER INJECTION

Upon the successful bid of the Land, Boom Origin shall inject further cash into Shenyang Keenson in the aggregate amount of USD29,300,000.00 (approximately HKD228,059,480.00) in order to fund the acquisition of the Land. At present, Boom Origin and Shenyang TongDing respectively holds 62% and 38% of equity interest in Shenyang Keenson. The Further Injection will be contributed solely by Boom Origin. Upon completion of the Further Injection, the equity interest of Shenyang Keenson held by Boom Origin shall increase from 62% to 89.8% and that by Shenyang TongDing shall reduce from 38% to 10.2%.

FINANCIAL EFFECTS OF THE ACQUISITION OF THE LAND AND THE FURTHER INJECTION

The Further Injection at the amount of USD29,300,000.00, equivalent to approximately HKD228,059,480.00, for the purpose of funding of the Premium for the December Acquisition at the amount of RMB177,943,800.00, equivalent to approximately HKD218,924,257.14, for which the funding will be financed by the Company from its internal resources of the Group and/or bank borrowings. The funding requirements for the December Acquisition and the Further Injection are not expected to have any material adverse impact on the financial position of the Group.

Upon completion of the Further Injection, Shenyang Keenson remains a non wholly-owned subsidiary of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land is adjoining the land acquired by the Company in January 2011. It is an enlargement of our earlier acquisition. Both pieces are located in the general compound of the Group's Shenbei Park Outlet.

The Company plans to participate actively in the ongoing development of urban commercial amenities, including condominiums and residential real estates. Directors are of the opinion that this acquisition would complement the Group's earlier land development projects and thus further enhancing its future value by achieving an economic scale.

Directors believe that land development of residential real estates adjoining Park Outlet is not only a viable proposition, but a potentially lucrative one. In addition, the acquisition will significantly broaden the asset and earning base of the Group. The acquisition of the Land will bring new business opportunities and thus benefit the Group in numerous ways. The presence of residences and commercial activities in the neighbourhood of Park Outlet will greatly contribute to the growth of foot traffic. They will shorten the breakeven and quicken the return on investment. Our ultimate goal is to nurture commercial activities and more traffic to the mall.

We will significantly reduce business risks by teaming up with Shenyang TongDing, the management team of which is reputable land developer and real estate management group in construction industry in Shenyang, PRC.

Directors also consider that the Premium of the Land and terms of the Confirmation Agreement are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and Shareholders as a whole.

INFORMATION ON THE LAND BUREAU

The Land Bureau is a local government body of PRC and is in charge of planning, managing, administering and monitoring the land resources of Shenyang, Liaoning Province, PRC.

INFORMATION ON 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, managing more than 300 points-of-sale all over PRC with its famous and heritage brands portfolio. The Company has also extended its business to outlet mall development and operation in PRC. Park Outlet of Shenyang is its milestone and is slated for completion in 2012. Boom Origin is a wholly-owned subsidiary of the Company and whose principal business activity is investment holdings.

INFORMATION ON SHENYANG TONGDING

Shenyang TongDing, an Independent Third Party, is a PRC incorporated company, the management team of which is reputable land developer and real estate management group in construction industry in Shenyang, PRC.

INFORMATION ON SHENYANG KEENSON

Shenyang Keenson, a PRC incorporated company, is a non wholly-owned subsidiary of the Company. At present, Shenyang Keenson is owned as to 62% and 38% by Boom Origin and Shenyang TongDing respectively. Upon completion of the Further Injection, the corresponding equity interest of Shenyang Keenson held by Boom Origin and Shenyang TongDing shall be 89.8% and 10.2%. The principal business of Shenyang Keenson is property development in Shenyang.

Shenyang Keenson is a company incorporated in March 2011, accordingly, no audited results is available.

LISTING RULES IMPLICATIONS

Based on the calculation reckoned on 100% of the Further Injection and 62% of the January Acquisition, when aggregated pursuant to Rule 14.22 of the Listing Rules, the transaction constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules.

Under the Listing Rules, the transaction is subject to the approval of the Shareholders. Well Success, a Shareholder, holds 664,677,468 Shares, representing approximately 50.8% in the issued share capital of the Company. Since none of the Shareholders is required to abstain from voting in respect of the transaction and written approval of Well Success has been obtained for the purpose of approving the transaction, no physical Shareholders' meeting will be convened as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the transaction will be despatched to the Shareholders on or around Tuesday, 3 January 2012 in accordance with the Listing Rules.

DEFINITIONS

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

Board	the board of directors of the Company
Boom Origin	Boom Origin Limited, a company incorporated in Hong Kong with limited liability
Company	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Exchange (Stock Code: 01223)
Confirmation Agreement	the confirmation agreement dated 8 December 2011 entered into between Shenyang Keenson and the Land Bureau confirming Shenyang Keenson's successful bid for the Land at RMB177,943,800.00
December Acquisition	the acquisition of the Land by Shenyang Keenson pursuant to the Confirmation Agreement
Director(s)	executive director(s), non-executive director and independent non-executive director(s) of the Company
Exchange	The Stock Exchange of Hong Kong Limited
Further Injection	the further cash injection by Boom Origin into Shenyang Keenson in the aggregate amount of USD29,300,000.00 in order to fund the acquisition of the Land
Group	the Company and its subsidiaries
HKD	Hong Kong dollars, the lawful currency of Hong Kong

Hong Kong	Hong Kong Special Administrative Region of PRC
Independent Third Party(ies)	third party(ies) who to the best knowledge, information and belief of the Directors and having made all reasonable enquiry is independent of the Company and its connected persons (as defined in the Listing Rules)
January Acquisition	the acquisition by Boom Origin of a parcel of land located at North Puhe Road (蒲河大道北側), Shenbei New District (瀋北新區), Shenyang, Liaoning Province, PRC on 20 January 2011 and details of which were set out in the circular of the Company dated 11 February 2011
Land Bureau	Shenyang Plan and Land Resources Bureau (瀋陽市規劃和國土資源局)
Land	a parcel of land located at North Puhe Road (蒲河大道北側), Shenbei New District (瀋北新區), Shenyang, Liaoning Province, PRC
Land Exchange Center	Shenyang Land Reserve and Exchange Center# (瀋陽市土地儲備交易中心), an agent of the Land Bureau to conduct the Open Auction
Listing Rules	Rules Governing the Listing of Securities on the Exchange
Open Auction	the open auction of land held by the Land Exchange Center on 8 December 2011
PRC	the People's Republic of China
Premium	the premium for the December Acquisition
Purchaser	Shenyang Keenson
RMB	Renminbi, the lawful currency of PRC
Share(s)	shares of HKD0.10 each in the share capital of the Company
Shareholders	holder(s) of the Shares
Shenyang Keenson	Shenyang Keenson Alliance Properties Limited, a company incorporated in PRC

Shenyang TongDing

瀋陽通鼎商貿有限公司 Shenyang TongDing Trading Limited[#], a company incorporated in PRC

Vendor

Land Bureau

Well Success

Well Success Investment Limited, a company incorporated in the British Virgin Island, is directly interested in 50.8% issued Shares of the Company

USD

United States dollars, the lawful currency of United States of America

For illustration purposes in this announcement, the amounts in RMB and USD are translated into HKD at the rates of RMB0.813 = HKD1.000 = USD0.128. 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 • 8 December 2011

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.