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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)**

**VOLUNTARY ANNOUNCEMENT**  
**FORMATION OF A JOINT VENTURE**

This announcement is made by Symphony Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of Company is pleased to announce that on 30 November 2020, the Company and ITOCHU Corporation and its subsidiary (collectively, “**ITOCHU**”) entered into a joint venture agreement (the “**JV Agreement**”), setting out the arrangements for the formation of a joint venture to operate “**SKINS**” brand collaboratively (including but not limited to the manufacturing, production and distribution of “**SKINS**” compression products, sportswear and peripheral products).

**ABOUT “SKINS” BRAND**

“**SKINS**” is a brand specialised in designing and manufacturing compression sportswear for athletes and sports enthusiasts. As the pioneer of the sport compression clothing market, the function assists proprioception, reduces risk of injury, accelerates recovery processes and treats exercise-induced muscle pain. There are now over 160 types of compression products of “**SKINS**” selling worldwide, applicable for sports such as running, fitness, yoga and triathlon, etc.

**INFORMATION OF THE PARTIES**

The Company is an investment holding company. Its principal activities mainly consist of (i) sales development and management the “arena” branded products (a brand joint venture with Shanghai Descente Commercial Co. Ltd. (“**Shanghai Descente**”)) in the PRC and “**PONY**” and “**SKINS**”; (ii) management and operation of outlet malls, community malls and other properties; and (iii) provision of financial services (including securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services).

ITOCHU is one of the largest trading companies in Japan, has evolved and grown over 160 years. With approximately 100 bases in 62 countries, ITOCHU is engaging in domestic trading, overseas import and export trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas. ITOCHU is currently ranked the 72<sup>nd</sup> in “Fortune Global 500, 2020” with annual revenue of more than US\$100 billion.

## **BENEFITS OF AND REASONS FOR ENTERING INTO THE JV AGREEMENT**

The Group believes that the formation of the joint venture will create synergies for the branding business, complementing the Group’s current “arena” and “PONY”, and further enrich the products portfolio to cater to the increasingly mature consumer groups. On the other hand, the formation of the joint venture will facilitate the close collaboration between the Group and ITOCHU in brand development and supply chain management in the future, which will help the Group expand its multi-brand strategic goals.

The Board believes that the formation of the joint venture will benefit the future business development of the Group. The Board has confirmed that the terms of the JV Agreement and the transaction contemplated thereunder is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, ITOCHU is a substantial shareholder of Shanghai Descente and in turn a substantial shareholder of Arena (Shanghai) Industrial Co. Limited, an indirect non-wholly owned subsidiary of the Company. Therefore, ITOCHU is a connected person of the Company at the subsidiary level under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As the transaction contemplated under the JV Agreement is on normal commercial terms and all applicable percentage ratios are less than 1%, the transaction contemplated under the JV Agreement is fully exempted from the announcement, circular, independent financial advice and shareholders’ approval requirements under Rule 14A.76 of the Listing Rules.

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

Hong Kong, 4 December 2020

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

*Executive Directors:* Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)  
Mr. Chan Kar Lee Gary  
Mr. Lee Cheung Ming

*Independent Non-executive Directors:* Mr. Shum Pui Kay  
Mr. Wah Wang Kei Jackie  
Mr. Chow Yu Chun Alexander

*\* For identification purpose only*