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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
DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 16 June 2022 (after trading hours), the Vendor entered into the Agreement with the Buyer, pursuant to which the Vendor agreed to dispose and the Buyer agreed to purchase an aggregate of 512,982,240 Shunten's Shares (representing an approximately 16.50% of the issued share capital of Shunten as at the date of this announcement) from the Vendor to the Buyer at an aggregate consideration of HK\$65,909,969 at the price of approximately HK\$0.128 per Shunten's Share. Upon Completion, the Vendor will cease to hold any interest in the Shunten's Shares.

LISTING RULES IMPLICATION

As all of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposal are less than 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

On 16 June 2022 (after trading hours), the Vendor entered into the Agreement with the Buyer, pursuant to which the Vendor agreed to dispose and the Buyer agreed to purchase an aggregate of 512,982,240 Shunten's Shares (representing an approximately 16.50% of the issued share capital of Shunten as at the date of this announcement) from the Vendor to the Buyer at an aggregate consideration of HK\$65,909,969 at the price of approximately HK\$0.128 per Shunten's Share. Upon Completion, the Vendor will cease to hold any interest in the Shunten's Shares.

PRINCIPAL TERMS OF THE AGREEMENT

- Date:** 16 June 2022 (after trading hours)
- Parties:**
1. The Vendor, as seller; and
 2. The Buyer, as buyer.
- Subject matter:** Pursuant to the Agreement, the Vendor agreed to dispose and the Buyer agreed to purchase an aggregated of 512,982,240 Shunten's Shares from the Vendor to the Buyer.
- Consideration:** The consideration of HK\$65,909,969 will be paid by the Buyer in the following manners:
1. HK\$20,000,000 is payable upon signing of the Agreement; and
 2. the remaining balance of HK\$45,909,969 is payable upon Completion.
- The consideration was determined after arm's length negotiations between the Vendor and the Buyer with reference to the market price and the prevailing market conditions.
- Completion:** The Completion will take place no later than 23 June 2022 (or on a later date as agreed by the Vendor and the Buyer). Upon Completion, the Vendor will cease to hold any interest in the Shunten's Shares.

INFORMATION OF SHUNTEN

Shunten is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 932). The principal activities of Shunten and its subsidiaries include the sales, marketing and distribution of health and beauty supplements and products in Hong Kong and provision of e-commerce promotion business.

The following key financial information of Shunten for the financial years ended 31 March 2020 and 31 March 2021 is extracted from the 2020/2021 annual report of Shunten:

	Year Ended 31 March	
	2020	2021
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Revenue	303,854	223,147
Loss before income tax	(5,327)	(116,325)
Loss after taxation from continuing operations	(10,751)	(124,095)
Net assets	132,813	19,037

Based on Shunten's 2021/2022 interim report for the six months ended 30 September 2021, the unaudited consolidated net asset value of Shunten was approximately HK\$82,525,000 as at 30 September 2021.

INFORMATION OF THE GROUP AND THE VENDOR

The Company is an investment holding company. The principal activities of the Group mainly consist of:

- (1) Branding: (i) development and management of "PONY" and "SKINS" trademarks; (ii) retailing and provision of sourcing services for "arena" swimwear and accessories, which will be discontinued; and (iii) sourcing, manufacturing and trading of healthcare products;
- (2) Retailing: (i) property investment and holding; and (ii) management and operation of outlet malls; and
- (3) Financial services: provision of securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services.

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company.

INFORMATION ON THE BUYER

The Buyer and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement.

FINANCIAL IMPACT OF THE DISPOSAL

The 512,982,240 Shunten's Shares held by the Vendor were classified as financial assets at fair value through profit or loss. It is estimated that the Company will realise an unaudited loss of approximately HK\$777,000 (excluding stamp duty and transaction costs) from the Disposal, which is calculated with reference to the consideration received from the Disposal and the cost of acquiring the 512,982,240 Shunten's Shares. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group is subject to review and final audit to be performed by the Company's independent auditor. The net proceeds from the Disposal, which amounting to approximately HK\$65,909,969 (excluding stamp duty and transaction costs), will be applied by the Group for general working capital use.

REASONS FOR AND BENEFITS OF THE DISPOSAL

From time to time, the Group reviews its investments portfolio to liquidate investments and adjust the composition of such investment portfolio of the Group in response to the market conditions. In response to current market conditions, the Directors believe that it is beneficial to adopt a cautious investment strategy and enhance the liquidity position of the Group. The Disposal provides the Group with an opportunity to realise its investment in Shunten and enables the Group to re-allocate the funds to general working capital of the Group. The Board considers that the terms and conditions of the Agreement and the Disposal are on normal commercial terms after arm's length negotiations and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposal are less than 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in this announcement:

“Agreement”	the agreement for the sale and purchase dated 16 June 2022 entered into between the Vendor and the Buyer, in relation to the Disposal
“Board”	the board of Directors
“Buyer”	a third parties independent of the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement
“Company”	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: 1223)
“Completion”	completion of the Disposal, which shall take place no later than 23 June 2022 (or on a later date as agreed by the Vendor and the Buyer)
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal”	the sale of the 512,982,240 Shunten’s Shares by the Vendor to the Buyer for a cash consideration of HK\$65,909,969 (excluding stamp duty and transaction costs)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shunten”	Shunten International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 932)
“Shunten’s Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of Shunten
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Cosmo Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 16 June 2022

As at the date of this announcement, the Directors 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