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## IMPORTANT

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**If you are in any doubt** as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Symphony Holdings Limited**, you should at once hand this prospectus to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

A copy of this prospectus has been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of this prospectus.

Subject to the granting of the listing of, and permission to deal in, the Warrants and the Warrant Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Warrants and the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Warrants and Warrant Shares on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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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)**

### PROPOSED BONUS ISSUE OF WARRANTS

**Financial adviser to Symphony Holdings Limited**



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Capitalised terms used on this cover shall have the same meanings as those defined in this prospectus, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 9 of this prospectus.

6 July 2016

\* for identification purposes only

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## EXPECTED TIMETABLE

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*The expected timetable for the Bonus Warrant Issue set out below is for indicative purposes only. All times and dates in this prospectus refer to Hong Kong local times and dates. The expected timetable is subject to change, and any changes will be announced by the Company as and when appropriate.*

**2016**

Commencement of dealings in the Warrants . . . . . 9:00 a.m. on  
Thursday, 7 July

Designated broker starts to stand in the market  
to provide matching service for odd lots of the Warrants . . . . . 9:00 a.m. on  
Thursday, 7 July

Designated broker ceases to stand in the market  
to provide matching service for odd lots of the Warrants . . . . . 4:00 p.m. on  
Thursday, 28 July

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 24 March 2016 in relation to the Bonus Warrant Issue
“Annual Results Announcement”	the annual results announcement of the Company dated 18 March 2016
“Board”	the board of Directors
“Bonus Warrant Issue”	the proposed bonus issue of Warrants by the Company to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open for general banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“Circular”	the circular of the Company dated 29 April 2016 in relation to the Bonus Warrant Issue
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1223)
“Director(s)”	the director(s) of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the instrument dated 5 July 2016 executed by the Company by way of deed poll constituting the Warrants
“Latest Practicable Date”	29 June 2016, being the latest practicable date for ascertaining certain information for inclusion in this prospectus

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“PRC”	The People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	Friday, 17 June 2016, being the record date for ascertaining the entitlements of the Shareholders to the Bonus Warrant Issue
“Share(s)” or “Ordinary Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	the warrant(s) being issued by the Company which will carry the right to subscribe for the Warrant Share(s) at an initial subscription price of HK\$1.00 per Warrant Share, subject to adjustments
“Warrant Share(s)”	new Share(s) which may be allotted and issued upon the exercise of the subscription rights attaching to the Warrant(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors*

Mr. Cheng Tun Nei

*(Chairman & Chief Executive Officer)*

Mr. Chan Kar Lee Gary

*Non-executive Director*

Mr. Hong Kim Cheong

*Independent non-executive Directors*

Mr. Shum Pui Kay

Mr. Wah Wang Kei Jackie

Mr. Chow Yu Chun Alexander

*Registered office*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head office and principal place of  
business in Hong Kong*

10th Floor

Island Place Tower

510 King's Road

North Point, Hong Kong

6 July 2016

*To the Shareholders*

Dear Sir/Madam,

### **PROPOSED BONUS ISSUE OF WARRANTS**

#### **INTRODUCTION**

Reference is made to the Annual Results Announcement, the Announcement and the Circular. On 18 March 2016, the Board resolved to propose the Bonus Warrant Issue to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date. The Bonus Warrant Issue has now been approved by the Shareholders and the certificate(s) for the Warrants to which the Shareholder(s) is/are entitled is/are enclosed.

\* for identification purposes only

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## LETTER FROM THE BOARD

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### THE PROPOSED BONUS WARRANT ISSUE

Set out below are the key terms of the Bonus Warrant Issue.

#### Basis of the Bonus Warrant Issue

The Warrants are being issued to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

#### Subscription rights

The Warrants are in registered form and each Warrant carries subscription rights which entitle the holder thereof to subscribe in cash for the Warrant Share(s) at the initial subscription price of HK\$1.00 per Warrant Share, subject to customary anti-dilutive adjustment provisions set out in the Instrument. Please refer to the section headed “Adjustments of subscription rights and/ or subscription price” set out in the appendix to this prospectus for further details. The Warrants are exercisable at any time during the period of three years commencing from the date of the first issue of the Warrants up to the date immediately preceding the third anniversary of the date of first issue of the Warrants.

The initial subscription price of HK\$1.00 represents:

- (i) a premium of approximately 14.94% over the closing price of HK\$0.87 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a premium of approximately 17.65% over the closing price of HK\$0.85 per Share as quoted on the Stock Exchange as at the date of the Announcement;
- (iii) a premium of approximately 17.65% over the closing price of HK\$0.85 per Share as quoted on the Stock Exchange as at 18 March 2016, being the date of the Board meeting at which the Bonus Warrant Issue was approved;
- (iv) a premium of approximately 18.20% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including 18 March 2016 of HK\$0.846 per Share;
- (v) a premium of approximately 20.05% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 18 March 2016 of HK\$0.833 per Share; and

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## LETTER FROM THE BOARD

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- (vi) a premium of approximately 16.28% over the net asset value per Share of approximately HK\$0.86 (based on the audited equity attributable to owners of the Company of approximately HK\$2,319.1 million as at 31 December 2015 as disclosed in the Annual Results Announcement and 2,697,743,580 Shares in issue as at that date).

The initial subscription price of HK\$1.00 was determined by the Board after taking into account the prevailing market prices of the Shares and the future business prospects of the Group. The Directors expect that the future Share price will reflect the improving financial performance of the Group and the Bonus Warrant Issue would provide an opportunity for the Shareholders to participate in the growth of the Company and capture the potential capital gain when their Warrants are exercised.

### **Exercise of the Warrants**

539,732,716 Warrants carrying aggregate subscription rights of HK\$539,732,716 are being issued pursuant to the Bonus Warrant Issue. Each Warrant carries subscription rights which entitle the holder thereof to subscribe in cash for the Warrant Share(s). On the basis of the initial subscription price of HK\$1.00 per Warrant Share, on full exercise of the Warrants, 539,732,716 Warrant Shares would be allotted and issued, representing (i) 20% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares. Based on 539,732,716 Warrants to be allotted and issued and the initial subscription price of HK\$1.00 per Warrant Share, an amount of HK\$539,732,716 will be raised by the Company upon the exercise in full of the subscription rights attached to the Warrants. The net proceeds raised by the Company upon the exercise in full of the subscription rights attached to the Warrants will be approximately HK\$538.9 million.

### **Status of the Warrants and the Warrant Shares**

Holders of the Warrants will not be entitled to dividends and distributions and/or any offers of further securities which may be made by the Company.

The Warrant Shares which are allotted and issued on the exercise of the subscription rights attaching to the Warrants will rank *pari passu* in all respects with the fully paid Shares in issue on the relevant subscription date, and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant subscription date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant subscription date, and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant subscription date.



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## LETTER FROM THE BOARD

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### **Fractional entitlements**

Fractional entitlements to the Warrants (if any) are not being issued to the Shareholders but will be aggregated and sold for the benefit of the Company.

### **Overseas Shareholders**

As at the Record Date, there were two Overseas Shareholders with registered addresses outside Hong Kong. One had a registered address in the PRC and held 41,600 Shares. The other had a registered address in the Philippines and held 160 Shares. The Bonus Warrants Issue is being extended to those two Overseas Shareholders.

### **Listing of the Warrants and the Warrant Shares**

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the Warrant Shares. All necessary arrangements have been made by the Company to enable the Warrants to be admitted into CCASS. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and permission to deal in, the Warrants and the Warrant Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Warrants and the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Warrants and Warrant Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day for lodging forms of transfer of Shares in order to qualify for the Bonus Warrant Issue was on Wednesday 15 June 2016.

### **Certificates for the Warrants and board lot of the Warrants**

The certificates for the Warrants are being posted on Wednesday, 6 July 2016 at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on Thursday, 7 July 2016. The Warrants are expected to be traded on the Stock Exchange in board lots of 10,000 Warrants.

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## **LETTER FROM THE BOARD**

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### **Odd lot arrangement of the Warrants**

To alleviate the difficulties in trading odd lots of the Warrants, the Company has appointed China Rise Securities Asset Management Company Limited as an agent to provide matching services to those Qualifying Shareholders who wish to top up or sell their holdings of odd lots of the Warrants during the period from Thursday, 7 July 2016 to Thursday, 28 July 2016 (both dates inclusive).

Shareholders who wish to use such matching services should contact Mr. Samuel Tse of China Rise Securities Asset Management Company Limited at 10/F., Island Place Tower, 510 King's Road, North Point, Hong Kong, or at telephone number (852) 2185 9083. Shareholders should note that the matching service will be on a "best efforts" basis only. The successful matching of the sale and purchase of odd lots of the Warrants is not guaranteed and will depend on there being adequate amounts of odd lots of the Warrants available for such matching. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

### **REASONS FOR THE BONUS WARRANT ISSUE**

The Company is an investment holding company. The principal business activities carried on by the Group are retailing and sourcing, outlet malls, duty free, branding, property investment and holding, and provision of financial services, including securities brokerage, margin financing, underwriting and placing, consulting and money lending. The Directors believe that the Bonus Warrant Issue will provide the Shareholders with an opportunity to participate in the growth of the Company when they exercise the subscription rights of their Warrants. The Bonus Warrant Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to use the subscription monies received on exercise of the Warrants for general working capital and business development of the Group. As at the Latest Practicable Date, the Company did not have any specific potential investment target for business development purpose. The Company is always in search of business investment opportunities that will maximise its return to the Shareholders.

### **FUND RAISING ACTIVITY OF THE GROUP IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activity in the past twelve months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the summary of the principal terms of the Warrants set out in the appendix to this prospectus.

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

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## APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS

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The Warrants are being issued subject to and with the benefit of the Instrument executed by the Company, in registered form and will form one class and rank pari passu in all respects with each other. Based on the 2,698,663,580 Ordinary Shares in issue as at the Record Date, 539,732,716 Warrants are being issued entitling the holders thereof to subscribe in cash, at the initial subscription price (subject to adjustment) of HK\$1.00 per Ordinary Share, a maximum of 539,732,716 new Ordinary Shares (subject to adjustment in accordance with the terms and conditions of the Instrument).

The principal terms and conditions of the Warrants are set out or summarised in the certificates for the Warrants and include provisions to the effect set out below. Holders of the Warrants are entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and the provisions of the Instrument, a copy of which will be available from the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

### 1. EXERCISE OF SUBSCRIPTION RIGHTS

- (A) Subject to the provisions of the terms and conditions of the Instrument and in compliance with all exchange control, fiscal and other laws and regulations applicable thereto, the registered holder of the Warrants (the “**Warrantholder**”) represented by the certificate for the Warrants (the “**Warrant Certificate**”) will have the right, which may be exercised in whole or in part (but not in respect of any fraction of an Ordinary Share) at any time during the period commencing from 6 July 2016 and ending on 5 July 2019, both days inclusive (the “**Subscription Period**”), to subscribe for fully paid Ordinary Shares at the subscription price of HK\$1.00 per new Ordinary Share (the “**Subscription Price**”), subject to adjustment (the “**Subscription Rights**”). After 5 July 2019, any Subscription Rights which have not been exercised will lapse and the Warrants and the Warrant Certificates shall cease to be valid for any purpose whatsoever.

For the purpose of the Instrument, “Ordinary Shares” means ordinary shares of HK\$0.10 each in the share capital of the Company or shares of any class or classes resulting from any sub-division, consolidation or reclassification of those shares.

- (B) In order to exercise in whole or in part the Subscription Rights represented by a Warrant Certificate, the Warrantholder must deliver to the registrar of the Company who maintains the register of Warrantholders (the “**Registrar**”):
- (i) the Warrant Certificate;
  - (ii) the completed and signed subscription form (the “**Subscription Form**”) printed on the overleaf of the Warrant Certificate (which shall be irrevocable); and

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**APPENDIX                      SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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- (iii) a remittance for the Exercise Monies for the Ordinary Shares in respect of which the Subscription Rights are being exercised (or, in the case of a partial exercise, the relevant portion of the Exercise Monies).

For the purpose of the Instrument, “Exercise Monies” means the amount stated on the face of the Warrant Certificate issued in respect of such Warrant as the amount in cash which the Warrantholder of such Warrant is entitled to subscribe for Ordinary Shares upon the exercise of the Subscription Rights represented thereby.

In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

The date of receipt by the Registrar of the above documents is the “Subscription Date”. If such Rights are exercised during a period when the register of holders of Ordinary Shares is closed, the Subscription Date will be the next following Business Day on which such register is open.

- (C) No fraction of an Ordinary Share will be allotted but any balance representing fractions of the Exercise Monies paid on the exercise of the Subscription Rights will be refunded to the relevant Warrantholder, provided always that, if the Subscription Rights attached to the Warrants represented by two or more Warrant Certificates are exercised by the same Warrantholder on the same Subscription Date, then for the purpose of determining whether any (and if so, what) fraction of an Ordinary Share arises, such Subscription Rights represented by such Warrant Certificates shall be aggregated.
- (D) The Company has undertaken in the Instrument that any Ordinary Shares falling to be issued upon the exercise of the Subscription Rights represented by the Warrant Certificate will be issued and allotted not later than 10 Business Days after the relevant Subscription Date (unless adjustment thereof has been made as provided in the Instrument) and will rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- (E) As soon as practicable after the relevant allotment of Ordinary Shares (and not later than 10 Business Days after the relevant Subscription Date) there will be issued free of charge to the Warrantholder(s):
  - (i) a certificate (or certificates) for the relevant Ordinary Shares in the name(s) of such Warrantholder(s);

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**APPENDIX            SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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- (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by the Warrant Certificate and remaining unexercised; and
- (iii) (if applicable) a cheque representing fractions of the Exercise Monies in respect of the Warrantholder's fractional entitlement to Ordinary Shares not allotted as mentioned in sub-paragraph (C) above.

The certificate(s) for Ordinary Shares arising on the exercise of Subscription Rights, the balancing Warrant Certificate (if any) and the cheque in respect of the fractions of the Exercise Monies in respect of Warrantholder's fractional entitlement to the Ordinary Shares (if any) will be sent by post at the risk of such Warrantholder to the address of such Warrantholder or (in the case of a joint holding to that one of them whose name stands first in the register of the Warrantholders). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrar to await collection by the relevant Warrantholder(s).

**2. ADJUSTMENTS OF SUBSCRIPTION RIGHTS AND/OR SUBSCRIPTION PRICE**

The Instrument contains detailed provisions relating to the adjustment of the Subscription Rights and/or the Subscription Price. The following is a summary of, and is subject to, the provisions of the Instrument:

- (A) The Subscription Price shall (except as mentioned in paragraphs (B) and (C) of this Condition) be adjusted as provided in the Instrument in each of the following cases (but shall not be adjusted below the nominal value of the Ordinary Shares unless and until the Subscription Rights Reserve (as defined in the Instrument) is established:
  - (i) an alteration of the nominal amount of the Ordinary Shares by reason of any consolidation or sub-division;
  - (ii) an issue (other than in lieu of a cash dividend) by the Company of Ordinary Shares credited as fully paid by way of capitalisation of profits or Reserves (including any share premium account or capital redemption reserve fund);
  - (iii) a capital distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, except pursuant to a purchase by the Company of Ordinary Shares, to holders of Ordinary Shares (in their capacity as such);

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**APPENDIX            SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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- (iv) an offer of new Ordinary Shares for subscription by way of Rights or a grant of options or warrants to subscribe for new Ordinary Shares at a price which is less than 90 per cent. of the Market Price (calculated as provided in the Instrument) being made by the Company to holders of Ordinary Shares (in their capacity as such);
  - (v) an issue wholly for cash being made by the Company or any subsidiary of securities convertible into or exchangeable for or carrying Rights of subscription for new Ordinary Shares, if in any case the total Effective Consideration (as defined in the Instrument) per new Ordinary Share is less than 90 per cent. of the Market Price (calculated as provided in the Instrument), or the conversion, exchange or subscription rights of any such issue are altered so that the said total Effective Consideration is less than 90 per cent. of the Market Price;
  - (vi) an issue being made by the Company wholly for cash of Ordinary Shares (other than pursuant to a Share Incentive Scheme, as defined in the Instrument) at a price less than 90 per cent. of the Market Price (calculated as provided in the Instrument); and
  - (vii) if the Company purchases Ordinary Shares or securities convertible into or rights to acquire Ordinary Shares (excluding any such purchases made on the Stock Exchange or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong or equivalent authority, and the Stock Exchange) and the Directors consider that it may be appropriate to make an adjustment to the Subscription Price, the Directors shall appoint the auditors of the Company or an Approved Investment Bank to consider whether an adjustment should be made to the Subscription Price.
- (B) Except as mentioned in paragraph (C), no such adjustment as is referred to in paragraph (A) shall be made in respect of:
- (i) an issue of fully paid Ordinary Shares upon the exercise of any conversion Rights attaching to securities convertible into Ordinary Shares or upon the exercise of any Rights (including the Subscription Rights) to acquire Ordinary Shares;
  - (ii) an issue by the Company of Ordinary Shares or by the Company or any subsidiary of securities convertible into, or carrying Rights to acquire, Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;

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**APPENDIX            SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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- (iii) an issue of fully paid Ordinary Shares by way of capitalisation of all or part of the Subscription Rights Reserve (as defined in the Instrument) to be established in certain circumstances subject and pursuant to the terms and conditions contained in the Instrument (or any similar reserve which has been or may be established pursuant to the terms of issue of any other securities convertible into or carrying Rights to acquire Ordinary Shares);
  - (iv) an issue of Ordinary Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Ordinary Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Ordinary Shares is not more than 110 per cent. of the amount of dividend which holders of Ordinary Shares could elect to or would otherwise receive in cash; or
  - (v) an issue by the Company of Ordinary Shares or by the Company or any subsidiary of securities convertible into, or exchangeable for, or carrying Rights of subscription for, Ordinary Shares pursuant to a share incentive scheme.
- (C) Notwithstanding the above in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint the auditors of the Company or an Approved Investment Bank to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the auditors of the Company or such Approved Investment Bank shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by the auditors of the Company or such Approved Investment Bank to be in their opinion fair and appropriate.
- (D) Any adjustment to the Subscription Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up. No adjustment shall be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. No adjustment may be made (except on a consolidation or repurchase of Ordinary Shares) which would increase the Subscription Price.



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**APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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- (E) Every adjustment to the Subscription Price shall be certified to be fair and appropriate by the auditors of the Company or an Approved Investment Bank and notice of each adjustment (giving the relevant particulars) shall be given to the Warrantholders. In giving any certificate or making any adjustment under the Instrument, the auditors of the Company or the Approved Investment Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company and the Warrantholders and all persons claiming through or under them respectively. Any such certificates of the auditors of the Company or Approved Investment Bank will be available at the principal place of business of the Company in Hong Kong, where copies may be obtained.

For the purposes of this paragraph 2:

“Approved Investment Bank” means an investment bank of international standing and repute selected by the Directors;

“Capital Distribution” (without prejudice to the generality of that phrase) includes distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a capital distribution; provided that any such dividend shall not automatically be so deemed if:

- (a) it is paid out of the aggregate of the net profits (less losses) attributable to the holders of Ordinary Shares for all periods after 31 December 2015 as shown in the audited or unaudited consolidated profit and loss account of the Company and its subsidiaries for each such period; or
- (b) to the extent that (a) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the auditors for the time being of the Company appropriate to the circumstances and shall be made in the event that the lengths of such periods differ materially;

“Market Price” means the average of the closing prices of one Ordinary Share on the Stock Exchange for the twenty consecutive dealing days ending on the dealing day last preceding the day on or as of which the Market Price is to be ascertained;

“Ordinary Shares” includes, for the purposes of Ordinary Shares comprised in any issue, distribution, grant or purchase which may result in an adjustment in the Subscription Price, any shares of the Company as, when fully paid, will be Ordinary Shares;

“Reserves” includes unappropriated profits; and

“Rights” includes rights in whatsoever form issued.

### **3. REGISTERED WARRANTS**

The Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

### **4. TRANSFER, TRANSMISSION AND REGISTER**

- (A) The Subscription Rights represented by the Warrant Certificates are transferable by instrument of transfer in any usual or common form or in any other form which may be approved by the Directors. The Company shall maintain a register of Warranholders accordingly. Transfers of Warrants must be executed by both the transferor and the transferee. Where the transferor or the transferee is HKSCC Nominees Limited (or such other company as may be approved by the Directors for this purpose), the transfer may be executed under the hands of authorised person(s) or by machine-imprinted signatures on its behalf or of such person(s), as the case may be. The provisions of the Company’s bye-laws relating to the registration, transmission and transfer of Ordinary Shares shall, mutatis mutandis, apply to the registration, transmission and transfer of the Warrants and shall have full effect as if the same had been incorporated herein.
  
- (B) Since the Warrants will be admitted to the Hong Kong Central Clearing and Settlement System, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three dealing days before the last day of subscription being 5 July 2019. Persons who own Warrants and have not registered the Warrants in their own names and wish to exercise the Subscription Rights should note that they may incur additional costs and expenses in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Subscription Rights, in particular during the period commencing ten Business Days, prior to and including the last day for subscription, being 5 July 2019.

- (C) The registration of transfers and register of Warranholders may be closed at such times and for such periods as the Directors may determine provided that it shall not be closed for a period or for periods together, of more than 30 days in any one year. Any exercise of Subscription Rights during the period for which the register of Warranholders is closed shall be considered or made immediately after reopening of the register.

**5. PURCHASE AND CANCELLATION**

The Company or any of its subsidiaries may at any time purchase Warrants:

- (i) in the open market or by tender (available to all Warranholders alike) at any price; or
- (ii) by private treaty at a price, exclusive of expenses, not exceeding 110% of the closing price on the Stock Exchange per Warrant on the last trading date immediately prior to the date of purchase of the Warrants,

but not otherwise. All Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or resold.

**6. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS**

- (A) The Instrument contains provisions for convening meetings of Warranholders to consider any matter affecting the interests of Warranholders, including the modification by special resolution of any of the provisions of the Instrument and/or the conditions. A special resolution duly passed at any such meeting shall be binding on the Warranholders, whether present or not.

- (B) All or any of the Rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of these conditions and/or the Instrument) and the sanction of a special resolution shall be necessary and sufficient to effect such alteration or abrogation.

- (C) Where the Warranholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warranholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number of Warrants in respect of which each such person is so authorised. The person so authorised shall be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it

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**APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS**

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is duly authorised and shall be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder, including the right to vote by show of hands individually.

- (D) On a poll, votes may be given either personally or by proxy or by authorised representative. On a show of hands, votes may be given either personally (in the case of a Warrantholder being an individual) or by authorised representative (in the case of a Warrantholder being a corporation).

**7. REPLACEMENT OF WARRANT CERTIFICATES**

In the case of lost Warrant Certificates, Sections 162 to 169 of the Hong Kong Companies Ordinance shall apply as if “shares” referred to therein included the Warrants.

If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Registrar on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such higher fee as may from time to time be permitted by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

**8. PROTECTION OF SUBSCRIPTION RIGHTS**

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

**9. CALL**

If at any time the aggregate number of outstanding Warrants is equal to or less than 10% of the aggregate number of the Warrants issued under the Instrument, then the Company may, on giving not less than one month’s notice, require Warrantholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to such Warrantholders.

**10. FURTHER ISSUES**

The Company shall be at liberty to issue further warrants to subscribe for Ordinary Shares in such manner and on such terms as it sees fit.

**11. UNDERTAKINGS BY THE COMPANY**

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof, the Company has undertaken in the Instrument that:

- (i) it will use its best endeavours to ensure that all Ordinary Shares allotted on the exercise of Subscription Rights shall be admitted to listing on the Stock Exchange;
- (ii) it will send to each Warrantholder, at the same time as the same are sent to the holders of Ordinary Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of the Ordinary Shares generally; and
- (iii) it will pay all Hong Kong stamp and capital duties (if any), registration fees or similar charges in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Ordinary Shares upon exercise of the Subscription Rights.

**12. NOTICES**

The Instrument contains provisions relating to notices to be given to Warrantholders.

Every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent.

The provisions of the Company's bye-laws relating to service of notices on members of the Company shall apply, mutatis mutandis, to service of notices on Warrantholders and shall have full effect as if the same had been incorporated herein.

All notices with respect to Warrants standing in the names of joint holders shall be given to whichever of such persons is named first in the register of Warrantholders and notice so given shall be sufficient notice to all the holders of such Warrants.

**13. OVERSEAS WARRANTHOLDERS**

None of the Subscription Rights attaching to the Warrants may be exercised by any Warrantholder whose registered address is in or who is a national of or is resident in any territory other than Hong Kong where, in the opinion of the Directors, after having reviewed the register of members, the allotment of Shares to such Warrantholder upon exercise of any subscription Rights would or may in the absence of compliance with registration or any other special formalities in such territory, be unlawful or impracticable under the laws of such territory or Hong Kong and each exercise of the Subscription Rights shall constitute a confirmation that the Warrantholder so exercising is not a resident or national of any such territories. In addition, the Directors shall have the discretion, if in their opinion the foregoing restriction may apply to any exercise of Subscription Rights, to refuse to accept such exercise.

**14. WINDING UP OF THE COMPANY**

- (A) In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to wind-up the Company voluntarily, every Warrantholder shall be entitled by irrevocable surrender of his Warrant Certificate(s) to the Company with the Subscription Form(s) duly completed, together with payment of the Exercise Monies or the relative portion thereof (such Subscription Form(s) and Exercise Monies to be received by the Company not less than five Business Days prior to the proposed Shareholders' meeting) to be allotted and issued, as soon as possible and in any event no later than the day immediately prior to the date of the proposed Shareholders' meeting, the Ordinary Shares which fall to be issued pursuant to the exercise of the relevant Subscription Rights.
  
- (B) If an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some persons designated by them for such purpose by special resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warrantholders.
  
- (C) Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and each Warrant Certificate shall cease to be valid for any purpose.

**15. GOVERNING LAW**

The Instrument and the Warrants are governed by and will be construed in accordance with the laws of Hong Kong.