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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)

CONTINUING CONNECTED TRANSACTION

On 30th October 2019, Mr. Lee entered into a securities margin financing agreement with China Rise. As Mr. Lee is a connected person of the Company within the definition of Listing Rule 14A.07, the facilities under the agreement is a continuing connected transaction. As the relevant percentage ratios fall within the exemption under Listing Rule 14A.76, the agreement is exempted from the circular, independent financial advice and shareholders' approval requirements.

On 30th October 2019, Mr. Lee entered into a margin financing agreement with China Rise.

The principal business of China Rise is dealing in securities and, in the ordinary and usual course of its business, it also offers securities margin financing (within the meaning of Listing Rule 14.04(1)(e)(iii)(A)) to its client. Mr. Lee, a director of the Company is also a client of China Rise ("Client"). He is thus a connected person of the Company.

The Margin Financing Agreement is a continuing connected transaction of the Company. The annual cap for the continuing connected transaction under the Margin Financing Agreement was set at HK\$10,000,000 after arm's length negotiations, the Board having considered the current state of the securities market, the anticipated trading volume of securities by the Client after discussion with him and the historical amount of previous transactions with the relevant Client. The Client is an experienced investor.

The table below sets out the historical transaction amounts of margin financing offered by China Rise to the Client:

	Year ended 31 December 2017 HK\$	Year ended 31 December 2018 HK\$
Maximum daily outstanding balance of margin loan	1,608,634.35	1,568,139.23

As the relevant percentage ratios fall within the exemption under Listing Rule 14A.76, the Margin Financing Agreement is exempt from the circular, independent financial advice and shareholders' approval requirements.

The margin financing facilities are provided to the Client of China Rise subject to his provision of a cash deposit of HK\$10,000,000.00 or assets of equivalent value by way of collateral. The annual interest rate to be charged is prime rate plus 3% which is determined by reference to the rates offered in the market by other securities brokers for services of a similar nature. Moreover, the interest rate charged will be reviewed from time to time and subject to adjustments at the discretion of the Company for the purpose of alignment with the prevailing market practice. The term of the Margin Financing Agreement is fixed at three years and is on terms similar to those offered to independent third parties.

As the Group is engaged in the securities dealing business, entering into the Margin Financing Agreement is expected to contribute to the turnover of the Group. In addition, it also enables the Company to earn interest from extending the margin loan facilities. The Directors (including the independent non-executive directors) consider that the terms of the Margin Financing Agreement fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

As Mr. Lee has an interest in the Margin Financing Agreement with China Rise, he abstained from voting on the board resolution approving the Margin Financing Agreement.

INFORMATION ON THE GROUP

The principal businesses of the Group are (i) retailing and provision of sourcing services for branded apparel, swimwear and accessories, and sourcing, manufacturing and trading of healthcare products; (ii) development and management of PONY trademarks; (iii) property investment and holding; (iv) management and operation of outlet malls; (v) provision of financial services (including securities brokerage, margin financing, moneylending, underwriting and placing of listed securities and financial consultancy services); and (vi) operation of duty-free shops.

DEFINITIONS

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

“Board”	board of directors of the Company;
“China Rise”	China Rise Securities Asset Management Company Limited, a licensed corporation incorporated in Hong Kong with limited liability to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance and an indirect wholly-owned subsidiary of the Company;
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 01223);
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Margin Financing Agreement”	the margin financing agreement entered into on 30 October 2019 by China Rise and Mr. Lee;

“Mr. Lee” Mr. Lee Cheung Ming, a director of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“%” per cent.

By order of the Board
Symphony Holdings Limited
Chow So Ying Anna
Company Secretary

Hong Kong, 31 October 2019

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