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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer 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 hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee at once.

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SYMPHONY

**SYMPHONY HOLDINGS LIMITED**

**新豐集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1223)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF PROPERTY**

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\* For identification purposes only

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## DEFINITIONS

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

|                                |   |
|--------------------------------|---|
| “Acquisition”                  | the acquisition of the Property contemplated under the Agreement  |
| “Agreement”                    | the provisional agreement for sale and purchase of the Property dated 25 October 2007 entered into between the Vendor and the Purchaser                         |
| “Company”                      | Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Exchange                             |
| “Completion”                   | completion of the sale and purchase of the Property pursuant to the Agreement   |
| “Director(s)”                  | director(s) of the Company  |
| “Exchange”                     | The Stock Exchange of Hong Kong Limited   |
| “Group”                        | the Company and its subsidiaries  |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected person(s) (as defined in the Listing Rules)   |
| “Latest Practicable Date”      | 15 November 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information of this circular |
| “Listing Rules”                | Rules Governing the Listing of Securities on the Exchange   |
| “Max Billion”                  | Max Billion Finance Limited, a company incorporated in Hong Kong and an Independent Third Party principally engaged in property investment                      |
| “Property”                     | 8/F, Island Place Tower, 510 King’s Road, North Point, Hong Kong  |
| “Purchaser”                    | Yue Hing  |
| “SFO”                          | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”                     | ordinary share(s) of HK\$0.25 each in the share capital of the Company  |

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## DEFINITIONS

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|                  |   |
|------------------|---|
| “Shareholder(s)” | holder(s) of the Shares   |
| “Vendor”         | Max Billion   |
| “Yue Hing”       | Yue Hing Holdings Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company |
| “HK\$”           | Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of The People’s Republic of China                   |

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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: 1223)**

*Executive Directors:*

Mr. Li Kwok Lung Alfred Ronald (*Chairman*)  
Mr. Sze Sun Sun Tony  
*(Deputy Chairman and Managing Director)*  
Mr. Chang Tsung Yuan (*Deputy Chairman*)  
Mr. Ku Edward Y.  
Mr. Chan Lu Min  
Dr. Ho Ting Seng  
Mr. Chan Ting Chuen

*Non-executive Director:*

Mr. Li I Nan

*Independent non-executive Directors:*

Mr. Cheng Kar Shing  
Mr. Feng Lei Ming  
Mr. Ho Shing Chak

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business  
in Hong Kong:*

10/F, Island Place Tower  
510 King's Road, North Point  
Hong Kong

16 November 2007

*To the Shareholder(s)*

Dear Sir/Madam,

### DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

#### INTRODUCTION

Reference is made to the announcement issued by the Company on 1 November 2007, Yue Hing, a wholly-owned subsidiary of the Company, was notified by its property agent that its offer to acquire the Property from Max Billion at a consideration of HK\$92,000,000.00 had been accepted on 30 October 2007.

\* For identification purposes only

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## LETTER FROM THE BOARD

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The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you, the Shareholder(s), with further information in respect of the Acquisition.

### THE AGREEMENT

Date : 25 October 2007

Parties : Max Billion, an Independent Third Party incorporated in Hong Kong and is principally engaged in property investment, as the Vendor

Yue Hing, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability, as the Purchaser

### The Property

The Property is located at 8/F, Island Place Tower, 510 King's Road, North Point, Hong Kong and has a gross area of approximately 20,090 square feet. The Property will be delivered to the Purchaser upon Completion subject to and with the benefit of two existing tenancies at an aggregate monthly rental of HK\$251,125.00 (exclusive of government rates, government rent, management fee and all other outgoings and other utilities charge). To the best knowledge of the Directors, there is no profit attributable to the Property for the two financial years immediately preceding the Acquisition. The two tenancies will expire on 30 November 2008 and 14 May 2009 respectively. The Property is currently used by the tenants as their commercial offices.

### Consideration and Payment Terms

The consideration of HK\$92,000,000.00 for the Property has been determined after arm's length negotiations between the parties by reference to the prevailing market value of similar properties in the commercial market in North Point. The Group currently intends to finance the consideration of the Property wholly through internal resources. In accordance with the terms of the Agreement, the consideration for the Property shall be payable to the Vendor in cash in the following manner:

| <b>Date of payment</b>           | <b>Amount paid/payable</b>                           |
|----------------------------------|--|
| 25 October 2007                  | HK\$5,000,000.00 has been paid as an initial deposit |
| On or before<br>16 November 2007 | HK\$4,200,000.00 shall be paid as a further deposit  |
| On or before<br>22 January 2008  | HK\$82,800,000.00 shall be paid upon Completion      |

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## LETTER FROM THE BOARD

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### **Completion**

Pursuant to the Agreement, the parties are required to enter into a formal agreement for the sale and purchase of the Property on or before 16 November 2007. Completion of the sale and purchase of the Property shall take place on or before 22 January 2008.

### **REASON FOR THE ACQUISITION**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of footwear, property investment and investment holding.

The Group's property investment portfolio aims strategically at premium properties with prospect of appreciation in property value. The Property is located in North Point area which is one of the popular commercial districts in Hong Kong. It is also within close proximity to the Group's current office premises. Upon the expiration of the two existing tenancies, the Company intends to regain possession of the Property. The Acquisition enables the Group to enlarge its office and showroom space which is anticipated to be required in the near future in congruity with the Group's business expansion needs. The Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **GENERAL**

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Max Billion and its ultimate beneficial owner are Independent Third Parties.

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,  
For and on behalf of  
**Symphony Holdings Limited**  
**Li Kwok Lung Alfred Ronald**  
*Chairman*

## RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there is no other fact the omission of which would make any statement herein misleading.

## INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (a) which were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or the chief executives were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules were as follows:

## Long Positions in Shares

Ordinary Shares of HK\$0.25 each of the Company:

| Director                       | Notes | Number of ordinary shares |  |                                | Total       | Percentage of the issued share capital of the Company |
|--------------------------------|-------|---------------------------|--|--------------------------------|-------------|---|
|                                |       | Held by beneficial owner  | Held by spouse and/or children under the age of 18 | Held by controlled corporation |             |   |
| Mr. Chan Ting Chuen            | 1     | 5,000,000                 | –  | 885,287,172                    | 890,287,172 | 51.05%  |
| Mr. Chang Tsung Yuan           |       | 7,000,000                 | –  | –                              | 7,000,000   | 0.40%   |
| Mr. Li Kwok Lung Alfred Ronald | 2     | 12,260,000                | 400,000  | 11,799,886                     | 24,459,886  | 1.40%   |
| Mr. Sze Sun Sun Tony           | 1     | –                         | –  | 851,687,400                    | 851,687,400 | 48.83%  |

## Notes:

- As at the Latest Practicable Date, the total number of issued Shares of the Company was 1,744,044,773 ordinary Shares. Well Success Investment Limited (“**Well Success**”) was directly interested in 851,687,400 Shares of the Company. First Dynamic International Limited (“**First Dynamic**”) held more than one-third of the issued share capital of Well Success. Each of Royal Pacific Limited (“**Royal Pacific**”) and Alexon International Limited (“**Alexon**”) held more than one-third of the total issued share capital of First Dynamic. Accordingly, First Dynamic, Royal Pacific and Alexon were severally deemed to be interested in 851,687,400 Shares of the Company.

Mr. Chan Ting Chuen (“**Mr. Chan**”) held 5,000,000 Shares in the Company in a personal capacity. Royal Pacific was directly interested in 33,599,772 Shares in the Company. Mr. Chan was interested in the entire issued share capital of Royal Pacific and was therefore deemed to be interested in 885,287,172 Shares in the Company. Accordingly, Mr. Chan was interested in an aggregate of 890,287,172 Shares of the Company, representing a 51.05% shareholding.

Mr. Sze Sun Sun Tony (“**Mr. Sze**”) was interested in the entire issued share capital of Alexon and was therefore deemed to be interested in 851,687,400 Shares in the Company, representing a 48.83% shareholding.

- Mr. Li Kwok Lung Alfred Ronald (“**Mr. Li**”) and his spouse respectively held 12,260,000 Shares and 400,000 Shares in the Company in their personal capacities. Ever Growing Assets Limited (“**Ever Growing**”) had a direct interest in 11,799,886 Shares in the Company. Mr. Li held the entire issued share capital of Ever Growing and was deemed to be interested in 11,799,886 Shares in the Company. Accordingly, Mr. Li was interested in an aggregate of 24,459,886 Shares in the Company, representing a 1.40% shareholding.

### Short Positions in Shares

Save as disclosed above, neither the Directors nor their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as at the Latest Practicable Date.

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

The register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at the Latest Practicable Date, the following substantial Shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

### Long Positions in Shares

Ordinary Shares of HK\$0.25 each of the Company:

| Shareholder   | Note | Capacity  | Number of issued ordinary Shares held |                  |                 | Percentage of the issued share capital of the Company |
|---------------|------|---|---------------------------------------|------------------|-----------------|---|
|               |      |   | Direct interests                      | Deemed interests | Total interests |   |
| Well Success  | 1    | Beneficial owner                                    | 851,687,400                           | –                | 851,687,400     | 48.83%  |
| First Dynamic | 1    | Held by controlled corporation                      | –                                     | 851,687,400      | 851,687,400     | 48.83%  |
| Alexon        | 1    | Held by controlled corporation                      | –                                     | 851,687,400      | 851,687,400     | 48.83%  |
| Royal Pacific | 1    | Beneficial owner and held by controlled corporation | 33,599,772                            | 851,687,400      | 885,287,172     | 50.76%  |

| Shareholder  | Note | Capacity  | Number of issued ordinary Shares held |                  |                 | Percentage of the issued share capital of the Company |
|--|------|---|---------------------------------------|------------------|-----------------|---|
|  |      |   | Direct interests                      | Deemed interests | Total interests |   |
| Frensham Investments Limited (" <b>Frensham</b> ")           | 2    | Beneficial owner and held by controlled corporation | 83,999,430                            | 851,687,400      | 935,686,830     | 53.65%  |
| Pou Yuen Industrial (Holdings) Limited (" <b>Pou Yuen</b> ") | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Yue Yuen Industrial Limited (" <b>Yue Yuen Industrial</b> ") | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Pou Hing Industrial Company Limited (" <b>Pou Hing</b> ")    | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Yue Yuen Industrial (Holdings) Limited (" <b>Yue Yuen</b> ") | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Wealthplus Holdings Limited (" <b>Wealthplus</b> ")          | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Pou Chen Corporation (" <b>Pou Chen</b> ")                   | 2    | Held by controlled corporation                      | –                                     | 935,686,830      | 935,686,830     | 53.65%  |
| Madam Lau Yuk Wah (" <b>Madam Lau</b> ")                     | 3    | Held by spouse                                      | –                                     | 851,687,400      | 851,687,400     | 48.83%  |
| Madam Ng Shuk Fong (" <b>Madam Ng</b> ")                     | 3    | Held by spouse                                      | –                                     | 890,287,172      | 890,287,172     | 51.05%  |

## Notes:

- As at the Latest Practicable Date, Well Success was directly interested in 851,687,400 Shares of the Company. First Dynamic held more than one-third of the issued share capital of Well Success. Each of Royal Pacific and Alexon held more than one-third of the issued share capital of First Dynamic. Accordingly, First Dynamic, Royal Pacific and Alexon were severally deemed to be interested in 851,687,400 Shares of the Company.
- Frensham was directly interested in 83,999,430 Shares of the Company and held more than one-third of the issued share capital of Well Success. Frensham was a wholly-owned subsidiary of Pou Yuen which in turn was a wholly-owned subsidiary of Yue Yuen Industrial. Yue Yuen Industrial was a wholly-owned subsidiary of Pou Hing which in turn was a wholly-owned subsidiary of Yue Yuen. Wealthplus, a wholly-owned subsidiary of Pou Chen, held over 35% interests in Yue Yuen. Therefore, all of them were severally deemed to be interested in 851,687,400 Shares of the Company. Accordingly, each of Frensham, Pou Yuen, Yue Yuen Industrial, Pou Hing, Yue Yuen, Wealthplus and Pou Chen was deemed to be interested in 935,686,830 Shares of the Company.

3. Madam Lau is the wife of Mr. Sze and was deemed to be interested in a total of 851,687,400 Shares of the Company. Madam Ng is the wife of Mr. Chan and was deemed to be interested in a total of 890,287,172 Shares of the Company.

### **Short Positions in Shares**

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions of the substantial Shareholders in the issued Share capital of the Company as at the Latest Practicable Date.

### **DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any members of the Group that will not expire or is not terminable by the employer within one year without payment of compensation (other than statutory compensation).

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or any of their respective associates (as defined under the Listing Rules) is considered as having a competing interest pursuant to Rule 8.10 of the Listing Rules.

### **LITIGATION**

As at the Latest Practicable Date, so far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

### **MISCELLANEOUS**

- (1) The company secretary of the Company is Ms. Chow So Ying Anna, a solicitor admitted in the Hong Kong Special Administrative Region.
- (2) The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Ms. Ma Ching Lan, member of Hong Kong Institute of Certified Public Accountant.
- (3) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited, which is located at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (4) This circular has been prepared in both English and Chinese. In the case of any discrepancies, the English text shall prevail.