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SYMPHONY
SYMPHONY HOLDINGS LTD.

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

DISCLOSEABLE TRANSACTION DISPOSAL OF 11.3% EQUITY INTERESTS IN FULL PEARL

On 1 September 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell the Sale Shares, and the Purchaser agreed to purchase the Sale Shares, at an aggregate consideration of HKD36,868,000.

On the basis that one of the applicable percentage ratios in respect of the consideration of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements as set out in Rules 14.34 to 14.38 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 1 September 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, at an aggregate consideration of HKD36,868,000. The principal terms of the Sale and Purchase Agreement are set out below:

Date

1 September 2010

Parties

Vendor : Power Plus

Purchaser : Great Pacific

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Great Pacific is a wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited. Yue Yuen Industrial (Holdings) Limited is a substantial but non-controlling shareholder of Well Success Investment Limited, which is the controlling shareholder of the Company. Yue Yuen Industrial (Holdings) Limited also holds approximately 4.8% of the issued shares in the Company through its wholly-owned subsidiaries but is not a connected person of the Company. Save as aforesaid, Great Pacific and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company as defined in the Listing Rules.

Subject Matter of the Sale and Purchase Agreement

The Sale Shares represent 11.3% of the issued share capital of Full Pearl, an investment of the Company. Full Pearl engages in the business of the distribution and retailing of women's footwear in PRC, Hong Kong and Taiwan. The brand names owned and/or operated by Full Pearl include AEE, Aldo and Jessica Simpson. The Sale Shares have been sold free from any encumbrance as of Completion.

Consideration

The aggregate consideration for the sale and purchase of the Sale Shares is HKD36,868,000 and is settled in cash upon Completion. The aggregate consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, having regard to the carrying value of Full Pearl in its consolidated financial statements as at 31 July 2010.

The Sale and Purchase Agreement is unconditional.

Completion

Completion has taken place on 1 September 2010 following the execution of the Sale and Purchase Agreement.

INFORMATION OF THE GROUP

The Company is an investment holding company. The principal activities of the Group are manufacturing and trading of footwear, trading, retailing and distribution of licensed products, property investment and investments holding in Hong Kong and PRC. The Company is a seasoned market player in brand development and retailing in the Greater China. It has under its brand development portfolio a number of famous and heritage brands. Managing more than 300 points-of-sale across PRC, the Company owns an extensive network and brand marketing know-how.

INFORMATION OF FULL PEARL

Full Pearl is a company incorporated in the British Virgin Islands with limited liability, principally engaged in the business of the distribution and retailing of women's footwear in PRC, Hong Kong and Taiwan. The Group invested in the unlisted equity securities in Full Pearl, which represented a 11.3% holding of the ordinary shares of Full Pearl. The brand names owned and/or operated by Full Pearl include AEE, Aldo and Jessica Simpson. The following shows the audited results of Full Pearl for the years ended 31 December 2009 and 2008 and its assets as at 31 December 2009 and 2008:

	Year ended 31 December 2009 HKD	Year ended 31 December 2008 HKD
Net loss before tax and extraordinary items	6,005,692	11,007,514
Net loss after tax and extraordinary items	6,376,851	11,006,041
	As at 31 December 2009 HKD	As at 31 December 2008 HKD
Total assets	161,739,981	162,172,176
Net assets	88,203,726	93,600,338

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability, principally engaged in the business of investments holding.

FINANCIAL EFFECTS OF THE DISPOSAL

The gain arising from the Disposal is estimated to be approximately HKD18,387,759, being the difference between the consideration for the Disposal of HKD36,868,000 and HKD18,480,241, being the cost of investment of the Company in respect of Full Pearl.

It is intended that the sale proceeds from the Disposal will be held by the Group as general working capital and capital to support the development of the Group's core business.

Upon Completion, the Group ceases to hold any equity securities in Full Pearl, which in turn ceases to be an investment of the Company accordingly.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is a seasoned market player in sports fashion brand development and retailing in the Greater China. The Directors' decision is to exit from our minor investment and to utilise resources to invest in our branding, retailing and outlet mall development. In order to focus on our core businesses, Directors consider that the Disposal is a good opportunity for the Group to realise its investment in Full Pearl and provides a chance for the Company to streamline the business of the Group and is in line with the business strategy of the Company. Directors also believe that the Disposal would enable the Group to enhance its working capital position.

Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole. The Disposal is entered into by the Company in the ordinary and usual course of its business.

GENERAL

Based on the calculation reckoned on 100% of the aggregate consideration of the transaction, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

Board	the board of directors of the Company
Company	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Exchange (Stock Code: 01223)
Completion	1 September 2010, completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
Director(s)	executive director(s), non-executive director and independent non-executive director(s) of the Company
Disposal	the disposal of an investment pursuant to the Sale and Purchase Agreement
Exchange	The Stock Exchange of Hong Kong Limited

Full Pearl	Full Pearl International Limited, a company incorporated in the British Virgin Islands, principally engaged in the distribution and retailing of women's footwear in PRC, Hong Kong and Taiwan.
Great Pacific	Great Pacific Investments Ltd., a company incorporated in the British Virgin Islands with limited liability
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of PRC
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Independent Third Party(ies)	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
Listing Rules	Rules Governing the Listing of Securities on the Exchange
Power Plus	Power Plus Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiaries of the Company
PRC	the People's Republic of China
Purchaser	Great Pacific
Sale and Purchase Agreement	a sale and purchase agreement entered into between the Vendor and the Purchaser pursuant to which the Vendor agreed to sell the Sale Shares and the Purchaser agreed to purchase the Sale Shares at an aggregate consideration of HKD36,868,000.
Sale Shares	372 shares of USD1 each in the share capital of Full Pearl, representing 11.3% of its entire issued share capital
Shareholders	holder(s) of the shares of HKD0.25 each in the share capital of the Company
USD	United States dollars, the lawful currency of the United States of America
Vendor	Power Plus

For illustration purposes in this announcement, the amounts in USD are translated into HKD at the rates of USD7.75 = HKD1. No representation is made that any amount in USD has been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Chan Ting Chuen
Chairman

Hong Kong • 1 September 2010

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

Executive Directors:

Mr. Chan Ting Chuen (Chairman)
Mr. Sze Sun Sun Tony (Deputy Chairman & Managing Director)
Mr. Chang Tsung Yuan (Deputy Chairman)
Mr. Chan Lu Min
Ms. Chen Fang Mei
Dr. Ho Ting Seng

Non-executive Director:

Mr. Li I Nan

Independent Non-executive Directors:

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

* For identification purposes only.

The unofficial English transliterations or translations are for identification purpose only.