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SYMPHONY
SYMPHONY HOLDINGS LIMITED

新灃集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

(Warrant Code: 01537)

AMENDMENT OF
CONTINUING CONNECTED TRANSACTIONS

The Company refers to its announcements published on 27th February 2017, 22nd March 2017 and 15th January 2018 respectively. Terms defined in those announcements are used with the same meanings in this announcement.

After conducting an annual review of the 2018 business performance, an amendment to the JV agreement and the Distribution Agreement (as supplemented by the Amendment Agreements, collectively the “Revised Agreements”) were entered into on 7th May 2019 under which (a) the price for the Products and (b) the Minimum Purchases were revised.

The price for the Products is revised as the recommended retail price of the Products times a rate specified in the Revised Agreements and agreed between Arena Shanghai and Shanghai Descente.

The annual Minimum Purchases required of the Group has been reduced as follows: -

Contract Year	Original Minimum Purchase (RMB)		Revised Minimum Purchase (RMB) (tax excluded)
	(tax included)	(tax excluded) <i>Note</i>	
2019	97,481,000	83,317,094	60,345,000
2020	120,613,000	103,088,034	86,629,000
2021	133,403,000	114,019,658	96,139,000

Note : the tax excluded figures were not included in the JV Agreement and the Distribution Agreement and are derived by dividing the original minimum purchase figures by 1.17 (being the value added tax rate of 17%) for comparison purpose.

* For identification purpose only

The Minimum Purchase for the contract years is adjusted taking into account the current China market retail conditions and it is foreseen that the adjustment will improve both the business performance and the flexibility of the joint venture.

No changes have been made to the annual cap of each contract year or to any other terms of the JV Agreement and Distribution Agreement.

The terms of the Revised Agreements have been approved by the Board and the independent non-executive directors have also confirmed that the terms of the transaction are fair and reasonable, and the transaction is on normal commercial terms and in the interests of the Company and its shareholders as a whole. The amendments under the Revised Agreements are therefore exempted under Rule 14A.101 of the Listing Rules from the circular, independent financial advice and shareholders' approval requirements otherwise applicable.

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

Hong Kong, 8 May 2019

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