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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)**

**(Warrant Code: 01537)**

**CONTINUING CONNECTED TRANSACTIONS**

On 31<sup>st</sup> December 2018, Mr. Cheng, together with GCL, a company owned by Mr Cheng, entered into a securities margin financing agreement with China Rise. On the same day Ms. Fung entered into a separate securities margin financing agreement with China Rise. As Mr. Cheng, GCL and Ms. Fung are connected persons of the Company within the definition of Listing Rule 14A.07, the facilities under these agreements are continuing connected transactions.

As the relevant percentage ratios fall within the exemption under Listing Rule 14A.76, these agreements are exempted from the circular, independent financial advisor and shareholders' approval requirements.

On 31<sup>st</sup> December 2018, Mr Cheng together with GCL entered into a margin financing agreement with China Rise. On the same day, Ms. Fung entered into a separate margin financing agreement with China Rise.

The principal business of China Rise is dealing in securities and it also offers securities margin financing (within the meaning of Listing Rule 14.04(1)(e)(iii)(A)) to its clients in the ordinary and usual course of its business. Mr. Cheng, a director and substantial shareholder of the Company, GCL, a company wholly-owned by Mr. Cheng (and thus his associate) and Ms. Fung, a director of certain subsidiaries of the Company are all clients of China Rise. The Clients are also connected persons or deemed connected persons of the Company.

The Margin Financing Agreements are separate continuing connected transactions of the Company. The aggregate annual cap for the continuing connected transactions under the

\* For identification purposes only

Margin Financing Agreement between Mr Cheng, GCL and China Rise was set at HK\$10,000,000 and the aggregate annual cap for the continuing connected transactions under the Margin Financing Agreement between Ms. Fung and China Rise was set at HK\$10,000,000, in each case after arm's length negotiations, the Board having considered the current state of the securities market and the anticipated trading volume of securities by each of the Clients after separate discussions with the Clients and the historical amount of previous transactions with the relevant Client.

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

	<b>Year ended 31 December 2016 HK\$</b>	<b>Year ended 31 December 2017 HK\$</b>
Maximum daily outstanding balance of margin loan (Mr. Cheng & GCL)	6,049,649.06	3,489,772.38
Maximum daily outstanding balance of margin loan (Ms. Fung)	2,734,850.14	4,153,131.23

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

The separate margin financing facilities are provided to each of the Clients subject to each of Mr. Cheng and GCL together, in the case of their Margin Financing Agreement, and Ms. Fung in the case of her Margin Financing Agreement, having provided a cash deposit of HK\$10,000,000.00 or assets of equivalent value by way of Collateral. The interest rate to be charged under each Margin Financing Agreement is 8% per annum 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 each of the Margin Financing Agreements is fixed at three years and each 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 Agreements is expected to contribute to the turnover of the Group. In addition,

they also enable the Company to earn interest from the facilities. The directors (including the independent non-executive directors) consider that the terms of the Margin Financing Agreements fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and also in the interests of the Company and its shareholders as a whole.

As Mr. Cheng has an interest in the Margin Financing Agreement between him, GCL and China Rise, he abstained from voting on the board resolution approving that margin financing agreement.

## **INFORMATION ON THE GROUP**

The principal businesses of the Group are: retailing and sourcing; outlet malls; duty-free operations; sports branding; financial services and property investment and holding.

## **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 corporation incorporated in Hong Kong with limited liability licensed 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;
"Clients"	Mr. Cheng, GCL and Ms. Fung;
"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 and Warrant code: 01537);
"GCL"	Gold silk Capital Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly owned by Mr. Cheng;
"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 Agreements"	<ol style="list-style-type: none"> <li>1. the margin financing agreement entered into on 31<sup>st</sup> December 2018 by China Rise and Mr. Cheng together with GCL; and</li> <li>2. the margin financing agreement entered into on the same day by China Rise and Ms. Fung;</li> </ol>
"Mr. Cheng"	Mr. Cheng Tun Nei, a director and a substantial shareholder of the Company;
"Ms. Fung"	Ms. Fung Kim Wan Ewim, a director of certain subsidiaries of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 31 December 2018

At the date of this announcement, the directors of the Company are:

Executive Directors:	Mr. Cheng Tun Nei ( <i>Chairman and Chief Executive Officer</i> ) Mr. Chan Kar Lee Gary
Independent non-executive Directors:	Mr. Shum Pui Kay Mr. Wah Wang Kei Jackie Mr. Chow Yu Chun Alexander