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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)

## **SHARE CONSOLIDATION, CAPITAL REDUCTION, SHARE SUB-DIVISION AND CHANGE OF AUDITOR**

### **SHARE CONSOLIDATION, CAPITAL REDUCTION AND SHARE SUB-DIVISION**

The Board is pleased to announce that the Company proposes to implement :

- (a) the Share Consolidation on the basis that every two (2) Shares of HK\$0.25 each in the authorised and issued share capital of the Company be consolidated into one (1) authorised or issued Consolidated Share of HK\$0.50 each in the authorised or issued share capital of the Company;
- (b) the Capital Reduction involving the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.40 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.50 to HK\$0.10; and
- (c) the Sub-Division on the basis that every Consolidated Share in the authorised but unissued share capital of the Company be sub-divided into five (5) New Shares of HK\$0.10 each.

The Share Consolidation, Capital Reduction and Sub-Division are conditional upon, among other things, the passing of ordinary and special resolutions by the Shareholders at the SGM and the Listing Committee of the Exchange granting listing of, and permission to deal in, the New Shares.

## **CHANGE OF AUDITOR**

Pursuant to an announcement of the Company published on 17 June 2011, DTT has resigned as the auditor of the Group with effect from 17 June 2011 as DTT and the Company could not reach an agreement on the audit fee payable by the Company to DTT for the financial year ending 31 December 2011.

The Board has resolved to appoint BDO as the new auditor of the Group to fill the casual vacancy following the resignation of DTT. The Change of Auditors will be put forward to the Shareholders for approval by an ordinary resolution at the SGM.

## **GENERAL**

A circular containing, amongst other things, further information on the Share Consolidation, Capital Reduction, Sub-Division, the Authorisation and Change of Auditor and a notice to convene the SGM will be despatched to the Shareholders on or about Thursday, 30 June 2011.

## **SHARE CONSOLIDATION, CAPITAL REDUCTION AND SHARE SUB-DIVISION**

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- (c) the Sub-Division on the basis that every Consolidated Share in the authorised but unissued share capital of the Company be sub-divided into five (5) New Shares of HK\$0.10 each.

The credit of HK\$523,213,431.75 arising from the Capital Reduction will be credited to the contributed surplus account of the Company.

Under Bermuda law, the amount standing to the credit of the contributed surplus account is a distributable reserve and the Company may apply the contributed surplus in any manner not prohibited by the Companies Act and the bye-laws of the Company.

The Board also proposes to put forward to the Shareholders a resolution to approve the Authorisation, i.e. to authorise the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate, including but not limited to setting off the accumulated losses (if any) of the Company from time to time.

As at the date of this announcement, the Company has an authorised share capital of HK\$2,000,000,000 divided into 8,000,000,000 Shares, of which 2,616,067,159 Shares have been issued and are fully paid or credited as fully paid.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Share Consolidation, Capital Reduction and Sub-Division become effective, the share capital structure of the Company will be as follows:

	<b>Immediately before Share Consolidation, Capital Reduction and Sub-Division</b>	<b>Immediately after Share Consolidation, Capital Reduction and Sub-Division</b>
Authorised Share Capital	HK\$2,000,000,000	HK\$2,000,000,000
Par Value	HK\$0.25	HK\$0.10
Number of Authorised Shares	8,000,000,000 Existing Shares	20,000,000,000 New Shares
Amount of Issued Share Capital	HK\$654,016,789.75	HK\$130,803,358.00
Number of Issued Shares	2,616,067,159 Existing Shares	1,308,033,580 New Shares
Amount of Unissued Share Capital	HK\$1,345,983,210.25	HK\$1,869,196,642.00
Number of Unissued Shares	5,383,932,841 Existing Shares	18,691,966,420 New Shares

## **CONDITIONS OF THE SHARE CONSOLIDATION, CAPITAL REDUCTION AND SUB-DIVISION**

The Share Consolidation, Capital Reduction and Sub-Division will be completed upon fulfilling all the following conditions:

- (a) the passing by the Shareholders at the SGM of the ordinary and special resolutions approving the Share Consolidation, Capital Reduction and Sub-Division at the SGM;
- (b) compliance with the relevant procedures and requirements under Bermuda laws and the Listing Rules to effect the Share Consolidation, Capital Reduction and Sub-Division; and
- (c) the Listing Committee of the Exchange granting the listing of, and permission to deal in, the New Shares arising from the Share Consolidation, Capital Reduction and Sub-Division.

## **REASONS FOR AND IMPACT ON THE COMPANY OF THE SHARE CONSOLIDATION, CAPITAL REDUCTION AND SUB-DIVISION**

The proposed Share Consolidation, Capital Reduction and Sub-Division provide the Company with flexibility in future fund raisings, which may or may not occur, to accommodate future expansion and growth of the Company. The crediting of the amount of HK\$523,213,431.75 arising from the Capital Reduction to the contributed surplus account of the Company will facilitate the payment of dividends as and when the Directors consider it appropriate in future.

The Directors (including the independent non-executive Directors) are of the view that the Share Consolidation, Capital Reduction and Sub-Division will not have a material financial effect on the financial position of the Group. The Board believes that on the date the Share Consolidation, Capital Reduction and Sub-Division is to be effected, there will be no reasonable grounds for believing that the Company is, or after the Share Consolidation, Capital Reduction and Sub-Division would be, unable to pay its liabilities as they become due. Other than the expenses to be incurred in relation to the Share Consolidation, Capital Reduction and Sub-Division, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

## **APPLICATION FOR LISTING OF NEW SHARES**

Application will be made to the Exchange for granting the listing of, and permission to deal in, the New Shares arising from the Share Consolidation, Capital Reduction and Sub-Division and all necessary arrangements will be made for the New Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

## **EXPECTED TIMETABLE**

Despatch of circular with notice of SGM	On or about Thursday, 30 June 2011
Latest time for lodging the proxy forms for use at the SGM	10.00 am, Saturday, 23 July 2011
Date and Time of SGM	10.00 am, Monday, 25 July 2011
Publication of results of SGM	Monday, 25 July 2011

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, Capital Reduction and Sub-Division, the dates are therefore tentative:**

Effective date of the Share Consolidation, Capital Reduction and Sub-Division	Tuesday, 26 July 2011
First day of free exchange of Existing Share Certificates for New Share Certificates	Tuesday, 26 July 2011

Original counter for trading in Existing Shares in board lots of 10,000 temporarily closes	9.00 am, Tuesday, 26 July 2011
Temporary counter for trading in New Shares in board lots of 5,000 (in the form of Existing Share Certificates) opens	9.00 am, Tuesday, 26 July 2011
Original counter for trading in New Shares in board lots of 10,000 (in the form of New Share Certificates) re-opens	9.00 am, Tuesday, 9 August 2011
Parallel trading commences	9.00 am, Tuesday, 9 August 2011
Designated broker starts to stand in the market to provide matching services	Tuesday, 9 August 2011
Temporary counter for trading New Shares in board lots of 5,000 (in the form of Existing Share Certificates) closes	4.00 pm, Monday, 29 August 2011
Parallel trading in New Shares in the form of New Share Certificates and Existing Share Certificates ends	Monday, 29 August 2011
Designated broker ceases to stand in the market to provide matching services	Monday, 29 August 2011
Last day for free exchange of share certificates	Wednesday, 31 August 2011

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the SGM and are therefore for indicative purpose only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

## **EXCHANGE OF SHARE CERTIFICATES**

Subject to the Share Consolidation, Capital Reduction and Sub-Division becoming effective, which is expected to be on Tuesday, 26 July 2011, the Existing Share Certificates will cease to be valid for trading purposes after 4:00 p.m. on Monday, 29 August 2011. The Shareholders may, on or after Tuesday, 26 July 2011 until Wednesday, 31 August 2011 (both days inclusive) submit their Existing Shares Certificates (in brown colour) for Shares to the Branch Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expenses of the Company, for New Share Certificates. It is expected that the New Share Certificates (in beige colour) will be available for collection within ten (10) business days after the submission of the Existing Share Certificates to the Branch Registrar for exchange. Thereafter, Existing Share Certificates will remain effective as evidence of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Exchange) per certificate issued or cancelled, whichever is higher, payable by the Shareholders to the Branch Registrar.

The New Share Certificates will be issued in beige colour in order to distinguish them from the Existing Share Certificates which are in brown colour.

## **ARRANGEMENT ON ODD LOT TRADING**

In order to facilitate the trading odd lots (if any) of the New Shares, the Company will appoint a securities firm to provide matching services on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lot matching arrangements will be set out in the circular in relation to the Share Consolidation, Capital Reduction and Sub-Division to be despatched to the Shareholders on or about Thursday, 30 June 2011.

## **WARNING**

**Shareholders and potential investors should also be aware of and take note that the Share Consolidation, Capital Reduction and Sub-Division are conditional upon satisfaction of the conditions precedent set out in the paragraph headed "Conditions of Share Consolidation, Capital Reduction and Sub-Division" in the section headed "Share Consolidation, Capital Reduction and Sub-Division". Therefore, Share Consolidation, Capital Reduction and Sub-Division may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **CHANGE OF AUDITOR**

Pursuant to an announcement of the Company published on 17 June 2011, DTT has resigned as the auditor of the Group with effect from 17 June 2011 as DTT and the Company could not reach an agreement on the audit fee payable by the Company to DTT for the financial year ending 31 December 2011.

DTT has confirmed that there are no circumstances connected with its resignation that need to be brought to the attention of the members or creditors of the Company. The Board also confirms that there is no disagreement between the Company and DTT and there are no matters in respect of the change of auditor that need to be brought to the attention of the shareholders or creditors of the Company.

The Board has resolved to appoint BDO as the new auditor of the Group to fill the casual vacancy following the resignation of DTT. The Change of Auditors will be put forward to the Shareholders for approval by an ordinary resolution at the SGM.

## **GENERAL**

The SGM will be held to consider and, if thought fit, approve the special and ordinary resolutions in respect of the Share Consolidation, Capital Reduction, Sub-Division, the Authorisation and Change of Auditor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions to be proposed at the SGM.

A circular containing, amongst other things, further information on the Share Consolidation, Capital Reduction, Sub-Division, the Authorisation and Change of Auditor and a notice to convene the SGM will be despatched to the Shareholders on or about Thursday, 30 June 2011.

## DEFINITIONS

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

<b>Authorisation</b>	the proposed authorisation to the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate, including but not limited to setting off the accumulated losses (if any) of the Company from time to time
<b>BDO</b>	BDO Limited
<b>Board</b>	the board of directors of the Company from time to time
<b>Branch Registrar</b>	Tricor Tengis Limited, the branch share registrar of the Company in Hong Kong
<b>Capital Reduction</b>	the proposed reduction of the issued share capital of the Company through the cancellation of the paid-up capital of the Company to the extent of HK\$0.40 each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.50 to HK\$0.10
<b>Change of Auditor</b>	the appointment of BDO as auditor of the Company following the resignation of DTT with effect from 17 June 2011
<b>Companies Act</b>	the Companies Act 1981 of Bermuda
<b>Company</b>	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Exchange (Stock Code: 01223)
<b>Consolidated Shares</b>	shares of HK\$0.50 each in the share capital of the Company upon the Share Consolidation taking effect
<b>DTT</b>	Deloitte Touche Tohmatsu

<b>Director(s)</b>	executive director(s), non-executive director and independent non-executive director(s) of the Company
<b>Existing Shares</b>	shares of HK\$0.25 each of the Company
<b>Existing Share Certificates</b>	certificates for the Existing Shares in brown colour
<b>Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Group</b>	the Company and its subsidiaries
<b>HK\$</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>Hong Kong</b>	Hong Kong Special Administrative Region of PRC
<b>Listing Rules</b>	Rules Governing the Listing of Securities on the Exchange
<b>New Shares</b>	shares of HK\$0.10 each in the share capital of the Company upon Share Consolidation, Capital Reduction and Sub-Division taking effect
<b>New Share Certificates</b>	certificates for the New Shares in beige colour
<b>SGM</b>	the special general meeting of the Company to be held to consider and, if thought fit, approve the Share Consolidation, Capital Reduction, Sub-Division, the Authorisation and Change of Auditor
<b>Share Consolidation</b>	the proposed consolidation of every two (2) Existing Shares of HK\$0.25 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.50 each in the share capital of the Company
<b>Shareholders</b>	holder(s) of the Shares
<b>Sub-Division</b>	the proposed sub-division of every Consolidated Share in the authorised but unissued share capital of the Company into five (5) New Shares in the authorised but unissued share capital of the Company

By Order of the Board  
**Chan Ting Chuen**  
*Chairman*

Hong Kong • 21 June 2011



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