SYMPHONY

SYMPHONY HOLDINGS LTD.

新灃集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

GROUP FINANCIAL HIGHLIGHTS

- Group revenue for the first half of 2011 increased by 39.6% to HK$1,134.0 million, while gross margin decreased by 290 basis points.
- Profit for the period increased by 401.7% to HK$17.1 million.
- Net assets increased 22.0% to HK$1,842.6 million.

CHAIRMAN'S STATEMENT AND OUTLOOK

During the first half of 2011, Symphony Holdings Limited ("**Symphony**" or the "**Company**", together with its subsidiaries the "**Group**") recorded a stable performance despite a challenging world economy. Following the consolidation of production facilities and persistent upturn of domestic consumption in the PRC, revenue of the Group increased by 39.6% to HK$1,134.0 million for six months ended 30 June 2011. Profit attributable to owners of the Company remained solid at HK$4.5 million. However, gross margin, being affected by the rising of high-end raw material cost, fell 290 basis points to 16.3%.

Since the acquisition of Converse in 2001, Symphony has started its transformation from a footwear OEM veteran to a multi-faceted retail conglomerate through vertical integration, taking advantage of its knowhow and extensive networks. The Group has accelerated its expansion and it has successfully optimised deployment of its resources. Over the years, Symphony has been transformed into a win-win business model and it has established its own fleet of manufacturer, retailer, brand owner and mall development. This model allows the Company to control both production and distribution channels effectively and concurrently to generate diversification of sources of revenue.

First half of 2011 remains the nurturing period of our branding and retailing business.

During the period under review, Pony maintained a positive EBITDA and focused on the consolidation of its licensing business. The operation of Pony in China continued to expand through broadening of its franchisee network nationwide. Despite the unfavourable effects on its EBITDA as a result of the weak dollar trend and the stagnation of US economic recovery, Haggar maintained a steady growth in gross sales by 2.2%.

Over the last six months, the ascending China economy was favourable to performance in the retailing business in the PRC. Meanwhile, our brands in the PRC were challenged by rising raw materials, rental, and labour costs. Speedo recorded a sizeable increase in turnover with gross profit improved by 19.2% year-on-year. Berghaus started to pick up momentum, as gross profit and the number of points of sale had doubled. During the period, the turnover of Helly Hansen has surpassed its annual turnover in 2010 by 32.3%, adding 10 direct managed stores and 1 franchised store. The Group currently operates 11 Mango stores in the PRC. Turnover of Mango in the first six months of 2011 was growing strongly by 36.1% compared to its full year turnover in 2010.

The turnover of JFT, a joint venture with Toyota Tsusho, the apparel arm of Toyota motor group, increased 39.6% in the first half of 2011. This was driven by stronger sales at two flagship stores and the addition of new EDWIN stores. Moreover, JFT started its operation in the PRC in 2011, launching selected Shibuya 109 brands and offering competitive edge into the most promising Chinese retail market. There are expansion plans afoot to increase its presence in strategic locations in major PRC cities. As the exclusive distributor of EDWIN in Hong Kong, JFT was granted a license to produce tops for the Hong Kong market and the turnover is forecast to increase steadily. EDWIN's expansion plan in China is forging ahead and its revenue is expected to improve gradually and continually.

The construction and store leasing of the Group's flagship outlet mall in Shenyang, Park Outlet (尚柏奥萊) is currently in full swing. In early 2011, we partnered with Mitsubishi Estates Co., Ltd. ("**Mitsubishi**"), one of the most experienced and successful outlet mall operators in Japan to develop, manage and operate the Park Outlet. Sharing of management know-how and experience in outlet mall operations by Mitsubishi, together with the PRC connections of the Group, this strategic alliance provides the Group with a solid base for long-term and sustainable growth in the outlet mall industry. Our Shenyang Park Outlet is slated for completion by 2012. In addition, the Group is seeking opportunities to collaborate with other seasoned players in construction industry in the PRC in order to develop our land for residential and commercial properties. The appreciation of land value of the pieces of land we acquired earlier justifies our investment decision. We shall continue to explore similar land investment opportunities in developing other outlet malls in the PRC.

The footwear manufacturing division remained as the Group's principal revenue generator. The impact of seasonal demand on factory orders and the pricey raw materials for high-end footwear had raised our inventory level at the factories in June. However, following the completion of finished goods delivery from early July onwards, the current inventory level is expected to go down. In spite of this, it is anticipated that the recurring orders from a key customer will continue to impact the Group's inventory level.

The recently completed open offer and capital restructuring has increased the Group's available resources substantially and enhanced its flexibility for future expansion.

The booming domestic consumption demand and the rapid growth in the PRC, together with a series of effective macroeconomic regulations and controls adopted by the Chinese government benefit the business of the Group and bring exciting opportunities to retailing and property investments in the PRC. The consolidation of the factory plants has proven to be effectual to stabilise the operating cost. We have been and will remain competitive by working closely with our key customers and implementing tight cost control. Despite the promising economy in China, the global business environment continues to be challenging due to prevailing political and economic uncertainties. The Board remains cautiously optimistic about the prospects in the second half of the year. It expects the business of the Group to grow moderately. We shall be prudent in selecting high quality investments and laying a firm foundation for expanding our business and enhancing shareholders' value as a whole.

OPERATION REVIEW

In the first half of 2011, the performance of the manufacturing and certain retail sections of the Group continued to improve and recorded an encouraging increase in revenue to HK$1,134.0 million, representing a 39.6% corresponding growth.

During this period, owing to the appreciation in fair value on revaluation of investment properties, other income climbed to approximately HK$75.6 million, representing an increase of 78.8% over the same period last year. In addition, the investment properties increased to HK$796.4 million. This was mainly attributable to the acquisition of new pieces of land and the fair value gains on revaluation of the parcels of land in Shenyang. Consequently, taxation for the period increased to HK$19.8 million due to the upsurge of deferred tax liability which is corresponding to the revaluation of investment properties.

As a result of higher operating costs and marketing expenses for aggressive market share penetration of two jointly controlled entities, share of results of jointly controlled entities weakened and recorded a 49.8% decrease.

Due to the higher raw material costs for the production of high-end footwear products, and seasonal increase in manufacturing demand, the inventory rose to HK$517.9 million as at 30 June 2011. After delivery of finished goods from early July onwards, the inventory level is expected to go down.

Due to the acquisition of land in Shenyang in January 2011 and the higher raw material cost, cash and bank balance fell by 26.5% to HK$268.7 million, while trade and other receivables rose 56.8% to HK$542.6 million as at 30 June 2011. The liquidity of the Group is expected to improve upon completion of delivery to our customers.

As at 30 June 2011, the Group had interest bearing bank borrowings of HK$193.9 million. As a result, the finance costs were approximately HK$1.0 million during the period.

Manufacturing and Retailing Business Market Information

During the period, sales to North America comprised 43.6% (2010: 47.9%) and orders to Europe comprised 21.6% (2010: 29.7%) of the total sales and the remaining 34.8% (2010: 22.4%) was shared between Asia, Africa, Australia, Latin America and the Middle East.

Customer Relationship Maintenance and Research and Development

Our extensive experience and knowledge on the manufacturing process, production materials, and procurement allows us to work closely with our customers to achieve quality and efficiency and to produce cost-effective products. Our dynamic brands development team provides their expertise, foresight and advice to our customers on retail and wholesale market in mainland China. The maintenance of close relationship with our customers has built an in-depth understanding of their needs so that we are capable of anticipating and resolving their problems expeditiously and effectively. Our research and development team improves products design to maximize their comfort, endurance and functionality, and where necessary, introduces new technology to enhance their market appeal. Our value-added contributions enable us to maintain our long-term partnership with our customers.

Liquidity and Capital Resources

During the six months ended 30 June 2011, an aggregate of 872,022,386 shares of HK$0.25 each were issued under the open offer at a subscription price of HK$0.25 per offer share on the basis of one offer share for every two existing shares held by the qualifying shareholders on 11 May 2011.

As at 30 June 2011, the Group had bank balances and cash of HK$268,745,000 (31 December 2010: HK$365,519,000). The Group was offered banking facilities amounting to HK$335,300,000 (31 December 2010: HK$257,500,000). As at 30 June 2011, the Group's total borrowing was HK$193,910,000 (31 December 2010: HK$80,000,000), which carried variable interest rates. The gearing ratio stood at 29.6% (2010: 18.3%), based on total borrowing over shareholders' fund. The banking facilities were secured by corporate guarantees from the Company and its certain subsidiaries.

Contingent Liabilities

On 31 March 2011, the Group filed an application to High Court ("**Court**") for a judicial review with respect to the protective profits tax assessments for additional tax issued by the Inland Revenue Department ("**IRD**"), relating to the years of assessment of 2001/2002 to 2004/2005 against certain wholly-owned subsidiaries of the Company. The Group has lodged objection with the IRD against the protective profits tax assessments and purchased tax reserve certificates as directed by the Commissioner of the IRD. Leave to bring judicial review proceedings was granted by the Court, pending for hearing on 1 February 2012.

Human Resources

As at 30 June 2011, the total number of employees of the Group was approximately 18,000. Employee cost (excluding directors' emoluments) amounted to approximately HK$245,859,000 (2010: HK$206,927,000).

In addition to competitive remuneration packages, discretionary bonuses and employee options are awarded to eligible staff of the Group based on their performance and individual merits.

Share Options

In the annual general meeting held on 10 June 2011, the Group has terminated the share option scheme adopted on 22 October 2001 ("**2001 Scheme**") and concurrently adopted a new share option scheme ("**New Scheme**"). For the six months ended 30 June 2011, the Group has no share option being granted, outstanding, lapsed or cancelled pursuant to the 2001 Scheme and the New Scheme.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June

Unaudited

	Notes	2011 HK$'000	2010 HK$'000 (Restated)
Revenue	4	1,134,020	812,425
Cost of sales		(949,521)	(656,842)
Gross profit		184,499	155,583
Other income		75,613	42,279
Distribution and selling expenses		(90,073)	(83,316)
Administrative expenses		(96,330)	(87,968)
Other expenses		(5,964)	(1,755)
Share of results of jointly controlled entities		(29,819)	(19,909)
Finance costs		(1,024)	-
Profit before tax		36,902	4,914
Taxation	5	(19,779)	(1,501)
Profit for the period	6	17,123	3,413
Other comprehensive income (expense)			
Exchange differences arising on translation of foreign operations		13,939	6,671
Fair value gain of available-for-sale investments		111	670
Re-classification adjustment to profit or loss upon disposal of available-for-sale investments		-	(1,597)
Reserves released upon deregistration of a subsidiary		-	(2,254)
Deferred tax liability arising on revaluation of properties		(2,079)	(3,417)
Share of other comprehensive income (expense) of jointly controlled entities		1,399	(600)
Surplus arising on revaluation of properties		11,848	5,621
Exchange reserve released upon closure of a jointly controlled entity		(3)	-
Other comprehensive income for the period (net of tax)		25,215	5,094
Total comprehensive income for the period		42,338	8,507
Profit for the period attributable to:			
Owners of the Company		4,476	3,346
Non-controlling interests		12,647	67
		17,123	3,413
Total comprehensive income attributable to:			
Owners of the Company		29,286	8,366
Non-controlling interests		13,052	141
		42,338	8,507
Earnings per share			
Basic and diluted (HK cents)	8	0.45	0.37

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited At 30 June 2011 HK$'000	Audited At 31 December 2010 HK$'000
Non-current assets			
Property, plant and equipment		340,299	331,097
Investment properties		796,387	512,962
Prepaid lease payments		19,180	19,054
Interests in jointly controlled entities		38,176	91,217
Advances to jointly controlled entities		171,532	171,388
Available-for-sale investments		6,365	6,246
Deferred tax assets		12,003	12,266
Tax recoverable		23,214	23,214
Club debentures		2,003	2,003
		1,409,159	1,169,447
Current assets			
Inventories		517,900	281,499
Amounts due from jointly controlled entities		21,581	23,693
Trade and other receivables	9	542,604	345,947
Prepaid lease payments		528	518
Bank balances and cash		268,745	365,519
		1,351,358	1,017,176
Current liabilities			
Trade and other payables	10	531,667	451,064
Amounts due to jointly controlled entities		12,816	12,577
Dividend payable		26,161	-
Tax payable		56,497	55,483
Secured bank loans		193,910	80,000
		821,051	599,124
Net current assets		530,307	418,052
Total assets less current liabilities		1,939,466	1,587,499
Non-current liabilities			
Deferred tax liabilities		96,867	77,517
Net Assets		1,842,599	1,509,982
Capital and reserve			
Share capital		654,017	436,011
Share premium and reserves		990,545	972,219
Equity attributable to owners of the Company		1,644,562	1,408,230
Non-controlling interests		198,037	101,752
		1,842,599	1,509,982

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Exchange**") ("**Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as those explained below.

The Group has applied for the first time the following relevant revised standards, amendment and interpretations ("**new/revised HKFRSs**") issued by HKICPA which are effective for the current period.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The adoption of HKAS 24 (Revised) and other new/revised HKFRSs did not have an impact on the Group's financial position and performance.

The Group has not early applied the following revised standards, amendments and interpretations that have been issued, potentially relevant to the Group, but are not yet effective.

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[1]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[2]
HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[3]
HKFRS 9	Financial Instruments[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Venture[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 19 (2011)	Employee Benefits[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013

Having assessed the impact of these revised standards, amendments and interpretations on the Group's financial statements, the directors of the Company ("**Directors**") have so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. COMPARATIVE FIGURES

As detailed in note 2 of the 2010 Financial Statements, the Group has adopted amendments to HKAS 17 "Leases" ("**HKAS 17 Amendment**") in preparing the 2010 Financial Statements.

In accordance with the HKAS 17 Amendment, the Group's leasehold land that qualifies for finance lease classification should be included in property, plant and equipment. Accordingly, the relevant comparative figures of these interim financial statements have been restated to conform to the adoption of the HKAS 17 Amendment and the effects are summarised as follows:

Six months ended 30 June Unaudited	**2010** **HK$'000**
Increase in depreciation	**(904)**
Decrease in amortisation of prepaid lease payments included in administrative expenses	**275**
Impact on profit for the period	**(629)**
Increase in surplus arising on revaluation of properties	**5,582**
Increase in deferred tax liability arising on revaluation of properties	**(3,135)**
Increase in other comprehensive income for the period	**2,447**

Additionally, certain comparative figures have reclassified and restated to conform to the presentation in current year.

4. SEGMENT INFORMATION

The Group's reportable segments, based on information reported to the chief operating decision maker, being the managing director of the Company, for the purpose of resource allocation and performance assessment are as follows:

1. Footwear manufacturing;

2. Retailing and sourcing – retailing and provision of sourcing services for branded apparel, swimwear and accessories; and

3. Property Investment.

The following is an analysis of the Group's revenue and results by reportable segments for the period under review:

Six months ended 30 June 2011

Unaudited

	Footwear manufacturing HK$'000	Retailing and sourcing HK$'000	Property Investment HK$'000	Consolidated HK$'000
REVENUE				
External sales	1,071,683	59,099	3,238	1,134,020
Segment profit (loss)	42,868	(18,023)	70,643	95,488
Corporate income:				
Interest income				3,787
Gain on disposal of an investment property				200
Others				175
Central administrative costs				(32,929)
Share of results of jointly controlled entities				(29,819)
Profit before tax				36,902

Six months ended 30 June 2010

Unaudited

	Footwear manufacturing HK$'000	Retailing and sourcing HK$'000	Property investment HK$'000	Consolidated HK$'000 (Restated)
REVENUE				
External sales	778,956	29,790	3,679	812,425
Segment profit (loss)	31,805	(16,279)	11,276	26,802
Corporate income:				
Interest income				3,937
Others				19,399
Central administrative costs				(25,315)
Share of results of jointly controlled entities				(19,909)
Profit before tax				4,914

Segment profit (loss) represents the profit (loss) earned/incurred by each segment without allocation of corporate income, which includes interest income, gain on disposal of an investment property and others, etc., central administrative costs which include bank charges, donation and loss on disposal of property, plant and equipment, etc. and share of results of jointly controlled entities. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's assets by reportable segment:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
Footwear manufacturing	1,213,407	802,015
Retailing and sourcing	73,194	55,748
Property investment	930,297	633,314
Total segment assets	2,216,898	1,491,077
Unallocated	543,619	695,546
Consolidated assets	2,760,517	2,186,623

All assets are allocated to reportable segments other than advances to jointly controlled entities, interests in jointly controlled entities, available-for-sale investments, deferred tax assets, tax recoverable, club debentures, amounts due from jointly controlled entities and bank balances and cash.

5. TAXATION

Six months ended 30 June

Unaudited

	2011 HK$'000	2010 HK$'000
Current tax charge:		
Hong Kong	238	-
Other jurisdictions	2,008	644
	2,246	644
Deferred tax charge:		
Current period	17,533	857
	19,779	1,501

Hong Kong Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

From March 2008 to January 2010, the IRD issued protective profits tax assessments for additional tax which amounted to approximately HK$78,600,000 in aggregate, relating to the years of assessment of 2001/2002 to 2003/2004, those were, for the financial years ended 31 December 2001 to 2003, against certain wholly-owned subsidiaries of the Company. The Group had lodged objections with the IRD against the protective profits tax assessments. The IRD agreed to hold over the additional tax claimed subject to the relevant subsidiaries' purchases of tax reserve certificates ("**TRCs**") of HK$23,214,000 in aggregate for those three years of assessment. These TRCs were purchased and included in tax recoverable as at the respective year end dates.

In January 2011, the IRD issued another protective profits tax assessments, for an aggregate additional tax of HK$26,400,000, relating to the year of assessment of 2004/2005, that was, for the financial year ended 31 December 2004, against the above mentioned wholly-owned subsidiaries of the Company. The Group had lodged objection with the IRD against the protective assessment. The IRD agreed to hold over the tax claimed subject to the purchase of TRCs of HK$10,200,000. The Group has not agreed to this condition so far.

Directors believe that no provision for Hong Kong Profits Tax in respect of the above mentioned protective assessments is necessary. In March 2011, the Group filed an application to High Court for a judicial review relating to the years of assessment of 2001/2002 to 2004/2005. Directors consider that the judicial review is in the best interest of the Group.

Leave to bring judicial review proceedings was granted by the Court, pending for hearing in 2012. Directors consider the outcome of the proceedings and the financial impact thereof, if any, on the Group cannot be readily ascertained at this stage.

PRC Tax

The tax status for certain subsidiaries of the Group operating in the People's Republic of China ("**PRC**"), including Zhongshan Jingmei Footwear Industry & Commerce Co. Ltd. 中山精美鞋業有限公司 ("**Zhongshan Jingmei**"), Fuqing Grand Galatica Footwear Co. Ltd. 福清宏太鞋業有限公司 ("**Fuqing Grand Galatica**") and Zhongshan Huali Footwear Industry & Commerce Co. Ltd. 中山華利企業有限公司 ("**Zhongshan Huali**"), are as follows:

- Zhongshan Jingmei and Zhongshan Huali enjoyed the preferential tax rate of 12.5% (being 50% of the applicable tax rate of 25%) for the years from 2008 to 2010. The tax rate increased to 25% from the year 2011 onwards;

- Fuqing Grand Galatica enjoyed the preferential tax treatment of 22% for the six months ended 30 June 2010. The tax rates for 2011 and 2012 are 24% and 25% respectively.

For the other PRC subsidiaries, the applicable tax rate was 25% during the period.

Vietnam Tax

Stateway Vietnam Footwear Co. Ltd. ("**Stateway Vietnam**") was entitled to an exemption from enterprise income tax for four years starting with the first profit-making year. For the following nine years, Stateway Vietnam would be entitled to a further tax preferential tax treatment in the form of a 50% reduction in the applicable tax rate in Vietnam. Stateway Vietnam incurred loss for tax purpose during the period. It enjoyed its first tax exemption year in 2010.

Continuance Vietnam Footwear Co. Ltd. ("**Continuance Vietnam**") was entitled to an exemption from enterprise income tax for two years starting with the first profit-making year. For the following three years, Continuance Vietnam would be entitled to a further tax preferential tax treatment in the form of a 50% reduction in the applicable tax rate in Vietnam. Continuance Vietnam has not yet commenced its tax exemption period as it has not generated profit up to the end of the reporting period.

Others

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. PROFIT FOR THE PERIOD

Six months ended 30 June

Unaudited

	2011 HK$'000	2010 HK$'000 (Restated)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	19,763	20,613
Allowance for bad and doubtful debts	4,100	190
Amortisation of prepaid lease payments	264	253
Research and development costs	9,816	6,404
Interest income from:		
Bank deposits	(310)	(287)
Advance to a jointly controlled entity	(3,237)	(3,216)
Available-for-sale investments	(240)	(434)
Gain on fair value changes of held-for-trading investments	-	(64)
Gain on deregistration of a subsidiary	-	(17,434)
Gain on disposal of available-for-sale investments	-	(1,597)
Gain on disposal of an investment property	(200)	-
Increase in fair value of investment properties	(68,077)	(8,293)

7. DIVIDENDS

Six months ended 30 June

Unaudited

	2011 HK$'000	2010 HK$'000
2009 final dividend of HKD0.013 per share paid	-	22,673
2010 final dividend of HKD0.015 per share declared	26,161	-

Directors do not recommend the payment of an interim dividend (2010: Nil) for the period ended 30 June 2011.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

Basic earnings per share

Six months ended 30 June

Unaudited

	2011 HK$'000	2010 HK$'000 (Restated)
Profit attributable to owners of the Company	4,476	3,346
	Number of shares (000)	Number of Shares (000)
Weighted average number of ordinary shares for the purpose of basic earnings per share	988,473	894,099
Basic earnings per share (HK cents)	0.45	0.37

The weighted average number of ordinary shares for the purpose of basic earnings per share in 2011 and 2010 has been adjusted retrospectively for the issue of shares by way of an open offer in June 2011 and two-to-one share consolidation taken place in July 2011.

Diluted earnings per share

The amount of diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2011 and 2010.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period ranging from 60 days to 90 days to its trade customers. Included in trade and other receivables are trade and bills receivables, net of allowance for doubtful debt of HK$424,992,000 (31 December 2010: HK$249,006,000).

The following is an ageing analysis of trade receivables net of allowances for doubtful debts presented based on the invoice date at the end of the reporting period:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
0 to 30 days	405,007	232,593
31 to 60 days	9,492	8,681
61 to 90 days	7,184	3,367
Over 90 days	3,309	4,365
	424,992	249,006

10.TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bill payables of HK$334,457,000 (31 December 2010: HK$236,895,000).

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
0 to 30 days	**162,899**	129,256
31 to 60 days	**59,967**	54,762
61 to 90 days	**52,740**	23,402
Over 90 days	**58,851**	29,475
	334,457	236,895

INTERIM DIVIDEND

Directors do not recommend the payment of an interim dividend (2010: Nil) for the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules ("**CG Code**") throughout the six months ended 30 June 2011, only with deviation from code provision A.4.1 of the CG Code.

Under code provision A.4.1, non-executive directors should be appointed for a specific term and are subject to re-election. Directors (including non-executive Directors) were not appointed for specific term but are subject to retirement by rotation and re-election at annual general meeting in accordance with Bye-law 87 of the Bye-laws of the Company.

Audit Committee

The audit committee of the Company ("**Audit Committee**") comprises wholly non-executive Directors of the Company ("**Non-executive Directors**"), amongst which 3 are independent. The Audit Committee has reviewed with the management and the external auditor the accounting principles and practices adopted by the Group and also discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30 June 2011 of the Group.

Remuneration Committee

The remuneration committee of the Company ("**Remuneration Committee**") comprises 3 independent Non-executive Directors. It is responsible for advising the Board on the emolument policies towards Directors and senior management.

The terms of reference of the Audit Committee and the Remuneration Committee, explaining their roles and the authorities delegated to them by the Board, are available on request and included on the website of the Company.

Board of Directors

At an annual general meeting of the Company held on Friday, 10 June 2011, Mr. Chan Lu Min, Mr. Chan Ting Chuen, Ms. Chen Fang Mei and Mr. Huang Shenglan retired and were re-elected as Directors.

As from 10 June 2011 and up to the date of this announcement, the Board comprises:

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

Non-executive Director
Mr. Li I Nan

Independent Non-executive Director
Mr. Cheng Kar Shing
Mr. Feng Lei Ming
Mr. Ho Shing Chak
Mr. Huang Shenglan

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATIONS OF DETAILED RESULTS

The Interim Report containing the unaudited condensed consolidated financial statements and notes to the financial statements for the six months ended 30 June 2011 ("**2011 Interim Report**") will be published on both websites of the Company (www.symphonyholdings.com) and the Exchange (www.hkex.com.hk). Shareholders shall receive copies of the 2011 Interim Report on or before Thursday, 8 September 2011.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to all our customers, suppliers and shareholders for their continuous support. We would also like to thank our team of dedicated staff for their invaluable services and contributions throughout the period.

By Order of the Board
Chan Ting Chuen
Chairman

Hong Kong • 25 August 2011

* For identification purposes only