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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE LEASE AGREEMENT**

THE LEASE AGREEMENT

The Board is pleased to announce that on 2 February 2018 (after the trading hours of the Stock Exchange), 瀋陽奧特萊斯房地產開發有限公司 (Shenyang Outlet Mall Property Development Company Limited*) (an indirect wholly owned subsidiary of the Company) (“**Lessee**”) entered into a lease agreement with 天津濱海開元房地產開發有限公司 (Tianjin Binhai Kaiyuan Property Development Company Limited*) (“**Lessor**”) for a term of twenty (20) years commencing from 1st January 2018 until 31st December 2037.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Lease Agreement are more than 5% but less than 25%, the Lease Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 2 February 2018 (after the trading hours of the Stock Exchange), the Lessor, an independent third party, entered into the Lease Agreement with the Lessee for a term of twenty (20) years commencing from 1st January 2018 until 31st December 2037.

The principal terms of the Lease Agreement are set out as follows:

* For identification purpose only

THE LEASE AGREEMENT

Date:

2 February 2018

Parties:

- (i) 天津濱海開元房地產開發有限公司 (Tianjin Binhai Kaiyuan Property Development Company Limited*), as Lessor; and
- (ii) 瀋陽奧特萊斯房地產開發有限公司 (Shenyang Outlet Mall Property Development Company Limited*), as Lessee.

The Lessor is a company incorporated in the PRC. The principal business of the Lessor is property investment and management. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Lessor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Location of the Property:

The Property is a commercial property, namely "Tianjin Line No. 9 Plaza", located at the junction of Di Er Da Jie and Tai Hu Road, Tianjin Development Zone, Tianjin, the PRC. The Property comprises a 3-level commercial building (plus a basement level). The total gross floor area of the Property is approximately 35,287 square metres, of which 26,887 square metres are above ground and 8,400 square metres are below ground.

Use of the Property:

Pursuant to the terms of the Lease Agreement, the Property is leased to the Lessee for sub-leasing for use as a shopping mall and as the Lessee's office.

Term of the Lease Agreement:

Pursuant to the terms of the Lease Agreement, the term commences on 1st January 2018 until 31st December 2037 with a 6 month rent-free period starting from 1st January to 30th June 2018 ("**Rent-free Period**"). During the Rent-free Period and throughout the term of the Lease Agreement, the Lessee will pay for public utilities including but not limited to water, electricity, gas, heat, air-conditioning, telephone, network and various power supply and communication.

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Rent:

The monthly rent (inclusive of tax) payable by the Lessee to the Lessor during the term of the Lease Agreement is calculated as follows:

24,075.9675 square metres (area for rent calculation) multiply by a per square metre RMB rate.

The per square metre RMB rate ranges from RMB15 per calendar month in 2018 (save for the Rent-free Period) to RMB90 per calendar month in 2037.

The aggregate rental payment to be made to the Lessor for the twenty (20) years term of the Lease Agreement amounts to RMB346,693,932.

The Lessee is further required to pay an additional amount of RMB17,050,000 being the cost of fixtures, leasehold improvements and newly-installed facilities of the Property.

The Lessor is entitled to receive an additional rent of 2% on any excess amount above the shopping mall (managed by the Lessee) yearly turnover of RMB300,000,000.

The Lessee will pay the rent due under the Lease Agreement to the Lessor through rental income received from the sub-tenants.

The rent for the Property has been arrived at after arm's length negotiations between the Lessor and Lessee based on normal commercial terms taking into account the valuation of right-of-use of the Property prepared by an independent third party valuer. The right-of-use of the Property is valued at RMB200,000,000.

Deposit:

Upon signing the Lease Agreement, the Lessee will pay the Lessor a deposit in the amount of RMB3,000,000 (the "**Deposit**") before 31st March 2019.

The Deposit is refundable, without interest, within 30 days upon expiration of the term of the Lease Agreement and subject to the satisfaction of certain conditions (including but not limited to): the Lessee having (a) restored the Property to its handover condition; (b) satisfied all payment obligations under the Lease Agreement; (c) completed the Property handover formalities with the Lessor; (d) cancelled or transferred all company and tax registrations relating to the use of the Property as the Lessee's registered office.

Guarantee:

The Company will provide a guarantee to the Lessor whereby the Company undertakes to procure the Lessee to perform its obligations under the Lease Agreement and to indemnify the Lessor against any loss incurred by the Lessor under the Lease Agreement.

REASONS FOR AND THE BENEFITS OF THE LEASE AGREEMENT

The principal activities of the Group consist of retailing and sourcing, outlet malls, duty free, branding, financial services and property investment and holding.

The Property is located at a new development zone conveniently accessible by light-rail in Tianjin.

It is industry practice for the duration of a lease to be 20 years as it takes time to build up traffic flow, cultivate customer loyalty and for the neighbourhood region to reach maturity. As the core business of the Group consists of both outlet and community mall operation in Shenyang, Chongqing, Anyang and Xiamen, the management of this Property will be fully backed up by the Group's experienced mall operation team and the Directors believe that the Lease Agreement will enable the Group to strengthen its business presence in the PRC retail market and enhance its operational efficiency.

Supported by the Group's mall management knowhow and expertise and further complimented with the Group's connection with renowned international and global brands, it is expected that this new PRC channel will be embraced with interest and support from the branding community.

The Directors are of the view that the rent and the terms of the Lease Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the Listing Rules exceed 5% but are less than 25%, the Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock code: 01223 and Warrant code: 01537)
“connected persons”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreement”	the lease agreement dated 2 February 2018 entered into between Lessor and Lessee in relation to the Property
“Listing Rules”	the Rules governing the listing of securities on the Stock Exchange
“Lessor”	天津濱海開元房地產開發有限公司 (Tianjin Binhai Kaiyuan Property Development Company Limited*), incorporated in PRC
“Lessee”	瀋陽奧特萊斯房地產開發有限公司 (Shenyang Outlet Mall Property Development Company Limited*), incorporated in PRC and an indirect wholly owned subsidiary of the Company
“PRC”	The People’s Republic of China
“Property”	a 3-level commercial building (plus a basement level), namely “Tianjin Line No. 9 Plaza”, situated at the junction of Di Er Da Jie and Tai Hu Road, Tianjin Development Zone, Tianjin, the PRC with a gross floor area of approximately 35,287 square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	renminbi, the lawful currency of the PRC

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

Hong Kong, 2 February 2018

** For identification purpose only*

As 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. Hong Kim Cheong

Independent non-executive Mr. Shum Pui Kay
Directors: Mr. Wah Wang Kei Jackie
 Mr. Chow Yu Chun Alexander