
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer or other bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your securities of Symphony Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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SYMPHONY
SYMPHONY HOLDINGS LIMITED
(新豐集團有限公司)*
(Incorporated in Bermuda with limited liability)

PROPOSED SHARE SUBDIVISION

A notice convening a special general meeting of the Company to be held at 10:00 a.m., on Wednesday, 3rd September, 2003, at Board Room, 306-310, 3rd Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong is set out on page 7 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrars in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

* *For identification purposes only*

18th August, 2003

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14th August, 2003, being the latest practicable date for the purpose of ascertaining certain information referred to in this circular
“Registrar”	the branch share registrars of the Company, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Share(s)”	existing share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into four shares of HK\$0.25 each as described herein
“Special General Meeting”	a special general meeting of the Company to be convened and held at 10:00 a.m. on Wednesday, 3rd September, 2003 at Board Room, 306-310, 3rd Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	share(s) of HK\$0.25 each in the capital of the Company which will result from the Share Subdivision
“HK\$”	Hong Kong dollars

EXPECTED TIMETABLE

2003

Latest time for lodging of form of proxy 10:00 a.m. on Monday, 1st September

Special General Meeting to approve, inter alia,
the Share Subdivision 10:00 a.m. on Wednesday, 3rd September

Effective date of the Share Subdivision Thursday, 4th September

Original counter for trading in existing Shares
in board lots of 2,000 Shares closes 9:30 a.m. on Thursday, 4th September

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares
(in the form of existing share certificates) opens 9:30 a.m. on Thursday, 4th September

First day for free exchange of certificates for existing Shares
for new certificates for Subdivided Shares Thursday, 4th September

Original counter for trading in Subdivided Shares
in board lots of 2,000 Subdivided Shares
(in the form of new certificates for
Subdivided Shares) re-opens 9:30 a.m. on Friday, 19th September

Parallel trading in Subdivided Shares commences 9:30 a.m. on Friday, 19th September

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares
(in the form of existing share certificates) closes 4:00 p.m. on Monday, 13th October

Parallel trading in Subdivided Shares (in the form
of (a) new certificates for Subdivided Shares and
(b) certificates for existing Shares) ends 4:00 p.m. on Monday, 13th October

Last day for free exchange of certificates for existing Shares
for new certificates for Subdivided Shares 4:00 p.m. on Thursday, 16th October

LETTER FROM THE BOARD



SYMPHONY
SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

Directors:

Executive Directors

Mr. Li Kwok Lung, Alfred Ronald (*Chairman*)

Mr. Sze Sun Sun, Tony (*Deputy Chairman*)

Mr. Chan Ting Chuen (*Managing Director*)

Mr. Ku Edward Y.

Mr. Chan Lu Min

Non-executive Director

Mr. Li I Nan

Independent non-executive Directors

Mr. Cheng Kar Shing

Mr. Feng Lei Ming

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business:

306-310, 3rd Floor

Island Place Tower

510 King's Road

North Point

Hong Kong

18th August, 2003

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE SUBDIVISION

INTRODUCTION

The Board announced on 5th August, 2003 that it proposed to subdivide each Share into four Subdivided Shares.

The purpose of this circular is to provide you with details of the Share Subdivision and the arrangements for trading and exchange of share certificates and to set out the notice convening the Special General Meeting at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the Share Subdivision.

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LETTER FROM THE BOARD

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Share be subdivided into four Subdivided Shares. Currently, the Shares are traded in board lots of 2,000. Following the implementation of the Share Subdivision, Subdivided Shares will remain to be traded in board lots of 2,000. Based on the closing price of the Share of HK\$8.7 as quoted on the Stock Exchange as at the Latest Practicable Date, each board lot of 2,000 Shares was worth HK\$17,400 and immediately after the Share Subdivision becomes effective, each board lot of 2,000 Subdivided Shares is expected to be worth HK\$4,350.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 which is divided into 2,000,000,000 Shares, of which 249,169,996 Shares are in issue. Immediately following the implementation of the Share Subdivision and on the basis that 249,169,996 Shares are in issue, 996,679,984 Subdivided Shares will be in issue.

Conditions

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Special General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares in issue and any new Subdivided Shares which may fall to be issued pursuant to the exercise of options granted under the Company's share option scheme.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares in issue and any new Subdivided Shares which may fall to be issued pursuant to the exercise of options granted under the Company's share option scheme.

Reasons for the Share Subdivision

The daily averaged number of Shares traded on the Stock Exchange during the three months commencing from May 2003 to the end of July 2003 was approximately 2.19 million. Based on 249.17 million Shares in issue, the aforesaid daily averaged number of Shares traded on the Stock Exchange represents approximately 0.88% of the Shares in issue and approximately 2.79% of Shares in public hands.

After the Share Subdivision becomes effective, the board lot value of the Shares is expected to be reduced. The Board believes a lower board lot value would make the Share more assessable to a wider range of investors and would in turn improve the liquidity in trading of the Shares. Such improvement would enable the Shareholders to acquire or dispose of their shareholdings in the Company more efficiently which, in general, is regarded as advantageous to the Shareholders.

Effects of the Share Subdivision

Save for the expenses to be incurred in relation to the Share Subdivision of approximately HK\$82,000, the Board believes that the implementation of the Share Subdivision will not, by itself, alter the net asset value, business operations, management or financial position of the Group or the proportionate interest of Shareholders in the Company.

LETTER FROM THE BOARD

ARRANGEMENTS FOR TRADING AND EXCHANGE OF SHARE CERTIFICATES

Exchange of share certificate

Subject to the Share Subdivision becoming effective, Shareholders may, during business hours from Thursday, 4th September, 2003 to Thursday, 16th October, 2003 (both dates inclusive), submit their certificates for the Shares to the Registrar in exchange for certificates for the Subdivided Shares (on the basis of every one Share for four Subdivided Shares) free of charge. Thereafter, share certificates for Shares 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 specified by the Stock Exchange) for each new certificate issued for the Subdivided Shares or each old share certificate submitted, whichever number of share certificate involved is higher.

Listing and dealings

No part of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is currently proposed to be sought from any other stock exchange.

Dealings in the Subdivided Shares on the Company's branch share registrar in Hong Kong will be subject to Hong Kong stamp duty.

The Share Subdivision will not give rise to any odd lot.

The trading arrangements proposed for dealings in the Subdivided Shares, subject to the satisfaction of the conditions of the Share Subdivision referred to above, are as follows:

- (i) with effect from Thursday, 4th September, 2003, the original counter for trading in Shares in existing board lots of 2,000 Shares will be closed temporarily. A temporary counter for trading in Subdivided Shares represented by existing share certificates in light grey colour in board lots of 8,000 Subdivided Shares will be established. Every existing certificate for whatever number of Shares will be deemed to be a certificate, and will be effective as a document of title valid for settlement and delivery for trading transacted from Thursday, 4th September, 2003 to Monday, 13th October, 2003, for Subdivided Shares in the amount equal to four times that number of existing Shares. The existing share certificates for the Shares in light grey colour can only be traded at this temporary counter;
- (ii) with effect from Friday, 19th September, 2003, the original counter will be reopened for trading in Subdivided Shares in board lots of 2,000 Subdivided Shares. Only new share certificates for the Subdivided Shares in beige colour can be traded at this counter;
- (iii) with effect from Friday, 19th September, 2003 to Monday, 13th October, 2003 inclusive, there will be parallel trading at the counters mentioned in (i) and (ii) above; and

LETTER FROM THE BOARD

- (iv) the temporary counter for trading in Subdivided Shares represented by existing share certificates in light grey colour in board lots of 8,000 Subdivided Shares will be closed after the close of trading on Monday, 13th October, 2003. Thereafter, trading will only be in Subdivided Shares represented by new share certificates in beige colour in board lots of 2,000 Subdivided Shares and the existing share certificates for the Shares in light grey colour will cease to be marketable and will not be acceptable for settlement purposes. However, such certificates will continue to be good evidence of legal title on the basis of one Share to four Subdivided Shares and may be lodged with the Registrar for exchange at any time on payment of a fee.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

SPECIAL GENERAL MEETING

At the Special General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Share Subdivision.

The notice convening the Special General Meeting is set out on page 7 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Registrar as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Special General Meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the Special General Meeting if you so wish.

RECOMMENDATION

The Directors believe that the Share Subdivision is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Share Subdivision to be proposed at the Special General Meeting.

Yours faithfully,
For and on behalf of the Board of
Symphony Holdings Limited
Chan Ting Chuen
Managing Director

NOTICE OF SPECIAL GENERAL MEETING



SYMPHONY
SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of the Company will be held at 10:00 a.m. on Wednesday, 3rd September, 2003 at Board Room, 306-310, 3rd Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company in their subdivided form, every share of HK\$1.00 in the issued and unissued share capital of the Company be and is hereby subdivided into four shares of HK\$0.25 each with effect from 9:00 a.m. on the business day (not being a Saturday) immediately following the date on which this resolution is passed and the Directors of the Company be and is hereby authorised to execute or authorise such things and such documents as they may consider necessary or desirable in connection therewith.”

By Order of the Board
Charlotte Kong
Secretary

Hong Kong, 18th August, 2003

Head office and principal place of business:

306-310, 3rd Floor
Island Place Tower
510 King's Road
North Point
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority not less than 48 hours before the time appointed for the holding of the meeting.

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