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

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

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SYMPHONY
SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code : 1223)

**PROPOSALS FOR ADOPTION OF NEW BYE-LAWS, BONUS ISSUE OF SHARES,
REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES
AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 10:00 a.m., on Wednesday, 12th May, 2004 at 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong is set out on pages 18 to 22 of this circular. If you are not 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*

20th April, 2004

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

EXPECTED TIMETABLE

2004

Last day of trading in Shares cum entitlements to the Bonus Issue and final dividend	Monday, 3rd May, 2004
First day of trading in Shares ex-entitlements to the Bonus Issue and final dividend	Tuesday, 4th May, 2004
Latest time for lodging transfer of Shares for entitlements to the Bonus Issue and final dividend	4:30 p.m. on Wednesday, 5th May, 2004
Closure of Register (both dates inclusive)	Thursday, 6th May, 2004 to Wednesday, 12th May, 2004
Latest time for lodging forms of proxy for the AGM	10:00 a.m. Monday, 10th May, 2004
Record Date for determination of entitlements to the Bonus Issue and final dividend	Wednesday, 12th May, 2004
AGM	10:00 a.m. Wednesday, 12th May, 2004
Reopen of Register	Thursday, 13th May, 2004
Dispatch of certificates for Bonus Issue and payment of final dividend on or before	Monday, 31st May, 2004
First day of dealing in Bonus Shares	Wednesday, 2nd June, 2004

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10th Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong on 12th May, 2004 at 10:00 a.m. and any adjournment thereof, notice of which is set out on pages 18 to 22 of this circular
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the issue of Bonus Shares to the Shareholders whose names appear on the Register at the close of business on the Record Date and subject to the terms and conditions set out in this circular
“Bonus Share(s)”	new Share(s) to be issued pursuant to the Bonus Issue
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda
“Directors”	the directors of the Company from time to time
“Existing Bye-laws”	the bye-laws of the Company for the time being in force which was adopted by the Company on 9th February, 1995
“General Mandates”	the Repurchase Mandate and the Shares Issue Mandate to be sought at the AGM as set out in the notice convening the same
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14th April, 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Bye-laws”	the new bye-laws proposed to be adopted by the Company at the AGM
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register at the close of business on the Record Date are outside Hong Kong
“Participant(s)”	eligible participant(s) as defined under the Share Option Scheme
“Record Date”	12th May, 2004, being the record date for determining entitlements of the Shareholders to the Bonus Issue
“Register”	the register of members of the Company
“Registrar”	Tengis Limited, the branch share registrar of the Company in Hong Kong at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Repurchase Mandate”	a general and unconditional mandate enabling Directors to repurchase Shares as defined in the section headed “General Mandate to Issue and Repurchase Shares”
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.25 each in the capital of the Company
“Share Issue Mandate”	a general and unconditional mandate enabling Directors to allot and issue Shares as described in the section headed “General Mandates to Issue and Repurchase Shares”
“Share Option Scheme”	the share option scheme of the Company adopted on 22nd October, 2001
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers

LETTER FROM THE BOARD



SYMPHONY
SYMPHONY HOLDINGS LIMITED
(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

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 directors

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 in Hong Kong

10th Floor
Island Place Tower
510 King's Road
North Point
Hong Kong

20th April, 2004

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR ADOPTION OF NEW BYE-LAWS, BONUS ISSUE OF SHARES,
REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information reasonably necessary to enable Shareholders to make a decision on whether to vote for or against the ordinary and special resolutions to be proposed at the AGM for the approval of, inter alia:

- (a) the adoption of New Bye-Laws in place of the Existing Bye-laws;
- (b) the issue of Bonus Shares;

* For identification purposes only

LETTER FROM THE BOARD

- (c) the refreshment of the Scheme Mandate Limit on the grant of options under the Share Option Scheme; and
- (d) the grant of the Share Issue Mandate and Repurchase Mandate to the Directors to issue new Shares and repurchase Shares.

PROPOSED ADOPTION OF NEW BYE-LAWS

The Board considered that since the existing bye-laws were adopted in 1995, a number of provisions therein should be amended to take into account various changes in applicable laws, regulations and market practices. As such amendments are substantial, it is proposed that a new set of bye-laws (the "New Bye-laws") which complies with all current applicable laws be adopted instead of amending the Existing Bye-laws on a piecemeal basis which may lead to confusion and complication in the future. It is therefore proposed that Shareholders' approval be sought by way of passing a special resolution at the AGM to adopt the New Bye-laws in substitution for and to the exclusion of the Existing Bye-laws. A summary of certain important provisions of the New Bye-laws is set out in Appendix I to this circular.

BONUS ISSUE OF SHARES

Subject to the conditions set out below, the Directors propose to make a Bonus Issue to Shareholders whose names appear on the Register on the Record Date on the basis of one new Share, credited as fully paid, for every ten Shares then held. The Bonus Shares credited as fully paid will rank *pari passu* in all respects with the existing issued Shares except that they will not rank for the Bonus Issue.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date. As at the Latest Practicable Date, there were an aggregate of 1,008,911,984 Shares in issue, and assuming that no further Shares are or will be issued or repurchased prior to the Record Date, on which basis 100,891,198 Bonus Shares will be issued under the Bonus Issue. It is proposed that the Directors be authorized to capitalize the sum of HK\$25,222,800 being part of the amount standing to the credit of the share premium account of the Company and apply such sum in paying up in full the Bonus Shares. The total number of Shares in issue will then be increased to 1,109,803,182.

No fractional Shares shall be issued and Shares representing fractions shall be aggregated and sold for the benefit of the Company.

In the absence of any specific instruction to the contrary received in writing by the Registrar, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the Register or, in the case of joint holders, to the address of the joint holder whose name stands first in the Register in respect of the joint holding. All such share certificates will be sent on or before 31st May, 2004 at the risk of the persons entitled thereto and neither the Company nor the Registrar will be responsible for any loss or delay in transmission.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on 2nd June, 2004 and will be subject to Hong Kong stamp duty.

LETTER FROM THE BOARD

EFFECT OF BONUS ISSUE ON OUTSTANDING SHARE OPTIONS

As at the Latest Practicable Date, 68,928,000 options remain outstanding. In accordance with the Share Option Scheme adopted by the Company on 22nd October, 2001, the Company's auditors will determine and certify whether adjustments shall be made as to (i) the number or nominal amount of Shares subject to the option so far as unexercised; and/or (ii) the subscription price (HK\$2.10); and/or (iii) the method of exercise of the option, or a combination thereof as the Company's auditors consider fair and reasonable, provided that any such adjustments give the grantee the same proportion of the equity capital of the Company as that to which that grantee was previously entitled, but so that no such adjustments be made to the extent that a Share would be issued at less than its nominal value. The certification of the Company's auditors, in the absence of manifest error, is final and binding on the Company and the grantees. As at the Latest Practicable Date, adjustments (if any) to the outstanding options are yet to be determined.

OVERSEAS SHAREHOLDERS

The Directors are of the view that the issue of the Bonus Shares to the Overseas Shareholders with addresses outside Hong Kong would or might, in the absence of compliance with registration or other special formalities in such other territories, be unlawful or impracticable. As a result, Bonus Shares will not be issued to Overseas Shareholders. Arrangements will be made for the Bonus Shares which would otherwise be allotted to the Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong currency to such persons at their own risk pro rata to their respective shareholdings in the Company except where the amount payable to an individual Shareholder is less than HK\$100, the sales proceeds will not be distributed but will be retained for the benefit of the Company.

CONDITIONS OF THE BONUS ISSUE

The proposed Bonus Issue is conditional on:

- (i) the passing by the Shareholders at the AGM of an ordinary resolution approving the Bonus Issue;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) if necessary, the Bermuda Monetary Authority granting its permission for the issue of the Bonus Shares.

CLOSURE OF REGISTER

The Register of the Company will be closed from 6th May, 2004 to 12th May, 2004 (both dates inclusive) in order to determine Shareholders' entitlements to the Bonus Issue and final dividend, during which period no transfer of Shares will be registered. The last day for dealing in Shares cum entitlements to the Bonus Issue and final dividend will be 3rd May, 2004.

LETTER FROM THE BOARD

To qualify for the Bonus Issue and final dividend, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Registrar for registration no later than 4:30 p.m. on 5th May, 2004.

LISTING AND DEALINGS

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. It is expected that certificates for the Bonus Shares will be posted to Shareholders on or about 31st May, 2004 at the risk of the persons entitled thereto. The issued Shares are listed and dealt on the Stock Exchange. Save as disclosed herein, no part of the share capital of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed by the Shareholders in general meeting on 22nd October, 2001 whereby an aggregate of 82,167,198 Shares may be issued upon exercise of options granted under the Share Option Scheme subject to the Scheme Mandate limit. Under the terms of the Share Option Scheme:

- (1) the maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not in aggregate exceed 30 per cent. of the Shares in issue from time to time;
- (2) the total number of Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme) to be granted under the Share Option Scheme and any other share option scheme must not in aggregate exceed 10 per cent. of the Company's issued Shares as at the date of approval of the Share Option Scheme;
- (3) subject to (1) above and without prejudice to (4) below, the Company may seek approval of the Shareholders in general meeting to "refresh" the Scheme Mandate Limit provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme must not exceed 10 per cent. of the Shares in issue as at the date of the approval of refreshed limit (as at the Latest Practicable Date, 10 per cent. of the number of Shares in issue was 100,891,198) and, for the purpose of calculating the "refreshed" limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other option scheme) previously granted under the Share Option Scheme and any other share option scheme will not be counted;
- (4) subject to (1) above and without prejudice to (3) above, the Company may seek separate approval of the Shareholders in general meeting to grant options beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in (3) above to Participants specifically identified by the Company before such approval is sought.

LETTER FROM THE BOARD

As at the Latest Practicable Date, particulars of the options granted under the Share Option Scheme since the date of adoption of the Share Option Scheme are set forth below:

Date of grant	Number of options granted	Exercised	Lapsed	Cancelled	Outstanding as at the Latest Practicable	Exercise Price per Share (HK\$)	Exercise Period
9th Jan, 2004	81,160,000	12,232,000	Nil	Nil	68,928,000	2.10	7th Feb, 2004 – 6th Feb, 2006

Based on 5,135,449,907 shares of HK\$0.04 each in issue on 22nd October, 2001, and adjusted to take into account the share consolidation whereby every 25 issued shares of HK\$0.04 was consolidated into one share of HK\$1.00 effective on 23rd October, 2001, and subsequently the share subdivision whereby every issued share of HK\$1.00 was subdivided into four shares of HK\$0.25 each effective on 4th September, 2003, the number of options that may be initially granted under the Share Option Scheme was 82,167,198 options. A total of 81,160,000 options were granted on 9th January, 2004. As at the Latest Practicable Date, the Company has granted 81,160,000 options carrying the rights to subscribe for a total of 81,160,000 Shares (representing approximately 8.04 per cent. of the issued share capital of the Company as at the Latest Practicable Date).

As at the Latest Practicable Date, there remain 68,928,000 options outstanding and unexercised, which entitle their respective holders to subscribe for a total of 68,928,000 Shares (representing approximately 6.83 per cent. of the issued share capital of the Company as at the Latest Practicable Date). The Directors have no present intention to grant any further options under the existing Scheme Mandate Limit prior to the AGM. The Scheme Mandate Limit has been substantially utilized. The Board wishes to take this opportunity to recommend for the Shareholders' approval at the AGM that the existing Scheme Mandate Limit be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of passing the relevant resolution at the AGM. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

If the Scheme Mandate Limit is refreshed, on the basis of 1,008,911,984 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the AGM, the Board will be able to grant options for subscription of up to 100,891,198 Shares, which do not include options that are outstanding, cancelled, or lapsed as at the AGM. As at the Latest Practicable Date, the Company has not adopted any share option schemes other than the Share Option Scheme.

Application will be made to the Stock Exchange for granting of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of options granted under the Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 5th May, 2003, the Directors were granted a general mandate to allot and issue Shares and a general mandate to repurchase Shares. These mandates will expire at the conclusion of the AGM. The Directors propose to seek the approval of the Shareholders at the AGM for the grant of:

- (a) the Share Issue Mandate to issue Shares up to a maximum of 20 per cent. of the Shares in issue as at the date of passing of the relevant resolution; and
- (b) the Repurchase Mandate to repurchase Shares up to a maximum of 10 per cent. of the Shares in issue as at the date of passing of the relevant resolution.

The explanatory statement to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution concerning the Repurchase Mandate as required by the Listing Rules is set out in Appendix II to this circular.

RECOMMENDATION

The Board believes that the adoption of the Company's New Bye-laws are essential to comply with the amendments to the applicable laws, regulations and the Listing Rules, and the Bonus Issue, the refreshment of the Scheme Mandate Limit and the grant of the General Mandates to issue and to repurchase Shares are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favor of the resolutions to be proposed at the AGM.

DOCUMENTS FOR INSPECTION

The following documents will be available for inspection at the Company's principal place of business in Hong Kong, 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong during normal business hours on weekdays as from the date of this circular up to the date of the AGM:

- (a) the New Bye-laws to be adopted at the AGM;
- (b) a copy of the Companies Act; and
- (c) a copy of the Share Option Scheme.

Yours faithfully,
For and on behalf of
SYMPHONY HOLDINGS LIMITED
Li Kwok Lung, Alfred Ronald
Chairman

The main amendments to the bye-laws which will be included in the New Bye-laws are as follows:

1. As a result of amendments to Appendix 3 to the Listing Rules regarding corporate governance requirements to Main Board-listed companies' articles of association/bye-laws which will come into effect on 31st March, 2004:
 - (a) where the Company has knowledge that any member is, under the rules of The Stock Exchange of Hong Kong Limited (the "Designated Stock Exchange"), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted;
 - (b) to propose a person for appointment as a director at a meeting of the members of the Company, who is neither a director who is retiring at the meeting nor a person recommended by the directors for election, a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected must be lodged at the head office or at the office where the branch register of members is kept at any time during the period commencing the day after despatch of the notice of the general meeting and ending at least seven (7) days before the general meeting;
 - (c) a director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
 - (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.

Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

2. As a result of the amendments to the Listing Rules which came into effect on 15th February, 2002 pursuant to which Main Board listed companies are (i) permitted to send or otherwise make available corporate communications to members by electronic means; (ii) allowed to send corporate communications to members either in the English language only, or the Chinese language only, or both the English and Chinese language in accordance with the wishes of their members and subject always to the Listing Rules and all applicable laws:
- (a) any notice or document (including any “corporate communication” as defined in the Listing Rules) in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication which may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register of members of the Company or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers (as defined in the Companies Act 1981) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out herein;
 - (b) delivery by electronic communication shall be deemed to be given if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the Designated Stock Exchange, is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member; and
 - (c) notices or documents may be given to a member either in English or Chinese.
3. As a result of the amendments to the Listing Rules which came into effect on 15th February, 2002 and the Companies Act 1981 of Bermuda which came into effect on 14th February, 2003 pursuant to which Main Board listed companies are permitted to send and distribute summary financial reports in place of the long form report:
- (a) the Company may now send a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company

and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon; and

- (b) the requirement to send a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report as required under the bye-laws (bye-law 153) or a summary financial report in accordance as detailed in sub-paragraph (i) above (bye-law 154) shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in bye-law 153 and, if applicable, a summary financial report complying with bye-law 154, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
4. As a result of the amendments to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which came into effect on 1st April, 2003, the Securities and Futures (Clearing House) Ordinance (the "repealed Ordinance") has been repealed with the coming into effect of the SFO. On commencement of the SFO, a recognized clearing house under the repealed Ordinance, Hong Kong Securities Clearing Company Limited, shall be deemed to have been recognized as a clearing house under the SFO:
- (a) the definition of "clearing house" in the Bye-Laws is amended to the effect that "clearing house" shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;
 - (b) where a member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised thereunder shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands; and

- (c) where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.
- 5. Directors may, at any time before the expiration of their period of office, be removed by an ordinary resolution of the members.

This appendix contains information required under the Listing Rules to be included in an explanatory statement to accompany the notice of a general meeting at which a resolution is to be proposed in relation to the repurchase by the Company of its own Shares. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate at the AGM.

SHARE REPURCHASE RULES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange (the “Share Repurchase Rules”).

Under the Share Repurchase Rules, any share repurchase by a company with a primary listing on the Stock Exchange has to comply with the following provisions:

(a) Shareholders’ Approval

All on-market share repurchases by a company must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to specific transactions.

(b) Source of Funds

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the Company and the laws of Bermuda.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and the Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company, thereby resulting in an increase in net assets and/or earning per share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,008,911,984 Shares of HK\$0.25 each. In addition, as at the Latest Practicable Date, there were outstanding options carrying the rights to subscribe up to an aggregate of 68,928,000 Shares. If such options are exercised in full on or prior to the date of passing of the resolution in respect of the Repurchase Mandate, and assuming that no further Shares are or will be issued or repurchased by the Company, a further 68,928,000 Shares will be in issue.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 100,891,198 Shares on the basis that no further Shares will be issued prior to the date of the AGM.

FUNDING OF REPURCHASES

The Directors propose that repurchases of Shares under the Repurchase Mandate would be financed from the Company's internal resources. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association, the New Bye-laws and the laws of Bermuda.

The Company is empowered by its Memorandum of Association and the New Bye-laws to repurchase its Shares. Bermuda law provides that the consideration paid in connection with a Share repurchase may only be paid out of the capital paid-up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

Further, the Companies Act provides that a company may not repurchase its own shares if on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

No material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st December, 2003) is anticipated in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

SHARE PRICES

The highest and lowest prices at which Shares of the Company have been traded on the Stock Exchange during each of the previous 12 months were as follows:

	Shares	
	Highest price <i>HK\$</i>	Lowest price <i>HK\$</i>
2003		
April	2.675	2.150
May	3.525	2.225
June	4.425	3.225
July	8.600	3.875
August	2.625	1.925
September	2.850	1.620
October	2.150	1.820
November	2.075	1.750
December	2.475	1.950
2004		
January	2.275	1.970
February	2.275	2.000
March	2.250	1.920
April (up to and including the Latest Practicable Date)	2.100	1.980

SHARES PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda as far as they may be applicable.

EFFECT ON THE TAKEOVERS CODE

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Well Success Investment Limited, the single largest substantial Shareholder of the Company, holds approximately 63.52% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the total interests of that substantial Shareholder in the issued Shares would be increased to approximately 70.57% of the total issued share capital of the Company (on the basis that no Shares are issued or repurchased by the Company prior to the AGM). The Directors are not aware of any consequences which will arise under the Code as a result of any repurchases to be made under the Repurchase Mandate.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

SHAREHOLDERS' APPROVAL

The Listing Rules provides that all proposed repurchases of securities by a company with primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

NOTICE OF ANNUAL 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 an annual general meeting (the “Annual General Meeting”) of the shareholders (the “Shareholders”) of Symphony Holdings Limited (the “Company”) will be held at 10th Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong on Wednesday, 12th May, 2004 at 10:00 a.m. for the following purposes:

To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

1. **“THAT** the new bye-laws of the Company marked “A” produced to the Annual General Meeting and for the purposes of identification signed by the Chairman, be and is hereby approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company and that the directors be and are hereby authorized to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit to effect the foregoing.”

ORDINARY RESOLUTIONS

2. To receive and consider the audited financial statements of the Company and the report of the directors and the report of the auditors for the year ended 31st December, 2003;
3. To declare a final dividend for the year ended 31st December, 2003;
4. (a) To accept the retirement of Mr. Sze Sun Sun, Tony as a director of the Company (“Director”) pursuant to the existing bye-law 99 of the Company and to re-elect Mr. Sze Sun Sun, Tony as a Director;
- (b) To accept the retirement of Mr. Ku Edward Y. as a Director pursuant to the existing bye-law 99 of the Company and to re-elect Mr. Ku Edward Y. as a Director; and
- (c) To elect Directors and to authorize the board of directors (the “Board”) to fix their remuneration.
5. To appoint auditors and to authorize the Board to fix their remuneration;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

6. **“THAT** conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting or agreeing to grant listing of and permission to deal in the new shares of HK\$0.25 each in the capital of the Company (the “Shares”) to be issued and (ii) if necessary, the Bermuda Monetary Authority granting its approval to the issue of the new Shares, pursuant to this resolution:
- (a) the amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new Shares, such Shares, credited as fully paid, to be allotted and distributed (subject as referred to in sub-paragraph (b) below) among members of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 12th May, 2004 in the proportion of one new Share (the “Bonus Share”) for every existing ten Shares then held, be capitalized and applied in such manner and the directors of the Company be and are hereby authorized to allot and issue such Bonus Shares;
 - (b) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements will be aggregated and sold for the benefit of the Company;
 - (c) the Bonus Shares to be issued pursuant to sub-paragraph (a) above shall rank *pari passu* in all respects with the existing issued Shares as at the date of issuing such Bonus Shares; and
 - (d) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in sub-paragraph (a) of this resolution.”
7. **“THAT**
- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares issued by the Company and to make offers, agreements and options (including warrants) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company to be repurchased pursuant to the approval in sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution,

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”;

8. **“THAT**

- (a) subject to sub-paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including warrants) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants) which would or might require the exercise of the powers to allot, issue and deal with additional shares in the capital of the Company under sub-paragraph (a) of this resolution after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under any outstanding warrants to subscribe for Shares or any securities which are convertible into Shares of the Company or the share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company, or any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this resolution,

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to Shareholders on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”;

9. “**THAT** conditional upon the passing of the ordinary resolutions numbers 7 and 8 set out in the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to ordinary resolution number 8 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company under the authority granted pursuant to ordinary resolution number 7 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”
10. “**THAT** the existing scheme mandate limit under the share option scheme of the Company adopted by a resolution of the Shareholders dated 22nd October, 2001 (the “Share Option Scheme”) be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors be and are hereby authorized, subject to compliance with the Listing Rules, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with Shares of the Company pursuant to the exercise of such options.”

NOTICE OF ANNUAL GENERAL MEETING

11. “**THAT** the maximum number of Directors shall be set at 12 and that the Directors be authorized to appoint directors up to such maximum number in addition to those in office at the close of this meeting.”

By order of the Board
Charlotte Kong
Company Secretary

Hong Kong
20th April, 2004

Notes:

- (a) A member, who is the holder of two or more shares, entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed provided that on a show of hands, all proxies appointed by an individual shareholder shall, collectively, be entitled to one vote only.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (c) A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (d) Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (e) The register of members of the Company will be closed for the purpose of determining the entitlements to the proposed final dividend and bonus issue from 6th May, 2004 to 12th May, 2004, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend and bonus issue, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by 4:30 p.m. on 5th May, 2004.