
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SYMPHONY

SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 1223)

**NOTICE OF ANNUAL GENERAL MEETING,
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT OF
THE SHARE OPTION SCHEME AND
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

A notice convening an Annual General Meeting of Symphony Holdings Limited to be held at 11.00 a.m., on Monday, 25 June 2007 at 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong is set out on the notice of Annual General Meeting on pages 16 to 19 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 branch share registrar of the Company in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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*

Hong Kong, 19 April 2007

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DEFINITION

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

“Annual General Meeting”	an annual general meeting of the Company to be held on Monday, 25 June 2007 at 11.00 a.m.
“Associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company or a duly authorised committee thereof
“CG Code”	the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules
“Bye-laws”	the bye-laws of the Company for the time being in force which was adopted by the Company on 24 May 2006
“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
“Designated Stock Exchange”	the definition of Stock Exchange as defined under the Bye-laws
“Directors”	the directors of the Company for the time being
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	the Company and its Subsidiaries
“Latest Practicable Date”	19 April 2007 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of Annual General Meeting
“Participants”	eligible participants as defined under the Share Option Scheme

DEFINITION

“Repurchase Mandate”	a general and unconditional mandate enabling the Directors to repurchase Shares as defined in the section headed “General Mandate to Issue and Repurchase Shares”
“Scheme Mandate Limit”	has the meaning ascribed to that in the Letter from the Board
“SFO”	the Securities and Futures Ordinance
“Share(s)”	share(s) of HK\$0.25 each in the share capital of the Company
“Share Issue Mandate”	a general and unconditional mandate enabling the Directors to allot and issue Shares as described in the section headed “General Mandate to Issue and Repurchase Shares”
“Share Option Scheme”	the share option scheme of the Company adopted on 22 October 2001
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance of Hong Kong or The Companies Act 1981 of Bermuda (as amended)) of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of The People’s Republic of China

LETTER FROM THE BOARD



SYMPHONY

SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 1223)

Executive Directors:

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

Mr. Sze Sun Sun Tony

(*Deputy Chairman and Managing Director*)

Mr. Chang Tsung Yuan (*Deputy Chairman*)

Mr. Ku Edward Y.

Mr. Chan Lu Min

Dr. Ho Ting Seng

Non-executive Directors:

Mr. Li I Nan

Mr. Chan Ting Chuen

Independent non-executive Directors:

Mr. Cheng Kar Shing

Mr. Feng Lei Ming

Mr. Ho Shing Chak

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal Place of Business in

Hong Kong:

10th Floor, Island Place Tower

510 King's Road, North Point

Hong Kong

19 April 2007

To the Shareholder(s)

Dear Sir/Madam,

**NOTICE OF ANNUAL GENERAL MEETING,
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT OF
THE SHARE OPTION SCHEME AND
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to provide you, the Shareholder(s) with information reasonably necessary to enable you as Shareholder(s) to make a decision on whether to vote for or against the following ordinary resolutions to be proposed at the Annual General Meeting for the approval of, inter alia:

* For identification purposes only

LETTER FROM THE BOARD

Ordinary resolutions

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

RE-ELECTION OF RETIRING DIRECTORS

At the Annual General Meeting of the Company, Mr. Li Kwok Lung Alfred Ronald, Mr. Sze Sun Sun Tony, Mr. Chang Tsung Yuan and Mr. Ho Shing Chak will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with Bye-laws 87 to 88 of the Bye-laws.

Particulars of Mr. Li Kwok Lung Alfred Ronald, Mr. Sze Sun Sun Tony, Mr. Chang Tsung Yuan and Mr. Ho Shing Chak are set out in Appendix I of this circular.

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 the general meeting on 22 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 thirty (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 ten (10) per cent. of the Company's issued Shares as at the date of approval of the Share Option Scheme ("**Scheme Mandate Limit**");
- (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 ten (10) per cent. of the Shares in issue as at the date of the Shareholders' approval of the refreshing of the Scheme Mandate Limit (as at the Latest Practicable Date, ten (10) per cent. of the number of Shares in issue was 166,490,477) and, for the purpose of calculating

LETTER FROM THE BOARD

the Scheme Mandate Limit as refreshed, 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 (3) above to Participants specifically identified by the Company before such approval is sought.

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 <i>(Note)</i>	Exercised	Lapsed <i>(Note)</i>	Cancelled	Outstanding	Exercise Price per Share <i>(HK\$)</i>	Exercise Period
					as at the Latest Practicable Date		
2 August 2006	166,050,000	200,000	Nil	Nil	165,850,000	1.032	1 September 2006 – 31 August 2009

Note: As at 6 February 2006, the 75,820,043 outstanding share options granted to various directors and employees by the Company on 9 January 2004 lapsed. On 2 August 2006, the Company granted 166,050,000 share options on the basis of one ordinary share of HK\$0.25 each in the capital of the Company to various directors, employees and consultant.

As at the Latest Practicable Date, the number of options outstanding and unexercised is 165,850,000. The maximum number of shares that can be issued by the Company in respect of the exercise of options to be granted under the existing Scheme Mandate Limit refreshed at the annual general meeting on 24 May 2006 is 248,217,198. The number of shares not yet granted is 82,167,198. The Directors have no present intention to grant any further options under the existing Scheme Mandate Limit prior to the Annual General Meeting. The Scheme Mandate Limit has been substantially utilised. The Board wishes to take this opportunity to recommend for the Shareholders' approval at the Annual General Meeting that the existing Scheme Mandate Limit be refreshed. Options previously granted under the Share Option Scheme and any other share option scheme(s) 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 1,664,904,773 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the Annual General Meeting, the Board will be able to grant options for subscription of up to 166,490,477 Shares, which do not include options that are outstanding, cancelled, or lapsed as at the Annual General Meeting. As at the Latest Practicable Date, the Company has not adopted any share option scheme other than the Share Option Scheme.

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The refreshing of the Scheme Mandate Limit is conditional on:

- (a) the passing of an ordinary resolution to approve the refreshing of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Stock Exchange granting listing of and permission to deal in the Shares (representing ten (10) per cent. of the issued share capital of the Company as at the date of the Annual General Meeting approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in the Shares (representing a maximum of ten (10) per cent. of the issued share capital of the Company as at the date of the Annual General Meeting approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 24 May 2006, 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 forthcoming Annual General Meeting. The Directors propose to seek the approval of the Shareholders at the Annual General Meeting for the grant of:

- (a) the Shares Issue Mandate to issue Shares up to a maximum of twenty (20) per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution;
- (b) the Repurchase Mandate to repurchase Shares up to a maximum of ten (10) per cent. of the Shares in issue as at the date of passing of the relevant resolution; and
- (c) to extend the Shares Issue Mandate to issue Shares by the number of Shares purchased under the Repurchase Mandate mentioned in (b) above.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the above general mandate is granted at the Annual General Meeting. Such general mandate as referred to in (a) and (c) provide the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily.

The explanatory statement to provide Shareholders with all the information 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.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three (3) Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all Shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights at such meeting.

ACTION TO BE TAKEN

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the branch share registrar of the Company in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 16 to 19 in this circular.

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 enquires, that to the best of their knowledge and belief there is no other fact the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the refreshment of the Scheme Mandate Limit and the extension of the Shares Issue Mandate, and the grant of the general mandate to issue and to repurchase Shares are in the interests of the Company and its Shareholders. The Directors thus recommend that the Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting accordingly.

DOCUMENT FOR INSPECTION

Copy of the Share Option Scheme will be available for inspection at the principal place of business of the Company 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 Annual General Meeting.

Yours faithfully,
For and on behalf of
Symphony Holdings Limited
Li Kwok Lung Alfred Ronald
Chairman

Particulars of retiring Directors subject to re-election, at the Annual General Meeting are set out below:

MR. LI. KWOK LUNG ALFRED RONALD

Mr. Li Kwok Lung Alfred Ronald, aged 54, joined the Group in 1997 and has been the Chairman of the Company since June 2002. He is also the Chairman of SPS Group, a Hong Kong based financial services group and Exchange Participant of the Stock Exchange and Hong Kong Futures Exchange Limited. Mr. Li is a consultant to the Hong Kong law firm Messrs Iu, Lai & Li. Mr. Li is a director of Well Success Investment Limited (“**Well Success**”). Well Success is a substantial Shareholder of the Company under SFO.

There is no service contract between Mr. Li and the Company. There is no proposed length of service. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-laws. He received a total of HK\$720,000 for being an executive Director of the Company for the financial year ended 31 December 2006. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company.

Mr. Li is directly interested in 26,889,886 Shares of the Company and deemed to be interested in 1,500,000 Shares of the Company. He has also been granted 10,000,000 share options of the Company on 2 August 2006 pursuant to the Share Option Scheme.

There is no other information relating to Mr. Li that is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, Mr. Li is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO. There is no other matter that needs to be brought to the attention of the Shareholders of the Company.

MR. SZE SUN SUN TONY

Mr. Sze Sun Sun Tony, aged 55, joined the Group in 1997 and is currently the Deputy Chairman and Managing Director of the Company. There is no proposed length of service. Mr. Sze has over 26 years of experience in investment and property development in Hong Kong, mainland China and overseas markets. He is a director of each of Alexon International Limited, First Dynamic International Limited and Well Success. All the three companies are deemed or direct substantial Shareholders of the Company under the SFO.

There is no service contract between Mr. Sze and the Company. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-laws. He received a total of HK\$2,788,800 for being an executive Director of the Company for the financial year ended 31 December 2006. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company.

Mr. Sze is deemed to be interested in 843,999,000 Shares of the Company. He has also been granted 16,500,000 share options of the Company on 2 August 2006 pursuant to the Share Option Scheme.

There is no other information relating to Mr. Sze that is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, Mr. Sze is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO. There is no other matter that needs to be brought to the attention of the Shareholders of the Company.

MR. CHANG TSUNG YUAN

Mr. Chang Tsung Yuan, aged 59, is the Deputy Chairman and executive director of the Company. Mr. Chang joined the Group at its inception in 1990 and is the founder of the manufacturing business of the Group. Mr. Chang is a substantial shareholder of Well Success, which is a substantial shareholder of the Company. He holds 20.00% equity interests in Well Success, which holds 50.70% interests in the Company. He is the President of the manufacturing division of the Company and its subsidiaries. Mr. Chang has over 30 years of experience and knowledge in the footwear manufacturing industry.

There is no service contract between Mr. Chang and the Company. There is no proposed length of service. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-laws. He received a total of HK\$1,816,000 for being an executive Director of the Company for the financial year ended 31 December 2006. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company.

Mr. Chang has been granted 16,500,000 share options of the Company on 2 August 2006 pursuant to the Share Option Scheme.

There is no other information relating to Mr. Chang that is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, Mr. Chang is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO. There is no other matter that needs to be brought to the attention of the Shareholders of the Company.

MR. HO SHING CHAK

Mr. Ho Shing Chak, aged 47, is a certified public accountant in Hong Kong. He was appointed as an independent non-executive Director in 2004. Mr. Ho is a member of the Audit Committee and Remuneration Committee of the Company. He graduated from the Chinese University of Hong Kong with a Bachelor's degree in business administration and holds a Bachelor's of Laws degree from the Peking

University. He previously worked for a reputable international accounting firm and is currently running his own business. He is a fellow member of the Association of Chartered Certified Accountants. He is also an associate of the Hong Kong Institute of Certified Public Accountants.

There is no service contract between Mr. Ho and the Company. There is no proposed length of service. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-laws. He received a total of HK\$96,000 for being an independent non-executive Director of the Company for the financial year ended 31 December 2006. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company.

Mr. Ho has been granted 500,000 share options of the Company on 2 August 2006 pursuant to the Share Option Scheme.

There is no other information relating to Mr. Ho that is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, Mr. Ho is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO. There is no other matter that needs to be brought to the attention of the Shareholders of the Company.

This explanatory statement contains information required under the Listing Rules to accompany the notice of the Annual 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 Annual General Meeting.

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 repurchases 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. The Shares to be repurchased must be fully paid up.

(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 the Bye-laws and the laws of Bermuda.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,664,904,773 Shares of HK\$0.25 each.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention to repurchase any Share, they believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. 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 earnings 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.

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 166,490,477 Shares on the basis that no further Share will be issued or repurchased prior to the date of the Annual General Meeting.

FUNDING OF REPURCHASES

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

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares. The Bermuda laws provide 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.

Furthermore, 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 of the Company for the year ended 31 December 2006) 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 that 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 Shares 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 twelve (12) months were as follows:

	Shares	
	Highest price	Lowest price
	<i>HK\$</i>	<i>HK\$</i>
2006		
April	1.280	1.110
May	1.200	1.000
June	1.060	0.990
July	1.120	1.020
August	1.060	0.980
September	1.060	0.990
October	1.020	0.890
November	0.960	0.860
December	0.970	0.930
2007		
January	1.200	0.920
February	1.220	1.060
March	1.170	1.050
April (up to and including the Latest Practicable Date)	1.200	1.080

SHARES PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months preceding the Latest Practicable Date (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, the Bye-laws and the applicable laws of Bermuda.

EFFECT ON THE TAKEOVERS CODE

If as a result of a share repurchase made 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 Takeovers Code.

As at the Latest Practicable Date, Well Success, the single largest substantial Shareholder of the Company, holds approximately 50.70% of the issued share capital of the Company. In the event where the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of that substantial Shareholder in the issued Shares would be increased to approximately 56.32% of the total issued share capital of the Company (on the basis that no Share is issued or repurchased by the Company prior to the Annual General Meeting). The Directors are not aware of any consequence which will arise under the Takeovers Code as a result of any repurchase to be made under the Repurchase Mandate.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their Associates presently intends to sell Shares in the Company to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders of the Company.

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 Share, or that they have undertaken not to sell any Share held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed repurchases of the Shares 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)

(Stock code: 1223)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Symphony Holdings Limited will be held at 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong on Monday, 25 June 2007 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements of the Company and the reports of the Directors and the auditors for the year ended 31 December 2006;
2. To declare a final dividend for the year ended 31 December 2006;
3.
 - (a) To accept the retirement of Mr. Li Kwok Lung Alfred Ronald as a Director of the Company pursuant to Bye-law 87 of the Bye-laws and to re-elect Mr. Li as a Director;
 - (b) To accept the retirement of Mr. Sze Sun Sun Tony as a Director of the Company pursuant to Bye-law 87 of the Bye-laws and to re-elect Mr. Sze as a Director;
 - (c) To accept the retirement of Mr. Chang Tsung Yuan as a Director of the Company pursuant to Bye-law 87 of the Bye-laws and to re-elect Mr. Chang as a Director;
 - (d) To accept the retirement of Mr. Ho Shing Chak as a Director of the Company pursuant to Bye-law 87 of the Bye-laws and to re-elect Mr. Ho as a Director;
 - (e) To elect Directors and to authorise the Board to fix their remuneration.
4. To appoint auditors and to authorise the Board to fix their remuneration;

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

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

5. **“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 Listing Rules and the Bye-laws, 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 ten (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
- (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 or any applicable laws to be held.”;

6. **“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 authorise 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 security 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, shall not exceed twenty (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
- (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 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 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 restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”;

- 7. “**THAT** conditional upon the passing of the ordinary resolutions numbers 5 and 6 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 6 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 5 above, provided that such amount shall not exceed ten (10) per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT** the existing scheme mandate limit under the share option scheme of the Company adopted by a resolution of the Shareholders dated 22 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 ten (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 authorised, 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.”

By order of the Board
Chow So Ying Anna
Company Secretary

Hong Kong, 19 April 2007

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 needs 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 member 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 authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised 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 certified copy of such power or authority, must be lodged with the branch share registrars of the Company in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, 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 from 21 June 2007 to 25 June 2007, both dates inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on 20 June 2007.