
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, 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 at once hand this circular with the enclosed 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 the 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: 01223)

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting (the “SGM”) of Symphony Holdings Limited to be held at the Boardroom, 10/F., Island Place Tower, 510 King’s Road, North Point, Hong Kong on Friday, 25 June 2021 at 10:45 a.m. (or immediately after the conclusion or adjournment of the Company’s annual general meeting to be held at the same venue at 10:30 a.m. on the same day) is set out on pages 19 to 21 of this circular. Whether or not you are able to attend the SGM, you are advised to read the notice and complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the scheduled time for holding the SGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the SGM of the Company:

- (1) Compulsory temperature checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) No provision of refreshment and souvenir

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the SGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the SGM by appointing the Chairman of the SGM as their proxy and to return their proxy forms by the time specified above, instead of attending the SGM in person.

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DEFINITIONS

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

“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company for the time being in force which was amended and approved by the Shareholders on 25 July 2011
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1223)
“Connected Person(s)”	has the meaning as ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company, its subsidiaries or any Invested Entity
“Grantee(s)”	Participant(s) who accepted the Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	28 May 2021, 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

DEFINITIONS

“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the SGM, a summary of principal terms of which is set out in Appendix to this circular
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which the Board makes an Offer to any Participant
“Old Share Option Scheme”	the share option scheme adopted by the Company on 10 June 2011 and is due to expire on 9 June 2021
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Participant(s)”	any person belonging to any of the following classes of person: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity
“SGM”	the special general meeting of the Company to be held on Friday, 25 June 2021 at 10:45 a.m. (or immediately after the conclusion or adjournment of the Company’s annual general meeting to be held at the same venue at 10:30 a.m. on the same day) at the Boardroom, 10/F., Island Place Tower, 510 King’s Road, North Point, Hong Kong, or any adjournment thereof

DEFINITIONS

“SGM Notice”	the notice convening the SGM as set out on pages 19 to 21 of this circular
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme, subject to adjustment in accordance with the New Share Option Scheme
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the business of dealing in securities
“%”	per cent.

LETTER FROM THE BOARD



SYMPHONY
SYMPHONY HOLDINGS LIMITED
新豐集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 01223)

Executive Directors:

Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming

Independent Non-executive Directors:

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business

in Hong Kong:
10/F., Island Place Tower
510 King's Road
North Point
Hong Kong

2 June 2021

To the Shareholders

Dear Sirs,

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the SGM Notice and information regarding resolution to be proposed at the SGM, relating to proposed adoption of the New Share Option Scheme.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Old Share Option Scheme allowing the Company to grant share options to the participants for the purpose of providing participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, was valid and effective for a period of 10 years commencing on 10 June 2011. Accordingly, the Old Share Option Scheme is due to expire on 9 June 2021. The Directors therefore consider to adopt the New Share Option Scheme so that the Company can continue to provide incentives and/or rewards to the Participants, by way of granting options, after the expiry of the Old Share Option Scheme. As at the Latest Practicable Date, there were no outstanding share options granted under the Old Share Option Scheme. Accordingly, an ordinary resolution will be proposed at the SGM to approve the adoption of the New Share Option Scheme.

There is no material difference between the terms of the Old Share Option Scheme and the New Share Option Scheme. Same as those of the Old Share Option Scheme, the terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have discretion in determining the Subscription Price in respect of any Option subject to the requirements of the Listing Rules. The Board is of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised and to determine the Subscription Price, will place the Group in a better position to provide appropriate incentives and rewards to Participants to contribute to the Group and to attract and retain human resources that are valuable to the long term growth and development of the Group. There will not be any trustees of the New Share Option Scheme.

The Board considers that the long term growth and development of the Group depend on not only the contributions and commitments of the employees and directors of the Group but also the close and mutually-beneficial relationship with suppliers of goods and services, customers, consultants and shareholders of the Group. To determine eligibility of the Participants (except the employees and directors of the Group), the Board will consider number of factors including but not limited to, the stability and quality of goods and services provided by the suppliers, loyalty of customers, beneficial research, development or other technological support provided by the consultants and long term support of the shareholders. Therefore, the Board considers that it is in the interest of the Company to cover a broader category of Participants such that they can take part in the growth and development of the Group by owning Shares and align their interests and objectives with the Group on a long term basis.

LETTER FROM THE BOARD

A summary of the terms of the New Share Option Scheme is set out in Appendix to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 10/F., Island Place Tower, 510 King's Road, North Point, Hong Kong during normal business hours from the date hereof up to the date of the SGM and at the SGM.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the SGM approving the adoption of the New Share Option Scheme and the allotment and issuance of the Shares upon exercise of the Option(s); and
- (ii) the Stock Exchange granting approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Options that may be granted under the New Share Option Scheme, being 10% of the total number of issued Shares as at the date of passing of the relevant ordinary resolution.

Assuming there is no change in the number of issued Shares of the Company between the Latest Practicable Date and the day on which the New Share Option Scheme is adopted at the SGM, there will be 2,974,225,233 Shares in issue. The maximum number of Shares which may be granted under the New Share Option Scheme will be 297,422,523 Shares, being 10% of the issued Shares of the Company as at the date of the adoption of the New Share Option Scheme at the SGM. To the best knowledge of the Directors having made all responsible enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and, therefore, no Shareholder is required to abstain from voting the said resolution.

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the New Share Option Scheme.

LETTER FROM THE BOARD

NOTICE OF SGM

The SGM Notice is set out on pages 19 to 21 of this circular. At the SGM, resolution will be proposed to approve proposed adoption of the New Share Option Scheme. The resolution will be put to vote by way of poll at the SGM and no Shareholder will be required to abstain from voting at the SGM in respect of this resolution. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A proxy form for the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time scheduled for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

BAD WEATHER ARRANGEMENT

In the event if Typhoon Signal No. 8 (or above) or a Black Rainstorm Warning Signal is hoisted on Friday, 25 June 2021:

- (a) but lowered at or before 9:00 a.m., the SGM will be held at 10:45 a.m. (or immediately after the conclusion or adjournment of the Company's annual general meeting to be held at the same venue at 10:30 a.m. on the same day) on the same day at the same venue; or
- (b) but lowered at or before 2:00 p.m., the SGM will be adjourned to 5:15 p.m. (or immediately after the conclusion or adjournment of the Company's annual general meeting to be held at the same venue at 5:00 p.m. on the same day) on the same day at the same venue; or
- (c) but lowered after 2:00 p.m., the SGM will be adjourned to 10:45 a.m. (or immediately after the conclusion or adjournment of the Company's annual general meeting to be held at the same venue at 10:30 a.m. on Monday, 28 June 2021) on Monday, 28 June 2021 at the same venue.

If the SGM is so adjourned, the resolution set out in this circular and the SGM Notice to be proposed at the SGM will remain unchanged, and such resolution will be proposed at the adjourned SGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Board is of the opinion that the proposed adoption of the New Share Option Scheme is in the interests of the Company and Shareholders as a whole, and accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

The following is a summary of principal terms of the New Share Option Scheme to be approved at the SGM. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme as pursuant to the Listing Rules.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

2. PARTICIPANTS

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity. Participants of the above classes are attracted to subscribe for Shares pursuant to the options granted by the Company as rewards for their contribution to the Group and incentives to further contribute towards the profitability and success of the Group.

When assessing the eligibility of the Participants other than Eligible Employees and Directors, the Board will consider the following factors (where applicable):

- (a) the person's potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/catalysing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), with regard to the quality or importance of services/goods provided/supplied by such person to the Group, and the actual or expected change in the Group's revenue or profits which is or may be attributable to the provision or supply of such services/goods;
- (b) the potential and/or actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of the projects, and the period of engagement/cooperation/business relationship with the Group; and/or
- (c) whether the person is regarded as a valuable human resource of the Group based on the person's work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and repute and credibility).

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme. Though there is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Option can be exercised and/or any other terms as the Board may determine in its absolute discretion.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (3.1) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of issued Shares from time to time.
- (3.2) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of issued Shares as at the date of the passing of the ordinary resolution (the "**General Scheme Limit**").

- (3.3) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.4) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the total number of issued Shares as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted.
- (3.4) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in sub-paragraph (3.3) above to Participants specifically identified by the Company before such approval is sought.

4. MAXIMUM ENTITLEMENT TO EACH PARTICIPANT

The total number of Shares issued and to be issued upon exercise of Options granted to each Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue (the “**Individual Limit**”). Where any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant, such further grant must be separately approved by the Shareholders in general meeting of the Company with such Participant and his or her close associates (or his or her associates if the Participant is a Connected Person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant, the number and terms of the Options to be granted (and Options previously granted) to such Participant and the information required under the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

(5.1) Any grant of Options under the New Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).

(5.2) Where any grant of Options to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders. Such person, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting, except that any one of such person, his/her associates and core connected persons may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the relevant circular.

For the purpose of seeking Shareholders' approval in general meeting under sub-paragraphs (3.3) and (3.4), paragraph 4 and sub-paragraph (5.2) above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 14 days from the Offer Date. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the "**Option Period**").

Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

9. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 16, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is conditionally adopted and approved by the Shareholders at the SGM.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-Laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

11. TRANSFERABILITY OF OPTIONS

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS**(12.1) Rights on ceasing employment**

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or termination of employment on one or more grounds referred to in sub-paragraph (12.3) below before exercising his or her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(12.2) Rights on death

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.3) Rights on dismissal

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant subsidiary of the Company or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee.

(12.4) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(12.5) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer).

(12.6) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than 2 business days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(12.7) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling 2 calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue of profits or reserves, rights issue, consolidation, subdivision or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraphs 3 and 4,

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he or she was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be approved by the Board and the relevant Grantees. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

17. ALTERATION OF THE NEW SHARE OPTION SCHEME

(17.1) The New Share Option Scheme may be altered in any aspect by resolution of the Board except that:

- (a) the terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees of the Options except with the prior approval of the Shareholders in general meeting;

- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme;
 - (c) any change to the terms of the Options granted must be approved by the Shareholders in general meeting; and
 - (d) any change to the authority of the Directors or administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.
- (17.2) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

NOTICE OF SPECIAL GENERAL MEETING



SYMPHONY
SYMPHONY HOLDINGS LIMITED
新豐集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 01223)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Special General Meeting of Symphony Holdings Limited (the “**Company**”) will be held at the Boardroom, 10/F., Island Place Tower, 510 King’s Road, North Point, Hong Kong on Friday, 25 June 2021 at 10:45 a.m. (or immediately after the conclusion or adjournment of the Company’s annual general meeting to be held at the same venue at 10:30 a.m. on the same day) to consider as special business and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution of the Company:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**New Share Option Scheme**”, a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the Chairman thereof), the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the total

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

number of issued shares of the Company as at the date of passing of this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the relevant class of the total number of issued shares of the Company from time to time;

- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

In view of the recent development relating to COVID-19 infection, the Company will take the following precautions and control measures at this meeting to protect the shareholders of the Company from the risk of infection:

- (a) Compulsory body temperature check will be taken for every shareholder or proxy at the entrance of the venue and anyone with a body temperature of more than 37.3 degrees Celsius will not be given access to the venue;
- (b) Every shareholder or proxy is required to submit a Health Declaration Form before entering into the venue;
- (c) Every shareholder or proxy is required to wear surgical face mask before entering into the venue and during their attendance of this meeting; and
- (d) No refreshment and souvenir will be served and distributed.

Shareholders of the Company are reminded that they should carefully consider the health risks of attending the Special General Meeting in person, taking into account their own personal circumstances. Should anyone seeking to attend the Special General Meeting in person decline to submit to these requirements or be found to be suffering from a fever or otherwise unwell, the Company reserves the right to refuse such person's admission to the Special General Meeting.

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

Hong Kong, 2 June 2021

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll vote may be given either personally or by proxy. A proxy needs not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. To be valid, the proxy form must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. The proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (the "**Share Registrar**") not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such proxy form proposes to vote, and in default the proxy form shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
5. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 22 June 2021 to Friday, 25 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar for registration not later than 4:30 p.m. on Monday, 21 June 2021.
6. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, the resolution set out in this notice will be voted by poll at the meeting.

As at the date of this notice, the board of directors of the Company comprises:

Executive Directors:

Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming

Independent Non-executive Directors:

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander