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

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.

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SYMPHONY
SYMPHONY HOLDINGS LIMITED

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

(Warrant Code: 01537)

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

A notice convening the Annual General Meeting of Symphony Holdings Limited to be held at the Boardroom on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong on Friday 8th June 2018 at 10:00 a.m. is set out in the notice of Annual General Meeting on pages 15 to 18 of this circular.

Whether or not you are able to attend the meeting, 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 22, 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 Annual General Meeting. You will not be precluded from attending and voting in person at the Annual General Meeting if you complete and return the proxy form.

Hong Kong, 25 April 2018

* For identification only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION	10
APPENDIX II – EXPLANATORY STATEMENT	11
NOTICE OF ANNUAL GENERAL MEETING	15

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday 8th June 2018 at 10:00 a.m. or any adjournment thereof
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-Laws”	the bye-laws of the Company for the time being in force which was amended and approved by Shareholders on 25th July 2011
“CG Code”	the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules
“Close Associates”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Exchange (Stock Code: 1223 and Warrant Code: 1537)
“Designated Stock Exchange”	the definition of Designated Stock Exchange as defined under the Bye-Laws
“Director(s)”	the director(s) of the Company for the time being
“Exchange”	The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HKD”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general and unconditional mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 20 per cent. of the total issued share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	18 April 2018, 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 Exchange
“Memorandum of Association”	the memorandum of association of the Company
“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
“PRC”	the People’s Republic of China
“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”
“SFO”	the Securities and Futures Ordinance of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme of the company adopted on 10th June 2011 at the general meeting of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Exchange of their own securities on the Exchange
“Shareholder(s)”	registered holder(s) of Share(s)
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases
“Warrant(s)”	the warrant(s) issued by the Company which carries (carry) the right to subscribe for Share(s) at the subscription price of HKD1.00 per Share, subject to adjustments

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)

(Warrant Code: 01537)

Executive Directors:

Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)

Mr. Chan Kar Lee Gary

Mr. Hong Kim Cheong

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:

10th Floor,

Island Place Tower

510 King's Road, North Point

Hong Kong

25 April 2018

To Shareholders and

for information only, the Warrant holders

Dear Sirs,

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

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to decide whether to vote for or against the following proposed Ordinary Resolutions to be proposed at the Annual General Meeting for the approval of, inter alia:

* *For identification only*

LETTER FROM THE BOARD

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

RE-ELECTION OF RETIRING DIRECTOR(S)

At the Annual General Meeting, Mr. Hong Kim Cheong (“Mr. Hong”) and Mr. Shum Pui Kay (“Mr. Shum”) will retire as Directors by rotation and, being eligible, Mr. Shum offers himself for re-election in accordance with Bye-laws 87 and 88.

Mr. Hong has informed the Board that he would not offer himself for re-election and he will retire as Director upon the conclusion of the Annual General Meeting.

Mr. Shum’s re-appointment has been reviewed, considered and recommended by the Nomination Committee.

Mr. Shum has also provided his confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers the re-election of Mr. Shum as independent non-executive director in the interests of the Company and shareholders as a whole.

Taking into account Mr. Shum’s business and management experience, qualifications, knowledge, skills and the businesses of the Group, the Board has resolved that separate resolution will be proposed for re-electing Mr. Shum at the Annual General Meeting.

Particulars of Mr. Shum are set out in Appendix I to 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 a general meeting held on 10 June 2011 for the purpose of (a) providing eligible participants with the opportunity to acquire proprietary interests in the Company and (b) 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. At the annual general meeting of the Company held on 9 June 2017, the scheme mandate limit was refreshed and approved by the then Shareholders whereby an aggregate of 295,575,361 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;

LETTER FROM THE BOARD

- (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 295,972,986) and, for the purpose of calculating 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 in (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	Exercised	Lapsed	Cancelled	Outstanding as at the Latest Practicable	Exercise Price per Share (HKD)	Exercise Period
18th Sep 2017	6,000,000	-	-	-	6,000,000	0.82	18th Sep 2017 – 17th Sep 2018
18th Sep 2017	15,000,000	3,300,000	-	-	11,700,000	0.82	18th Mar 2018 – 17th Sep 2018

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of options outstanding and unexercised since the date of adoption of the Scheme is 17,700,000 representing 0.60% of the total number of issued shares of the Company. The Directors have no present intention to grant any further options under the existing Scheme Mandate Limit prior to the Annual General Meeting. 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 so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme of the Company shall be increased over a larger number of Shares (295,972,986 Shares) than the existing Scheme Mandate Limit (295,575,361 Shares). The Directors are of the view that in order to provide incentives and rewards to the eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group by granting share options to them, the scheme mandate limit under the Share Option Scheme shall be refreshed to provide the Company with greater flexibility. Options previously granted under the Share Option Scheme 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 2,959,729,863 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 295,972,986 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.

The refreshing of the Scheme Mandate Limit is conditional upon:

- (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 under the Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the 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 under the Share Option Scheme and any other share option scheme(s) of the Company.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on Friday, 9th June 2017, 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. Directors propose to seek the approval of Shareholders at Annual General Meeting for the grant of:

- (a) the Share Issue Mandate to issue Shares up to a maximum of 20% of the issued share capital of the Company (being 591,945,972 Shares assuming the number of issued Shares as at the Latest Practicable Date is 2,959,729,863) as at the date of passing of the relevant resolution;
- (b) the Share Repurchase Mandate to repurchase Shares up to a maximum of 10% of the Shares in issue as at the date of passing of the relevant resolution; and
- (c) the extension of the Share Issue Mandate to issue Shares by the number of Shares purchased under the Share Repurchase Mandate mentioned in (b) above.

Directors believe that it is in the interests of the Company and Shareholders as a whole if the above general mandates are granted at the Annual General Meeting. Such general mandate as referred to in (a) to (c) provides Directors with flexibility to issue Shares especially in the context of a fundraising 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 you with all the information necessary to enable you to make an informed decision on whether to vote for or against the resolutions concerning Share Repurchase Mandate as required by the Listing Rules is set out in Appendix II to this circular.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the Annual General Meeting will exercise his/her right under Bye-law 66 to demand a poll on all resolutions to be proposed at Annual General Meeting.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

A form of proxy for Annual General Meeting is enclosed herewith. Whether or not you intend to attend Annual General Meeting, you are requested to complete the proxy form and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time scheduled for holding the Annual General Meeting or any adjournment thereof.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Boardroom on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong on Friday, 8th June 2018 at 10:00 a.m. Notice of Annual General Meeting is set out on pages 15 to 18 of this circular.

RESPONSIBILITY STATEMENT

This circular contains 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, and to the best of their knowledge and belief, there is no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors believe that the refreshment of the Scheme Mandate Limit, the extension of the Share Issue Mandate, the grant of the general mandates to issue and repurchase Shares, the re-election of Directors are in the interests of the Company and the Shareholders as a whole. The Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
Symphony Holdings Limited
Cheng Tun Nei
Chairman

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

MR. SHUM PUI KAY

Mr. Shum Pui Kay, aged 69, was appointed independent non-executive director of the Company on 27 November 2013.

He possesses over 30 years of experience in the retailing and distribution of luxurious goods and was instrumental in the establishment and expansion of the renowned French leather good brand Longchamp in the Asia Pacific region. He has served as the Chairman of the Asia Pacific region of the brand Longchamp since 1978.

Save for his directorship in the Company, he did not hold any position in other public companies in the last 3 years. Mr. Shum is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

There is neither a service contract nor proposed length of service between Mr. Shum 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. Mr. Shum will receive a total of HKD160,000 serving as an independent non-executive Director of the Company. His remuneration is reviewed annually by the Remuneration Committee of the Company and approved by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company.

As at the Latest Practicable Date, Mr. Shum, was directly interested in 10,000,000 Shares and 2,350,000 Warrants of the Company.

Save as disclosed above, Mr. Shum is not related to any Directors, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Share which is required to be disclosed under Part XV of SFO.

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

This explanatory statement contains information required under the Listing Rules to accompany the notice of 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 information reasonably necessary for you to make an informed decision on whether to vote for or against the ordinary resolutions to approve the Share Repurchase Mandate at Annual General Meeting.

SHARE REPURCHASE RULES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Exchange of their own securities.

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

(a) Shareholders' Approval

All on-market share repurchases by a company must obtain a specific approval or a general mandate in advance by way of ordinary resolution by shareholders. The shares proposed to be repurchased are fully paid up.

(b) Source of Funds

Repurchases must be made out of funds which are legally available for such purpose in accordance with Memorandum of Association, Bye-Laws and all applicable laws of Bermuda.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company was 2,959,729,863.

REASONS FOR SHARE REPURCHASE

Although Directors have no present intention to repurchase any Shares, they believe that it is in the best interests of the Company and the Shareholders for Directors to seek a general authority from Shareholders to enable the Company to repurchase Shares in the market. At any time in future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to Shareholders who retain investments in the Company. Shareholders' percentage interests 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. Such repurchases will only be made when Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Subject to the approval of the ordinary resolutions for the Share Repurchase Mandate, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 295,972,986 (at the practicable date) Shares on the basis that no further Share will be issued or repurchased prior to the date of Annual General Meeting.

FUNDING OF REPURCHASES

Directors propose that repurchases of Shares under the Share Repurchase Mandate would be financed from internal resources of the Company. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with Memorandum of Association, Bye-Laws and all applicable 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 consolidated financial statements contained in the annual report of the Company for the year ended 31st December 2017) is anticipated in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. Directors do not propose to exercise the power granted pursuant to the Share 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 Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasions and the price and other terms upon which Shares are repurchased will be decided by Directors at the relevant time having regard to the circumstances then pertaining.

SHARE PRICES

During each of the previous 12 months preceding the Latest Practicable Date, the highest and lowest traded price for Shares on the Exchange were as follows:

	Shares	
	Highest price <i>HKD</i>	Lowest price <i>HKD</i>
2017		
April	0.760	0.670
May	0.720	0.640
June	0.700	0.650
July	0.720	0.670
August	0.700	0.650
September	0.840	0.680
October	0.890	0.780
November	0.960	0.870
December	1.050	0.890
2018		
January	1.030	0.930
February	1.150	0.920
March	1.150	1.040
April (up to and including the Latest Practicable Date)	1.120	1.000

No repurchase of Shares has been made by the Company during the last 12 months immediately preceding the Latest Practicable Date (whether on the Exchange or otherwise).

DIRECTORS' UNDERTAKING

Directors have undertaken to the Exchange to exercise the powers of the Company to make purchase under the Share Repurchase Mandate in accordance with the Listing Rules, Memorandum of Association, Bye-Laws and all applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, the proportionate interest of a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rules 26 and 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Goldsilk Capital Limited, the largest substantial Shareholder, held approximately 37.21% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Share Repurchase Mandate (if granted) and none of the warrants is exercised, then (if such shareholding otherwise remained the same) the total interest of Goldsilk Capital Limited in the issued Shares would be increased to approximately 41.34% 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). In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would result in takeover obligations.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CONNECTED PERSONS

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

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

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: 01223)

(Warrant Code: 01537)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Symphony Holdings Limited will be held at the Boardroom on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong on Friday, 8th June 2018 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements of the Company and the reports of Directors and the auditors for the year ended 31st December 2017.
2. To declare a final dividend of HKD0.005 per ordinary share of the Company for the year ended 31st December 2017.
3. (a) To accept the retirement of Mr. Shum Pui Kay as Director pursuant to bye-law 87 of the Bye-Laws and to re-elect Mr. Shum as Director;

(b) To authorise the Board to fix the remuneration of Directors.
4. To re-appoint auditors and to authorise the Board to fix their remuneration.

* *For identification only*

NOTICE OF ANNUAL GENERAL MEETING

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

5. **“THAT**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by 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 Bye-Laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased pursuant to the approval in sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10% 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 Shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by Bye-Laws or any applicable laws to be held.”;

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT**

- (a) subject to sub-paragraph (c) of this resolution, the exercise by Directors during the Relevant Period (as hereinafter defined) of all the power 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 power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorise Directors during the Relevant Period to make or grant offers, agreements and options (including warrants) which would or might require the exercise of the powers to allot, issue and deal with additional Shares in the capital of the Company under sub-paragraph (a) of this resolution after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under any outstanding warrants to subscribe for Shares or any securities which are convertible into Shares 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, 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 Bye-Laws, shall not exceed 20% 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 Shareholders in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting of the Company is required by Bye-Laws or any applicable laws to be held; and

“**Rights Issue**” means an offer of Shares open for a period fixed by Directors to Shareholders on the register on a fixed record date in proportion to their holdings of such Shares (subject to such exclusion or other arrangements as 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).”; and

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 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 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”
8. “**THAT** the existing scheme mandate limit under the share option scheme of the Company adopted by a resolution of the Shareholders dated 10th June 2011 (the “**Share Option Scheme**”) be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the Directors be and are authorized, subject to compliance with the Listing Rules, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all 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
Anna Chow
Company Secretary

Hong Kong, 25 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A member, who is the holder of 2 or more Shares, entitled to attend and vote at Annual General Meeting is entitled to appoint more than one proxy to attend and vote on his/her 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 appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is appointed.
- (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, and must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong ("Share Registrar"), not less than 48 hours before the time appointed for holding Annual General Meeting or any adjournment thereof.
- (c) Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at Annual General Meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) The register of members will be closed for the purpose of determining the entitlements to the voting rights at Annual General Meeting from Tuesday, 5 June 2018 to Friday, 8 June 2018 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the voting rights at Annual General Meeting, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Monday, 4 June 2018. Warrant holder(s) who want(s) to be entitled to attend and vote at the 2017 Annual General Meeting should exercise their outstanding Warrants no later than 4:30 p.m. by Wednesday, 30 May 2018.
- (e) The proposed final dividend is expected to be distributed on Wednesday, 11 July 2018 to Shareholders whose names appear on the register of members of the Company as at the close of business on Wednesday, 20 June 2018. The register of members of the Company will be closed from Friday, 15 June 2018 to Wednesday, 20 June 2018 (both days inclusive) during which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Thursday, 14 June 2018. Warrant holder(s) should exercise their outstanding Warrants no later than 4:30 p.m. on Monday, 11 June 2018 to ensure their entitlement to the proposed final dividend.
- (f) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.