
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 a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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**HARMONY ASSET LIMITED****亨亞有限公司****(Incorporated in the Cayman Islands with limited liability)*

(HKEX Stock Code: 428)

(TSX Trading Symbol: HAR)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Harmony Asset Limited to be held at Room 1902, Cheung Kong Center, 2 Queen's Road Central, Hong Kong on Friday, 31st May, 2013, at 9:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to either (i) Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or (ii) Computershare Investor Services Inc., the branch share registrar of the Company in Canada at 100 University Ave., Toronto, Ontario, M5J 2Y1, as soon as possible and in any event not later than 24 hours before the time appointed for holding of the meeting or any adjournment thereof.

* For identification purpose only

This circular and the accompanying proxy form, in both English and Chinese versions, are available on the Company's website at www.harmonyasset.com.hk (the "Company Website").

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the proxy form posted on the Company Website will promptly upon request be sent the circular and the proxy form in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the circular and the proxy form in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the branch share registrar of the Company in Hong Kong at harmony.ecom@computershare.com.hk.

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular and the accompanying proxy form since both languages are bound together into one booklet respectively.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Room 1902, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong on Friday, 31st May, 2013 at 9:00 a.m. notice of which is set out on pages 12 to 15 of this circular
“Articles of Association”	the Articles of Association of the Company as may be amended from time to time
“Board”	the board of Directors
“CG Code”	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Company”	Harmony Asset Limited, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the Stock Exchange and TSX
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	19th April, 2013, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no.5 of the notice of the Annual General Meeting

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$1.00 per Share
“Shareholder(s)”	holder(s) of Share(s)
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TSX”	Toronto Stock Exchange

LETTER FROM THE CHAIRMAN



HARMONY ASSET LIMITED

亨亞有限公司*

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 428)

(TSX Trading Symbol: HAR)

Executive Directors:

Lee Fong Lit (*Chairman*)

Chow Pok Yu, Augustine (*Chief Executive Officer*)

Chan Shuen Chuen, Joseph

Cheng Ming Shun (*Chief Financial Officer*)

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Ho Man Kai, Anthony

Tong Kim Weng, Kelly

Wong Yun Kuen

Principal place of business:

Room 1902

Cheung Kong Center,

2 Queen's Road Central,

Hong Kong

Hong Kong, 26th April, 2013

To shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 31st May, 2012, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares of the Company. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in the Appendix I hereto.

* For identification purpose only

LETTER FROM THE CHAIRMAN

2. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions for granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution, representing 7,811,722 Shares at the Latest Practicable Date, and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

3. RE-ELECTION OF RETIRING DIRECTORS

The Board of Directors currently consists of seven directors, namely Mr. Lee Fong Lit (Chairman), Dr. Chow Pok Yu, Augustine (Chief Executive Officer), Mr. Chan Shuen Chuen, Joseph, Mr. Cheng Ming Shun (Chief Financial Officer), Mr. Ho Man Kai, Anthony, Mr. Tong Kim Weng, Kelly and Dr. Wong Yun Kuen.

Pursuant to the Articles of Association, Dr. Chow Pok Yu, Augustine, Mr. Chan Shuen Chuen, Joseph and Mr. Tong Kim Weng, Kelly, being the longest in office, shall retire by rotation at the Annual General Meeting. Mr. Cheng Ming Shun was appointed as an additional director of the Company on 1st June, 2012 and shall hold office until the next following annual general meeting of the Company. All of the above Directors, being eligible shall offer themselves for re-election at the Annual General Meeting.

As at the Latest Practicable Date, Mr. Tong Kim Weng, Kelly has served as an independent non-executive Director for more than nine years since November 1998. Pursuant to the code provision A.4.3 of the CG Code, (a) having served the company for more than 9 years could be relevant to the determination of an independent non-executive director's independence and (b) if an independent non-executive director has served more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mr. Tong Kim Weng, Kelly a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Tong Kim Weng, Kelly has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works, the Directors consider Mr. Tong Kim Weng, Kelly to be independent under the Listing Rules despite the fact that he has served the Company for over nine years. The re-election of Mr. Tong Kim Weng, Kelly as Director would be approved by the Shareholders at the Annual General Meeting by way of a separate resolution.

Details of the above Directors proposed for re-election at the Annual General Meeting are set out in the Appendix II of this circular.

LETTER FROM THE CHAIRMAN

4. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve, among other things, the Repurchase Resolution, general mandate for Directors to issue new Shares, extension of general mandate to issue new shares and re-election of retiring Directors, is set out on page 12 to 15 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to either (i) Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or (ii) Computershare Investor Services Inc., the branch share registrar of the Company in Canada at 100 University Ave., Toronto, Ontario, M5J 2Y1 as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof.

5. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the annual general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the Annual General Meeting pursuant to article 52 of the Articles of Association and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

6. RECOMMENDATION

The Directors believe that the proposals referred to in this circular are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Harmony Asset Limited
LEE Fong Lit
Chairman

This is the explanatory statement as required to be sent to shareholders of the Company under the Share Repurchase Rules to provide requisite information to you for your consideration of the Repurchase Proposal.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 39,058,614 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 3,905,861 Shares.

REASON FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company and Articles of Association and the Companies Law. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchase or out of capital subject to and in accordance with section 37(5) of the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's shares are repurchased in the manner provided for in section 37(5) of the Companies Law.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2012 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICE

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest	Shares	Lowest
	<i>HK\$</i>		<i>HK\$</i>
2012			
April	3.46		3.46
May	3.46		3.20
June	3.30		3.02
July	3.10		3.10
August	3.10		3.10
September	2.97		2.97
October	2.92		2.92
November	2.80		2.80
December	3.20		3.08
2013			
January	3.50		3.30
February	3.45		3.45
March	3.45		3.40
April (up to the Latest Practicable Date)	3.40		3.30

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 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, Sino Path Consultants Limited, held on a beneficial basis 7,200,315 Shares, representing approximately 18.43% of the issued share capital of the Company. In the event the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Resolution, then (if the present shareholdings remain the same), the shareholdings of Sino Path Consultants Limited will be increased to approximately 20.48% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase proposal. In addition, the Company will not repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follow:

Executive Directors**1. Dr. Chow Pok Yu, Augustine (“Dr. Chow”)**

Dr. Chow, aged 60, joined the Company in June 1996. He is also the Chief Executive Officer and a member of remuneration committee, investment committee and disclosure committee of the Company. He holds a MSc from London Business School, Ph.D from University of South Australia, Engineering Doctorate and Ph.D on Biology from City University of Hong Kong. Dr. Chow has vast experience in managing public listed companies that are involved in manufacturing, marketing and financial services and specialising in mergers and acquisitions.

Dr. Chow is both director and shareholder of Sino Path Consultants Limited, a substantial Shareholder, and Harmony Asset Management Limited, the investment manager of the Company. He is an executive director of Kaisun Energy Group Limited, a public company listed in Hong Kong. Dr. Chow is a director of Celsion Corporation, a public listed company in USA as well as a director of Medifocus Inc., a public listed company in Canada. He was a director of Jian ePayment Systems Limited, a public listed company in Hong Kong until March 2011. He was also director of Augyva Mining Resources Inc., a listed company in Canada until August 2011.

Save as disclosed above, as at the Latest Practicable Date, Dr. Chow does not hold any other position in the Group and does not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Chow is interested in 30% of the issued shares of Sino Path Consultants Limited which is interested in 18.43% of the issued share capital of the Company. Save as disclosed above, Dr. Chow does not have any other relationships with any other directors, senior management, substantial Shareholders or controlling Shareholders. Save as disclosed above and as at the Latest Practicable Date, Dr. Chow does not have interest in Shares within the meaning of Part XV of the SFO.

The Company has entered into a letter of appointment with Dr. Chow as an executive Director. His term of service is subject to retirement by rotation and re-election in accordance with the Articles of Association. His director’s fee is to be determined by the Board with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and subject to the Shareholders’ approval at the annual general meeting. For the year ended 31st December, 2012, Dr. Chow was entitled to a directors’ fee amounting to HK\$70,000.

Save as disclosed above, Dr. Chow has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to rule 13.51(2) of the Listing Rules.

2. Mr. Chan Shuen Chuen, Joseph (“Mr. Chan”)

Mr. Chan, aged 66, joined the Company in December 2006. He is a member of disclosure committee of the Company. He obtained his MBA degree from Heriot-Watt University, Edinburgh Business School, Scotland, UK. Mr. Chan has over 30 years of accounting and management experience in the fields of industrial manufacturing, service industry, academic and Government. Professionally, Mr. Chan is an associate member of The Institute of Chartered Accountants in England and Wales, a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Chartered Institute of Management Accountants, as well as a member of the Certified General Accountants Association of Canada. Mr. Chan is a director of Medifocus Inc., and MBMI Resources Inc., the public listed companies in Canada. Mr. Chan was a director of Kaiyue International Inc., a listed public listed company in Canada until September 2012. He was a director of YinFu Gold Corporation, a public listed company in USA until June 2012. Mr. Chan was an independent director of Champion Minerals Inc., a listed company in Canada until April 2013.

Save as disclosed above, Mr. Chan has not held any directorship in other listed public companies in the past three years, and does not hold any other position with the Company and other members of the Group. He does not have any other relationships with any other directors, senior management, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr. Chan does not have any interest in Shares within the meaning of Part XV of the SFO.

The Company has entered into a letter of appointment with Mr. Chan as an executive Director. Mr. Chan is subject to retirement by rotation and re-election in accordance with the Articles of Association. He is currently entitled to an annual emolument of HK\$345,800 which has been fixed by reference to his position, his level of responsibilities and the remuneration policy of the Group.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to rule 13.51(2) of the Listing Rules.

3. Mr. Cheng Ming Shun (“Mr. Cheng”)

Mr. Cheng, aged 57, joined the Company in July 1998. Mr. Cheng has been appointed as an executive director of the Company since 1st June, 2012. He is a Chief Financial Officer and also acts as an alternate authorised representative of the Company under the requirement of the Listing Rules. He is a member of disclosure committee and investment committee of the Company. He is a fellow member of Institute of Financial Accountants, United Kingdom. He holds a Bachelor degree in Business Administration with Honours from The University of Bolton (formerly known as Bolton Institute). Mr. Cheng has over 20 years of experience in management accounting, corporate administration and financial management.

Mr. Cheng has not held any directorship in other listed public companies in the past three years and, save as disclosed above, does not hold any other position with the Company and other members of the Group. He does not have any other relationships with any other directors, senior management, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr. Cheng does not have any interest in Shares within the meaning of Part XV of the SFO.

The Company has entered into a letter of appointment with Mr. Cheng as an executive Director. He has an employment contract with the Company as a Chief Financial Officer. Mr. Cheng is subject to retirement by rotation and re-election in accordance with the Articles of Association. He is currently entitled to an annual emolument of HK\$666,060 which has been fixed by reference to his position, his level of responsibilities and the remuneration policy of the Group.

Save as disclosed above, Mr. Cheng has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to rule 13.51(2) of the Listing Rules.

Independent Non-executive Director

4. Mr. Tong Kim Weng, Kelly (“Mr. Tong”)

Mr. Tong, aged 64, joined the Company in November 1998. He is also a member of audit committee of the Company. He holds degrees in Political Science BA(Hons) and Public Policy (Master of Public Policy) from Victoria University, New Zealand. He was a former senior officer of the New Zealand Trade Department. After leaving the public sector, he served in various capacities as a consultant involved in marketing and business development, IT and the financing services, sourcing and arranging private equity for a variety of projects.

Mr. Tong has not held any directorship in other public listed company in the past three years and save as disclosed above, he does not hold any other position with the Company and other members of the Group. He does not have any other relationships with any other directors, senior management, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr. Tong does not have any interest in Shares within the meaning of Part XV of the SFO.

The Company has entered into a letter of appointment with Mr. Tong as an independent non-executive Director. Mr. Tong is appointed for a term of one year from 1st January, 2013 and is subject to retirement and re-election provisions set out in Articles of Association. There is no agreement as to the directors’ fee payable to Mr. Tong. His directors’ fee is to be determined by the Board with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and subject to the Shareholders’ approval at the annual general meeting. For the year ended 31st December, 2012, Mr. Tong was entitled to a directors’ fee amounting to HK\$70,000.

Save as disclosed above, Mr. Tong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



HARMONY ASSET LIMITED

亨亞有限公司*

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 428)

(TSX Trading Symbol: HAR)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Room 1902, Cheung Kong Center, 2 Queen's Road Central, Hong Kong on Friday, 31st day of May, 2013 at 9:00 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the report of the directors and independent auditor's report for the year ended 31st December, 2012.
2.
 - (a) To re-elect Dr. Chow Pok Yu, Augustine as executive director of the Company.
 - (b) To re-elect Mr. Chan Shuen Chuen Joseph as executive director of the Company.
 - (c) To re-elect Mr. Cheng Ming Shun as executive director of the Company.
 - (d) To authorize the board of directors of the Company to fix the remuneration of directors of the Company.
3. To re-elect Mr. Tong Kim Weng, Kelly as an independent non-executive director of the Company and authorize the board of directors of the Company to fix his director's remuneration.
4. To re-appoint BDO Limited as auditor of the Company and to authorize the board of directors to fix the remuneration of auditor.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:–

“THAT:–

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$1.00 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

exchange on which the Shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:–

“**THAT:**–

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$1.00 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power 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 of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company under any option scheme 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; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing 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 passing of this Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

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

NOTICE OF ANNUAL GENERAL MEETING

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:–

“**THAT** subject to the passing of Ordinary Resolutions in items 5 and 6 of the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution in item 6 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution in item 5 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Ordinary Resolution.”

By Order of the Board
Harmony Asset Limited
Chow Pok Yu Augustine
Executive Director and Chief Executive Officer

Dated this 26th day of April, 2013.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with either (i) the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or (ii) the Canadian branch share registrar of the Company, Computershare Investor Services Inc., 100 University Ave., Toronto, Ontario, M5J 2Y1, not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to item nos.2 and 3 in this notice, details of the retiring Directors are set out in Appendix II to the Company’s circular to shareholders dated 26th April, 2013.
4. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under ordinary resolution in item 5 above is set out in Appendix I to the Company’s circular to shareholders dated 26th April, 2013.
5. As at the date of this notice, the Board comprises four executive directors, namely, Mr. Lee Fong Lit David, Dr. Chow Pok Yu Augustine, Mr. Chan Shuen Chuen Joseph and Mr. Cheng Ming Shun; and three independent non-executive directors, namely, Mr. Tong Kim Weng Kelly, Mr. Ho Man Kai Anthony and Dr. Wong Yun Kuen.