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



HARMONY ASSET LIMITED

(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,
REFRESHMENT OF SCHEME MANDATE LIMIT,
AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Harmony Asset Limited to be held at Room 1101, St. George's Building, 2 Ice House Street, Central, Hong Kong on Wednesday, 27th May, 2009, at 9:00 a.m. is set out on pages 13 to 19 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the 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 registrars of the Company in Hong Kong at Shops 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or (ii) Computershare Investor Services Inc., the branch share registrars of the Company in Canada at 100 University Ave., 9th Floor, Toronto, Ontario, M5J 2Y1, Canada, 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.

Hong Kong, 27th April, 2009

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 1101, St. George’s Building, 2 Ice House Street, Central, Hong Kong on Wednesday, 27th May, 2009 at 9:00 a.m. notice of which is set out on pages 13 to 19 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
“Companies Law”	the Companies Law Cap 22 (Law of 3 of 1961, as consolidated revised) 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
“Existing Scheme”	the existing share option scheme adopted by the Company on 28th June, 2005
“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”	21st April, 2009, 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.4 of the notice of the Annual General Meeting

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all options to be granted under the Existing Scheme and any other share option schemes of the Company, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Existing Scheme
“Scheme Mandate Limit Refreshment Proposal”	the proposal to refresh the Scheme Mandate Limit under the Existing Scheme
“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

(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*)

LAM Andy Siu Wing (*Chief Financial Officer*)

CHAN Shuen Chuen, Joseph

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Director:

HO Man Kai, Anthony

TONG Kim Weng, Kelly

WONG Yun Kuen

Principal place of business:

Room 1101

St. George's Building

No.2 Ice House Street

Central, Hong Kong

Hong Kong, 27th April, 2009

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,
REFRESHMENT OF SCHEME MANDATE LIMIT,
AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 22nd May, 2008, 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 forthcoming Annual General Meeting. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the forthcoming 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.

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 7,800,522 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 repurchases 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), Dr. LAM Andy Siu Wing (Chief Financial Officer), Mr. CHAN Shuen Chuen, Joseph, Mr. HO Man Kai, Anthony, Mr. TONG Kim Weng, Kelly and Dr. WONG Yun Kuen.

Pursuant to the Articles of Association, Mr. CHAN Shuen Chuen, Joseph, Mr. TONG Kim Weng, Kelly and Dr. WONG Yun Kuen shall retire by rotation at the Annual General Meeting, being eligible, would offer themselves for re-election.

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

4. REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE EXISTING SCHEME

The Existing Scheme was approved and adopted by the shareholders in general meeting on 28th June, 2005 (the “Date of Adoption”). The purpose of the Existing 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.

Under a share option scheme adopted by the Company on 22nd May, 2000 (the “Old Scheme”), a total of 745,000 share options (after adjustment of share consolidation on 24th January, 2003 and 14th December, 2006) were granted on 1st August, 2000 and cancelled on 5th November, 2002. No share option was outstanding under the Old Scheme. The Old Scheme was terminated on 19th December, 2002.

The existing Scheme Mandate Limit under the Existing Scheme is 2,922,047 Shares (after adjustment of share consolidation on 14th December, 2006), being 10% of the Shares in issue as at the Date of Adoption. As at the Latest Practicable Date, the Company has granted share options carrying rights to subscribe for 2,922,047 Shares. Under the Existing Scheme, 1,016,000 Shares have been issued pursuant to the exercise of the share options and share options carrying rights to subscribe for 1,906,047 Shares remain outstanding and yet to be exercised.

LETTER FROM THE CHAIRMAN

Apart from the Existing Scheme, the Company has no other share option scheme in issue as at the Latest Practice Date. The issue of the share options by the Company complied with the existing Scheme Mandate Limit at all material times.

Pursuant to paragraph 8.2 of the Existing Scheme, the Company may seek approval from the shareholders of the Company in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon exercise of all share options to be granted under the Existing Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of the approval to refresh the Scheme Mandate Limit. Share options previously granted under the Existing Scheme, and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Existing Scheme or exercised) shall not be counted for the purpose of calculating the limit as renewed.

The limit on the number of Shares which may be issued upon exercise of all share options granted and yet to be exercised under the Existing Scheme, the Old Scheme and other share option schemes of the Company (adopted by the Company in general meeting from time to time) must not exceed 30% of the Shares in issue from time to time.

On the basis of 39,002,614 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or purchased by the Company prior to the Annual General Meeting, the Scheme Mandate Limit may be “refreshed” to enable grant of further share options to subscribe up to 3,900,261 Shares, representing 10% of the Shares in issue as at the date of the Annual General Meeting.

Since no share options that may be granted pursuant to the existing Scheme Mandate Limit, the Directors consider that the refreshment of the Scheme Mandate Limit will be in the interests of the Company as the Existing Scheme can continue to serve its purpose of providing incentives to the participants to work towards achieving the goals of the Group.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (1) the passing of an ordinary resolution by the shareholders of the Company to approve the Scheme Mandate Limit Refreshment Proposal at the Annual General Meeting; and
- (2) the Stock Exchange granting the listing of, and the permission to deal in, such number of Shares representing 10% of the Shares in issue at the date of the Annual General Meeting, which may fall to be issued pursuant to the exercise of the share options granted under the “refreshed” Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of and the permission to deal in the Shares to be issued pursuant to the exercise of share options granted under the “refreshed” Scheme Mandate Limit.

5. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

According to the Listing Rules, the Company is permitted, inter alia, to offer Shareholders the choice to receive corporate communication, including but not limited to the annual report, the interim report, notices of general meetings and circulars, through electronic means and in either English or Chinese only or in both English and Chinese.

LETTER FROM THE CHAIRMAN

In order to achieve such flexibility, the Directors propose to introduce certain amendments to the Articles of Association which will enable the Company, subject to the extent as permitted by the Listing Rules and any applicable laws and regulations, to offer Shareholders the choices referred to in the paragraph above when it becomes desirable to do so.

Details of the proposed amendments to the Articles of Association are set out in the notice of Annual General Meeting at pages 13 to 19 of this circular. In the event that the proposed amendments are approved by the Shareholders, the Company will assess the appropriateness of offering the relevant choices to the Shareholders from time to time and will proceed with offering such choices when it is in the interest of the Company and its Shareholders to do so, such as where there can be significant cost-saving.

6. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve, among other things, the Repurchase Resolution, the general mandate for Directors to issue new Shares and Scheme Mandate Limit Refreshment Proposal and a special resolution to approve the amendments to the Articles of Association, is set out on pages 13 to 19 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 registrars of the Company in Hong Kong at Shops 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or (ii) Computershare Investor Services Inc., the branch share registrars of the Company in Canada at 100 University Ave., 9th Floor, Toronto, Ontario, M5J 2Y1, Canada 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.

7. 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. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of 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.

8. 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,
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 39,002,614 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 3,900,261 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 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, 2008 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:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
April	5.70	5.02
May	5.48	5.00
June	5.35	5.00
July	5.40	4.97
August	5.13	5.05
September	5.03	4.70
October	4.85	4.80
November	4.80	4.75
December	4.80	4.80
2009		
January	4.99	3.00
February	4.90	4.75
March	4.78	4.18
April (up to the Latest Practicable Date)	4.64	4.60

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 18.46% 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 20.51% 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:

1. **Mr. CHAN Shuen Chuen, Joseph**, aged 62, is an executive director of the Company since December 2006. He is also the Qualified Accountant 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 has not held any directorship in other listed public company in the past three years, and he does not have any other relationships with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. CHAN does not hold any other position with the Company and other members of the Group. As at the Latest Practicable Date, Mr. CHAN has personal interest in share option granted by the Company to subscribe for 28,000 Shares at an exercise price of HK\$4.29 each within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. CHAN. Mr. CHAN is subject to retirement by rotation and re-election in accordance with the Articles of Association. For the year ended 31st December, 2008, Mr. CHAN received an annual director's emolument of HK\$349,270, including his salary, allowances, benefit in kind and contributions to pension scheme. He is currently entitled an annual director's emolument of HK\$198,900 which has been fixed by reference to his position, his level of responsibilities, the Company's performance, the prevailing market situation and the remuneration policy of the Group.

Save as disclosed above, Mr. CHAN has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election and there is no other information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. TONG Kim Weng, Kelly**, aged 60, is an independent non-executive director since 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 in 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 he does not have any other relationships with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. TONG does not hold any other position with the Company and other members of the Group. As at the Latest Practicable Date, Mr. TONG has personal interest in share option granted by the Company to subscribe for 28,000 Shares at an exercise price of HK\$4.29 each within the meaning of Part XV of the SFO.

Mr. TONG is appointed for a term of one year and is subject to retirement and re-election provisions set out in Articles of Association. There is no agreement as to the director's fee payable to Mr. TONG. 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, 2008, Mr. TONG received a director's fee amounting to HK\$35,000. For the year ending 31st December, 2009, he would be entitled to a director's fee amounting to HK\$35,000.

Save as disclosed above, Mr. TONG has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election and there is no other information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

3. **Dr. WONG Yun Kuen**, aged 51, is an independent non-executive director since September 2004. He is also a member of audit committee and remuneration committee. He received a Ph.D Degree from Harvard University, and “Distinguished Visiting Scholar” at the Wharton School of the University of Pennsylvania. Dr. WONG has worked in financial industries in United States and Hong Kong for more than 10 years, and has considerable experience in Corporate Finance, Investment, and Derivative Products. He is Member of Hong Kong Securities Institute. Dr. WONG is an executive director of UBA Investment Limited (Stock Code: 768) and an independent non-executive director respectively of Grand Field Group Holdings Limited (Stock code: 115), Golden Resorts Group Limited (Stock Code: 1031), Bauhaus International (Holdings) Limited (Stock Code: 483), Kaisum Energy Group Limited (Stock Code: 8203), Superb Summit International Timber Company Limited (Stock Code: 1228), China E-Learning Group Limited (Stock Code: 8055), Climax International Company Limited (Stock Code: 439), China Yunnan Tin Minerals Group Company Limited (Stock Code: 263) and Kong Sun Holdings Limited (Stock Code: 295), all public list companies in Hong Kong.

Save as disclosed above, Dr. WONG has not held any directorship in other public listed company in the past three years and 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 of the Company. As at the Latest Practicable Date, Dr. WONG has personal interest in share option granted by the Company to subscribe for 28,000 Shares at an exercise price of HK\$4.29 each within the meaning of Part XV of the SFO.

Dr. WONG is appointed for a term of one year and is subject to retirement and re-election provisions set out in Articles of Association. There is no agreement as to the director’s fee payable to Dr. WONG. 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, 2008, Dr. WONG received a director’s fee amounting to HK\$35,000. For the year ending 31st December, 2009, he would be entitled to a director’s fee amounting to HK\$35,000.

Save as disclosed above, Dr. WONG has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election and there is no other information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



HARMONY ASSET LIMITED

(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 1101, St. George's Building, 2 Ice House Street, Central, Hong Kong on Wednesday, 27th day of May, 2009 at 9:00 a.m. for the following purposes:–

1. To receive and consider the financial statements and the report of the directors and independent auditor's report for the year ended 31st December, 2008.
2. To re-elect directors and to authorize the board of directors to fix the remuneration of directors.
3. To re-appoint auditors and authorize the board of directors to fix the remuneration of auditors.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“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 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

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

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:–

ORDINARY RESOLUTION

“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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

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:–

ORDINARY RESOLUTION

“**THAT** subject to the passing of Ordinary Resolutions in items 4 and 5 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 5 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 4 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.”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT the existing scheme mandate limit in respect of the granting of share options to subscribe for shares of the Company under the share option scheme adopted by the Company on 25th June, 2005 (the “Share Option Scheme”) be and is hereby refreshed and renewed provided that the total number of shares which may be allotted and issued pursuant to the grant or exercise of the share options under the Share Option Scheme (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and other share option schemes of the Company) shall not exceed 10% of the shares of the Company in issue as at the date of passing of this resolution (the “Refreshed Limit”), and subject to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in such number of shares to be issued pursuant to the exercise of the share options granted under the Refreshed Limit and compliance with the relevant Rules Governing the Listing of Securities on the Stock Exchange, the Directors of the Company be and are hereby authorised to grant share options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the shares pursuant to the exercise of such share options.”

8. As special business to consider and, if thought fit, to pass the following resolution as a special resolution:

SPECIAL RESOLUTION

“THAT the Articles of Association of the Company be and are hereby amended in the following manner:

(a) Article 2

- (i) by adding the following definitions immediately after the definition of “Dividend”:

electronic communication	“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;
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entitled person	“entitled person” shall mean an “entitled person” as defined under section 2(1) of the Companies Ordinance;
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NOTICE OF ANNUAL GENERAL MEETING

- (ii) by deleting the following definition:

“Written” and **“In Writing”** include all modes of representing or reproducing words in visible form.

and substituting therefor the following:

“Written” or “In Writing” or “printed” shall include written or printed or printed by lithography or printed by photography or typewritten or produced by any other mode of representing words or figures in a visible form or, to such extent permitted by, and in accordance with all applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form;

- (b) Article 133

By deleting Article 133 in its entirety and substituting therefor the following:

133. Any notice or document to be given or issued under these Articles shall be in writing, except that any such notice or document to be given or issued by or on behalf of the Company under these Articles (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) shall be in writing which may or may not be in a transitory form and may be recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form (including an electronic communication and publication on a computer network) whether having physical substance or not and may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the Companies laws, Companies Ordinance, the Listing Rules and any applicable laws, rules and regulations:

- (i) personally;
- (ii) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a member at his registered address as appearing in the register (in case of other entitled person, to such address as he may provide);
- (iii) by delivering or leaving it at such address as aforesaid;
- (iv) by advertisement published in the newspapers;
- (v) by sending or transmitting it as an electronic communication to the entitled person at his electronic address as he may provide; or

NOTICE OF ANNUAL GENERAL MEETING

- (vi) by publishing it on the Recognized Stock Exchange's website and the Company's computer network, giving access to such network to the entitled person and giving to such person a notice of publication of such notice or document.

In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

(c) Article 134

By deleting the existing Article 134 in its entirety and substituting therefor the following:

134. Any notice or document (including any "corporate communication" within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company:
- (i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the notice or document was so served or delivered shall be conclusive evidence thereof;
 - (ii) if served by post, shall be deemed to have been served on the day following that on which it is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly prepaid, addressed and posted (in the case of an address outside Hong Kong by air-mail postage prepaid where air-mail posting from Hong Kong to such place is available) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
 - (iii) if served by advertisement published in the newspapers, shall be deemed to have been served on the day of issue of the newspaper(s) in which the advertisement is published; and
 - (iv) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company's computer network or website is deemed given by the Company to a member on the day on which a notice of availability is deemed served on the member."

NOTICE OF ANNUAL GENERAL MEETING

(d) By adding the following new Article 136A after the existing Article 136:

- 136A. (a) The signature to any notice or document by the Company may be written, printed or made electronically.
- (b) Subject to any applicable laws, rules and regulations, any notice or document from the Company, including but not limited to the documents referred to in Article 133 and any “corporate communication” within the meaning ascribed thereto in the Listing Rules, may be given in the English language only, in the Chinese language only or in both the English language and the Chinese language.

By Order of the Board
Peter Lee Yip Wah
Secretary

Dated this 27th day of April, 2009.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies 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 registrars of the Company, Computershare Hong Kong Investor Services Limited, Shops 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or (ii) the Canadian branch share registrars of the Company, Computershare Investor Services Inc., 100 University Ave., 9th Floor, Toronto, Ontario, M5J 2Y1, Canada, not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely, Mr. CHAN Shuen Chuen, Joseph, Mr. TONG Kim Weng, Kelly and Dr. WONG Yun Kuen be re-elected as Directors of the Company. Details of these retiring Directors are set out in Appendix II to the Company's circular to shareholders dated 27th April, 2009.
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 4 above is set out in Appendix I to the Company's circular to shareholders dated 27th April, 2009.
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, Dr. LAM Andy Siu Wing JP and Mr. CHAN Shuen Chuen Joseph and three independent non-executive directors, namely, Mr. TONG Kim Weng Kelly, Mr. HO Man Kai Anthony and Dr. WONG Yun Kuen.