



## HERALD HOLDINGS LIMITED

興利集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code : 00114)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of HERALD HOLDINGS LIMITED (the “**Company**”) will be held at the Chater Room I, Function Room Level (B1), The Ritz-Carlton Hotel Hong Kong, 3 Connaught Road Central, Hong Kong on Friday, 15 September, 2006 at 3:45 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March, 2006.
2. To re-elect directors.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. To declare a final dividend.
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

(1) “**THAT**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of US\$0.01 each in the capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company on behalf of the Company to purchase shares in the capital of the Company at such price and on such terms as the directors of the Company may in their absolute discretion determine;

(c) the aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the directors of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution respectively, and such approval 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 earlier 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 the Bye-Laws of the Company or any applicable law to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.”

(2) **“THAT**

(a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot and issue or otherwise deal with shares in the capital of the Company or securities convertible into such shares, or options, warrants or similar rights to subscribe for any shares or such convertible securities, and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and the same is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of the subscription rights under the warrants to subscribe for shares of the Company or any share option scheme as may be adopted by the Company or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the Bye-laws of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and such approval be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from 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 expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-Laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 recognised regulatory body or any stock exchange).”

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

### **SPECIAL RESOLUTION**

“**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:

**(a) Bye-law 66**

By deleting the full stop at the end of Bye-law 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by inserting the following new Bye-law 66(e) after Bye-law 66(d):

“(e)if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively or together with the chairman of such meeting, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting where, on a show of hands, a meeting votes in the opposite manner to that instructed in those proxies.”

**(b) Bye-law 68**

By deleting the second sentence of Bye-law 68 in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

**(c) Bye-law 86(2)**

By deleting the last sentence of Bye-law 86(2) and substituting therefor the following new sentence:

“Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

**(d) Bye-law 86(4)**

By deleting the words “special resolution” in Bye-law 86(4) and replacing the same with the words “ordinary resolution”

**(e) Bye-law 87(1)**

By substituting the existing Bye-law 87(1) with the following new Bye-law 87(1):

“(1) Every Director shall retire from office no later than the third annual general meeting after he was last elected or re-elected. At each annual general meeting, if the number of Directors retiring under this Bye-law 87(1) is less than one-third (or the number nearest to but not exceeding one-third if the total number of Directors is not three or a multiple of three) of the Directors for the time being, then additional Directors shall retire from office by rotation under this Bye-law 87(1) to make up the shortfall.”

By Order of the Board  
**Herald Holdings Limited**  
**Michael Thong**  
*Company Secretary*

Hong Kong, 26 July, 2006

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Notes:*

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint holders of any shares, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, provided that if more than one of such joint holders be present at the meeting personally or by proxy, the person whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
3. To be valid, a form of proxy must be lodged with the Company’s principal place of business in Hong Kong at 3110, 31st Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, not later than 48 hours before the time for holding the meeting or any adjournment thereof.

4. Members are recommended to read the circular of the Company containing information concerning the resolutions proposed in this notice.

*As at the date of this notice, the Board of Directors of the Company comprises Messrs. George Bloch, Cheung Tsang-Kay, Stan, Chang Dong-Song, Robert Dorfman and Thong Yeung-Sum, Michael as executive directors; and Messrs. Tang King-Hung, David Tai-Chong Lie-A-Cheong and Yeh Man-Chun, Kent as independent non-executive directors.*

\* *for identification purpose only*