
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 to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Herald Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**HERALD HOLDINGS LIMITED****興利集團有限公司****(incorporated in Bermuda with limited liability)***(Stock Code : 00114)**

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE SHARES AND
TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Herald Holdings Limited (the “Company”) to be held on Friday, 6 September 2019 at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 3:30 p.m. (or any adjournment thereof) is set out on pages 13 to 16 of this circular. A proxy form for use at the Annual General Meeting is enclosed with this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return to the principal place of business of the Company in Hong Kong at 3110, 31st Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

* *for identification purpose only*

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Friday, 6 September 2019 at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 3:30 p.m. or any adjournment thereof
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Herald Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the director(s) of the Company
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed under resolution numbered 5(2) in the Notice of AGM set out on pages 13 to 16 of this circular to be granted to the Directors to allot, issue and deal with securities of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the said ordinary resolution
“Latest Practicable Date”	15 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Notice of AGM”	the notice convening the AGM as set out on pages 13 to 16 of this circular
“Repurchase Mandate”	the general and unconditional mandate proposed under resolution numbered 5(1) in the Notice of AGM set out on pages 13 to 16 of this circular to be granted to the Directors to repurchase the Company’s securities up to an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the said ordinary resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“US\$”	United States Dollars
“%”	per cent.

LETTER FROM THE BOARD



HERALD HOLDINGS LIMITED

興利集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code : 00114)

Executive directors:

Robert Dorfman (*Chairman*)

Shum Kam-Hung *ACIS, CPA (Managing Director)*

Cheung Tsang-Kay, Stan PhD, Hon LLD, Hon DBA, JP

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive directors:

Lie-A-Cheong Tai-Chong, David SBS, OM, JP

Yeh Man-Chun, Kent

Ng Tze-Kin, David EdD, CA (AUST.), FCPA

Principal place of business

in Hong Kong:

3110, 31st Floor

Tower Two, Lippo Centre

89 Queensway

Hong Kong

23 July 2019

To the shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE SHARES AND
TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you Notice of AGM and the information relating to the proposals for (i) the grant of the Repurchase Mandate; (ii) the grant of the Issue Mandate; and (iii) the re-election of Directors.

* *for identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

Pursuant to the ordinary resolutions passed at the annual general meeting held on 21 September 2018, general mandates were granted to the Directors to repurchase the Company's Shares and to allot, issue and deal with additional Shares of the Company. Such mandates will lapse at the conclusion of the AGM. Therefore, ordinary resolutions will be proposed at the AGM that the Directors be given general and unconditional mandates to exercise all the powers of the Company to (i) repurchase issued shares of US\$0.01 each in the capital of the Company ("Issued Shares"), the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution, i.e. up to a maximum of 60,449,076 Shares on the basis that the issued share capital of the Company comprised 604,490,763 Shares as at the Latest Practicable Date and assuming no further Shares are issued or repurchased before the AGM; and (ii) allot, issue and deal with additional Shares not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution, i.e. up to a maximum of 120,898,152 Shares on the basis that the issued share capital of the Company comprised 604,490,763 Shares as at the Latest Practicable Date and assuming no further Shares are issued or repurchased before the AGM.

The Repurchase Mandate and the Issue Mandate will lapse at (i) the conclusion of the next annual general meeting of the Company (to be held in 2020); or (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; or (iii) the revocation or variation of the authority given under these mandates by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

The Directors have no immediate plans to repurchase any Issued Shares or to issue any new Shares pursuant to the above mandates.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate is set out in the Appendix I to this document and contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 87 of the Bye-laws, Mr. Robert Dorfman and Dr. Ng Tze-Kin, David will retire from the Board by rotation at the AGM and, being eligible, will offer themselves for re-election.

Dr. Ng Tze-Kin, David has served on the Board for more than nine years. During his term as an independent non-executive director, Dr. Ng has demonstrated that he has the required character, integrity and experience to perform his duties by providing objective views and independent guidance to the Board. The Board also considers that the long service of Dr. Ng would not affect his exercise of independent judgement. Besides, the Nomination Committee

LETTER FROM THE BOARD

of the Company has assessed and reviewed his annual confirmation of independence based on the independence criteria set out in Rule 3.13 of the Listing Rules and affirmed that Dr. Ng remains independent. As such, the Board considers that the re-election of Dr. Ng as an independent non-executive director is in the best interest of the Company and the Shareholders as a whole.

Particulars of the Directors proposed to be re-elected at the AGM as required to be disclosed by the Listing Rules are set out in the Appendix II to this circular.

AGM

The notice convening the AGM is set out on pages 13 to 16 of this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issue Mandate and the re-election of Directors.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return to the principal place of business of the Company in Hong Kong at 3110, 31st Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a 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 upon by a show of hands. As such, the chairman of the AGM will therefore demand a poll for every resolution put to the vote at the AGM pursuant to Bye-law 66 of the Bye-laws. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the Issue Mandate, the Repurchase Mandate and the re-election of Directors are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that you vote in favour of all the relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By Order of the Board
Herald Holdings Limited
Robert Dorfman
Chairman

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 604,490,763 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 60,449,076 Shares, representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable them to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. SOURCE OF FUNDS

Repurchases must be financed out of the funds legally available for the purpose in accordance with the provisions of the Bye-laws, the Listing Rules and the laws of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Bermuda law, the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant purchased Shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company.

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 financial statements contained in the annual report of the Company for the year ended 31 March 2019) in the event that the proposed repurchases were to be carried out in full as permitted by the general mandate to repurchase shares at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If as a result of share repurchases by the Company, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

The following table sets out the shareholdings of the Shareholders having an interest in 5% or more of the issued share capital as recorded in the register required to be kept by the Company under Section 336 of the SFO as at the Latest Practicable Date and their shareholdings if the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, on the basis that the issued share capital of the Company remains unchanged up to the date of the AGM.

Name of Shareholders	Note	Number of Shares	Percentage of shareholding	
			before repurchase	after repurchase
Dr. Cheung Tsang-Kay, Stan	(a), (c)	103,364,893	17.10%	19.00%
Ms. Ng Yiu-Chi, Eleanor	(d)	103,364,893	17.10%	19.00%
Ms. Cheung Yee, Alice	(c)	69,504,057	11.50%	12.78%
Ms. Chang Kan, Jane	(c), (e)	64,104,057	10.60%	11.78%
Mr. Tong Shek-King, Denny	(d), (e)	64,104,057	10.60%	11.78%
Moral Excel Holdings Ltd ("MEH")	(a)	61,414,760	10.16%	11.29%
HSBC International Trustee Ltd ("HIT")	(b)	61,414,760	10.16%	11.29%
Mr. Robert Dorfman		51,471,000	8.51%	9.46%
Mrs. Sheri Tillman Dorfman	(d)	51,471,000	8.51%	9.46%
Mrs. Mirriam Bloch		38,572,500	6.38%	7.09%
Mr. Gershon Dorfman		37,325,799	6.17%	6.86%
Mrs. Lydia Dorfman	(d)	37,325,799	6.17%	6.86%

Notes:

- (a) MEH is ultimately owned by a family trust which was interested in 61,414,760 Shares held by MEH. Dr. Cheung Tsang-Kay, Stan and his spouse and family members are the founder and the beneficiaries respectively of this family trust.
- (b) HIT, the trustee of the above-mentioned trust, was deemed to be interested in 61,414,760 Shares owned by this trust.

- (c) Dr. Cheung Tsang-Kay, Stan is also interested in 39,222,633 Shares together with Ms. Cheung Yee, Alice and Ms. Chang Kan, Jane.
- (d) Ms. Ng Yiu-Chi, Eleanor is the spouse of Dr. Cheung Tsang-Kay, Stan, Mr. Tong Shek-King, Denny is the spouse of Ms. Chang Kan, Jane, Mrs. Sheri Tillman Dorfman is the spouse of Mr. Robert Dorfman and Mrs. Lydia Dorfman is the spouse of Mr. Gershon Dorfman. Their interests disclosed are the same as those of their spouses disclosed.
- (e) Ms. Chang Kan, Jane is interested in another 100,000 shares with Mr. Tong Shek-King, Denny.

As set out above, if the Repurchase Mandate is exercised in full, then, as a result solely of such repurchase, the total interests of the above Shareholders in the Shares would be increased to approximately the respective percentages shown in the last column above. Such increases would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code since none of the Shareholders or group of Shareholders acting in concert would hold 30% or more of the voting rights of the Company after the repurchase.

The Directors have no present intention to exercise the power to repurchase Shares to such extent which will trigger off the mandatory offer requirement under the Takeovers Code or which will result in the number of the Shares held by the public hands being reduced to less than 25%.

Save as disclosed above, 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 Mandate.

5. GENERAL

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Associates have a present intention to sell Shares to the Company, in the event that the Repurchase Mandate is approved.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any Shares to the Company nor has he undertaken not to do so, in the event the Repurchase Mandate is approved.

6. REPURCHASES AND SHARE PRICES

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

The highest and lowest prices at which Shares were traded on the Stock Exchange during each of the previous twelve months and the period from 1 July 2019 to 15 July 2019 (the Latest Practicable Date) are set out below:

Month	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.98	0.88
August	0.95	0.87
September	0.90	0.87
October	0.87	0.85
November	0.93	0.82
December	0.80	0.70
2019		
January	0.73	0.68
February	0.76	0.68
March	0.78	0.75
April	0.86	0.77
May	0.85	0.68
June	0.69	0.55
1 July-15 July (the Latest Practicable Date)	0.59	0.58

The followings are the particulars of the Directors proposed to be re-elected at the AGM:

1. Robert DORFMAN, aged 64, Chairman

Mr. Robert Dorfman was appointed as an executive director of the Company in 1992 and was appointed Chairman of the Company on 1 April 2014. Mr. Dorfman is a past Chairman of The Americas Area Committee of The Hong Kong General Chamber of Commerce and served from 1999 to 2009 as Chairman of the Vision 2047 Foundation. Mr. Dorfman was Chairman of the World Presidents' Organization's ("WPO") Board of Directors 2011/12. In addition, he was a Member of the Council of Lingnan University in Hong Kong from 2010 to 2016. Mr. Dorfman joined the Group in 1983 and is a director of the principal subsidiaries of the Company. He has not held any directorship in other listed public companies in the past three years.

Mr. Robert Dorfman is the brother of Mr. Gershon Dorfman, managing director of Herald Datanetics Limited, a wholly owned subsidiary of the Company. Save as disclosed above, Mr. Dorfman does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Dorfman was interested in 51,471,000 Shares of the Company. Save as aforesaid, Mr. Dorfman has no other interests in the Shares within the meaning of Part XV of the SFO.

There is neither any service contract between the Company and Mr. Dorfman nor any specified length of service with the Company in respect of his appointment (except the retirement by rotation of Directors under the Bye-laws of the Company). Mr. Dorfman is entitled to receive an annual basic salary of HK\$4,095,000 and any discretionary bonus which the Company may decide to pay. Such emoluments are determined with reference to his duties and responsibilities within the Company, the Company's performance and profitability and the prevailing market conditions.

There is no information required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Dorfman that need to be brought to the attention of the Shareholders.

2. NG Tze-Kin, David, EdD, CA (AUST.), FCPA, aged 69, Independent Non-executive Director

Dr. Ng Tze-Kin, David was appointed as an independent non-executive director of the company on 1 February 2010. Dr. Ng holds a Master's Degree in Commerce from Macquarie University, Sydney, a Doctor's Degree in Education from The Education University of Hong Kong and is an Australian Chartered Accountant and Chartered Secretary. Dr. Ng had worked for PWC Hong Kong for 8 years. After leaving PWC, Dr. Ng has been and is currently the managing director of a certified public accountants firm in Hong Kong. Dr. Ng was also the Qualified Accountant for Air China Limited (stock code: 00753) for the period from November 2005 to December 2008. Currently, he is also an independent non-executive director of New Provenance Everlasting Holdings Limited (stock code: 02326). Save as disclosed above, he has not held any directorship in other listed public companies in the past three years.

Dr. Ng does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company or any interests in the Shares within the meaning of Part XV of the SFO.

There is neither any service contract between the Company and Dr. Ng nor any specified length of service with the Company in respect of his appointment (except the retirement by rotation of Directors under the Bye-laws of the Company). Dr. Ng is entitled to receive a director's fee of HK\$300,000 per annum. Such emoluments are determined with reference to his qualifications and experience, his duties and responsibilities within the Company and the prevailing market conditions. Save as director's fee, he is not entitled to other emoluments.

There is no information required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Dr. Ng that need to be brought to the attention of the Shareholders.

NOTICE OF AGM



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 Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 6 September 2019 at 3:30 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 2019.
2. (i) To re-elect Mr. Robert Dorfman as director and to authorise the board of directors to fix his remuneration.

(ii) To re-elect Dr. Ng Tze-Kin, David as director and to authorise the board of directors to fix his remuneration.
3. To re-appoint KPMG as auditors and to authorise the board of directors to fix their remuneration.
4. To declare a final dividend of HK3 cents per share for the year ended 31 March 2019.
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 (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares of US\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong (the “Securities

* *for identification purpose only*

NOTICE OF AGM

and Futures Commission”) and the Stock Exchange, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission, the Stock Exchange and any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the share capital of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period 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 of this resolution, and such approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the date of 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 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 (as defined below) of all the powers of the Company to allot, issue and deal with additional 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 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 (as defined below), (ii) the exercise of rights of

NOTICE OF AGM

subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into shares of the Company, (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company or (iv) 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 of this resolution, and such approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the date of 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 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 or issue of options, warrants or other securities giving rights to subscribe for share, open for a period fixed by the directors of the Company to holders of shares or any class thereof on the Register of Members of the Company 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 in any territory applicable to the Company).”

By Order of the Board
Herald Holdings Limited
Lai Man-Pun
Company Secretary

Hong Kong, 23 July 2019

NOTICE OF AGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business

in Hong Kong:
3110, 31st Floor
Tower Two, Lippo Centre
89 Queensway
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is a holder of more than one share, more proxies to attend and, subject to the provisions of the Bye-laws of the Company, to vote instead of him. A proxy need not be a member of the Company.
2. The Annual General Meeting is scheduled to be held on Friday, 6 September 2019. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 2 September 2019 to Friday, 6 September 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be able to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers of shares, accompanied by the relevant share certificates, are lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 30 August 2019.
3. The proposed final dividend is subject to the passing of the ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is Thursday, 19 September 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 18 September 2019 to Thursday, 19 September 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be qualified for the proposed final dividend, shareholders should ensure that all transfers of shares, accompanied by the relevant share certificates, are lodged with Tricor Tengis Limited for registration no later than 4:30 p.m. on Tuesday, 17 September 2019.
4. A form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of its attorney or officer duly authorised.
5. 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.
6. 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.
7. Members are recommended to read the circular of the Company containing information concerning the resolutions proposed in this notice.
8. In the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 12:00 noon or any time after 12:00 noon on 6 September 2019, the Annual General Meeting will be adjourned. The Company will post an announcement on the Company's website at www.heraldgroup.com.hk and website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the adjourned meeting.

As at the date hereof, the Board of Directors of the Company comprises Mr. Robert Dorfman, Mr. Shum Kam-Hung and Dr. Cheung Tsang-Kay, Stan as executive directors; and Mr. Lie-A-Cheong Tai-Chong, David, Mr. Yeh Man-Chun, Kent and Dr. Ng Tze-Kin, David as independent non-executive directors.