

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Heritage International Holdings Limited (the “Company”) will be held at Section A, LG1, The Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong on 28 September 2004 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the financial year ended 31 March 2004.
2. To re-elect retiring directors and to authorize the board of directors to fix remuneration of directors.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions:

SPECIAL RESOLUTION

4. “**THAT** the Bye-laws of the Company be and are amended in the following manner:
 - (a) Bye-law 1
 1. By inserting the following new definition of “associate” immediately after the definition of “the Act” in Bye-law 1:

“associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”
 2. By deleting the words “a recognized clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” in the definition of “clearing house” in Bye-law 1.
 - (b) Bye-law 76
 1. By re-numbering existing Bye-law 76 as Bye-law 76(1);
 2. By inserting the following as new Bye-law 76(2):

“(2) Where the Company has knowledge that any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”
 - (c) Bye-law 89

By deleting the words “at least 7 days before the date of the general meeting appointed for such election and such notice may be given during a period of at least 7 days ending at the 7 days first mentioned in this Bye-law” at the end of Bye-law 89 and replacing therewith the following proviso:

“at the head office or at the office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of

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the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(d) Bye-law 90

By deleting the word “special” immediately before the words “general meeting” and replacing the words “special resolution” with the words “ordinary resolution” in Bye-law 90.

(e) Bye-law 97

By deleting the words “a special” and replacing therewith the words “an ordinary” in Bye-law 97(vii).

(f) Bye-laws 112(E), (F)

By deleting the existing Bye-laws 112(E) and (F) in their entirety and replacing therewith the following new Bye-laws 112 (E), (F), (G) and (H):

“112.(E) A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associate(s) are in aggregate beneficially

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interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

- (F) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (G) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (H) If any question shall arise at any meeting of the board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the board.””

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ORDINARY RESOLUTIONS

5. "THAT:

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period (defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which 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) by the directors of the Company pursuant to the approval in paragraph (a) and (b), otherwise than pursuant to a Rights Issue (defined below) or the exercise of subscription rights under the share option scheme or an issue of shares upon the exercise of the subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the Bye-laws of the Company, shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes 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;
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion 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)."

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6. “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 (i) purchase issued shares in the capital of the Company and (ii) purchase warrants or other rights to subscribe for shares in the capital of the Company in each case on the Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the directors of the Company of all powers of the Company to purchase such securities, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to procure the Company to purchase its shares and warrants at a price determined by the directors of the Company;
- (c) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this resolution; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the 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 this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

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7. "THAT:

conditional upon the passing of the ordinary resolutions numbered 5 and 6 set out in the notice of meeting of which this resolution forms part, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said ordinary resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the ordinary resolution numbered 5."

By order of the Board

Ngai Wai Kin

Company Secretary

Hong Kong

28 July 2004

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the Branch Registrars, Computershare Hong Kong Investor Services Limited at shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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, no less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (2) A form of proxy for use at the meeting and a circular setting out the details of the terms and conditions upon the proposed amendments to the Bye-laws in resolution 4 and the proposed general mandates in resolutions 5, 6 and 7 will be despatched together with the Annual Report 2004 to the members of the Company.
- (3) In case of joint holders of a share of the Company, any one of such holders may vote at meeting either personally or by proxy in respect of such share as if he was solely entitled thereto. However, if more than one such joint holders are at present the meeting personally or by proxy, then one of such holders whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.