

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

**(I) INSIDE INFORMATION –
ENTERING INTO THE SUBSCRIPTION AGREEMENT;
(II) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS; AND
(III) RESUMPTION OF TRADING**

(I) ENTERING INTO THE SUBSCRIPTION AGREEMENT

Part (I) of this announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board announces that on 10 December 2013 (after trading hours), Alpha Ease, an indirect wholly owned subsidiary of the Company, entered into the Subscription Agreement with Great Desire in respect of the subscription of the Convertible Bond in the principal amount of HK\$30 million due 2016.

(II) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increases in both the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that it is not aware of any reason for the price and volume movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO, save that (i) as mentioned above, the Company has entered into the Subscription Agreement on 10 December 2013; and (ii) the Company has made an submission to the Stock Exchange on 6 December 2013 requesting guidance in relation to a possible corporate restructuring of the Company and its subsidiaries.

(III) RESUMPTION OF TRADING

Trading of the shares of the Company on the Stock Exchange has been halted from 1:11 p.m. on 10 December 2013 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 11 December 2013.

(I) ENTERING INTO THE SUBSCRIPTION AGREEMENT

Part (I) of this announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

On 10 December 2013 (after trading hours), Alpha Ease, an indirect wholly owned subsidiary of the Company, entered into the Subscription Agreement with Great Desire in respect of the subscription of the Convertible Bond in the principal amount of HK\$30 million due 2016.

(1) Parties and Date of the Subscription Agreement

Date: 10 December 2013 (after trading hours)

Issuer: Great Desire

Subscriber: Alpha Ease, an indirect wholly owned subsidiary of the Company

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Great Desire and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

(2) Subscription of the Convertible Bond

Pursuant to the Subscription Agreement, Alpha Ease agrees to subscribe for the Convertible Bond upon the terms and conditions set out therein.

(3) Principal terms of the Convertible Bond to be issued by Great Desire pursuant to the Subscription Agreement

Principal amount: HK\$30 million

Interest rate: 5% per annum, payable half yearly each.

Maturity: 30 months from the date of issue

Conversion: The bondholder shall have the right exercisable to convert the whole or part of the outstanding principal amount of the Convertible Bond held by the bondholder into such number of shares of the Issuer as will be determined by dividing the principal amount of the Convertible Bond to be converted by the conversion price in effect on the maturity date.

Conversion price: The conversion price of the Convertible Bond should be determined with reference to the valuation of the Issuer at a price earnings ratio agreed by the two parties to the Subscription Agreement.

Information about Great Desire

The principal activities of Great Desire Group are manufacturing and sale of grain-related food products, with particular focus on non-fried instant noodles, noodles and plain flour. Great Desire, through its wholly owned subsidiary company incorporated in the PRC, has set up a production base in Hebei Province of the PRC. The gross area of the manufacturing factory is approximately 122,000 square meters and the total assets of Great Desire Group is approximately RMB 110 million.

The Great Desire Group currently has more than 500 employees including experienced senior management personnel and professional and technical labour within the industry. Coupled with the modern technology employed in production, the market sphere of the Great Desire Group is expected to grow steadily.

Reasons and the benefits of the subscription of the Convertible Bond

The Board believes that this transaction provides the Group with a good opportunity to diversify into a prosperous industry with high potential for further development.

The instant noodles, noodles and plain flour are generally viewed as necessity goods by many of the consumers in PRC. In the PRC, due to the fact that (i) income of urban and rural residents continues to grow rapidly and (ii) with the increasing awareness of the idea of “healthy lifestyle” in society, the non-fried instant noodles, noodles and plain flour are expected to be favored by the residents of the PRC when compared with the fried instant noodles and meats which contain lots of calories and fats, the consumption of these healthy products are expected to grow and hence there is unlimited potential market demand in the PRC in the coming future.

Furthermore, in April 2013, the Company has completed the acquisition of the Global Castle Investments Limited which owns the Forestlands located in Qinlong Manchu Autonomous in Hebei Province of the PRC through its subsidiary. The Company is of the view that the sales of the aforesaid healthy food in line with the fruits and other produce of the Forestland can possibly generate synergies effect through (i) promoting the notion of healthy products and (ii) cross-selling related products in the market in Hebei Province or other parts of China.

(II) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board has noted the recent increases in both the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that it is not aware of any reason for the price and volume movements or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the SFO, save that (i) as mentioned above, the Company has entered into the Subscription Agreement on the date of this announcement; and (ii) the Company has made an submission to the Stock Exchange on 6 December 2013 requesting guidance in relation to a possible corporate restructuring of the Company and its subsidiaries (the “Possible Corporate Restructuring”).

As at the date of this announcement, the Possible Corporate Restructuring is still at a preliminary stage and no decision has been made by the Board in this regard. Further announcement in respect of the Possible Corporate Restructuring will be made by the Company as and when appropriate in accordance with the Listing Rules and the SFO.

Shareholders and potential investors of the Company should note that the Possible Corporate Restructuring is at a preliminary stage and therefore, the Possible Corporate Restructuring may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

(III) RESUMPTION OF TRADING

Trading of the shares of the Company on the Stock Exchange has been halted from 1:11 p.m. on 10 December 2013 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 11 December 2013.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

DEFINITIONS

“Alpha Ease”	Alpha Ease International Limited, a limited company incorporated in the British Virgin Islands, being an indirect wholly owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Heritage International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Convertible Bond”	the convertible bond in principal amount of HK\$30 million due 2016 bearing an interest of 5% per annum to be issued by Great Desire pursuant to the Subscription Agreement.
“Director(s)”	the director(s) of the Company
“Great Desire”/ “Issuer”	Great Desire International Limited, a limited company incorporated in the British Virgin Islands
“Great Desire Group”	Great Desire and its subsidiary
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.001 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement entered into between the Alpha Ease and Great Desire on 10 December 2013 in relation to the subscription by Alpha Ease of the Convertible Bond in the principal amount of HK\$30 million due 2016
“%”	per cent

By order of the Board
Heritage International Holdings Limited
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 10 December 2013

As at the date of this announcement, the Company has four executive Directors, being Dr. Kwong Kai Sing, Benny, Mr. Ong Peter, Mr. Chow Chi Wah, Vincent and Ms. Chen Wei and four independent non-executive Directors, being Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene, Mr. Chung Yuk Lun and Mr. Lo Wong Fung

* *For identification purposes only*