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HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE INTEREST IN E-GARDEN PROPERTIES LIMITED

The Board wishes to announce that on 25 April 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Interest for a cash consideration of approximately HK\$100 million.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing further particulars of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

S&P AGREEMENT

Date:

25 April 2008

Parties:

Vendor: Z & Z International Limited, an investment holding company incorporated in the British Virgin Islands with limited liability. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Purchaser: Central Town Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Assets to be acquired:

The entire issued share capital of, and the related shareholder's loan in the amount of approximately HK\$154 million extended to, E-Garden.

E-Garden is a company incorporated under the laws of the British Virgin Islands and is the ultimate beneficial owner of the entire issued share capital of East Champion. Other than holding the interest in East Champion, E-Garden has no other assets or business.

East Champion, a wholly-owned subsidiary of E-Garden, is a property holding company and its principal asset is the Property. The Property occupies a gross floor area of approximately 15,748 sq. ft. and is valued at approximately HK\$135 million as at 31 March 2008 by Asset Appraisal Limited, an independent qualified professional property valuer appointed by the Company.

As per the management accounts supplied by the Vendor, the unaudited consolidated net liabilities of E-Garden as at 31 March 2008 were approximately HK\$53 million (mainly attributable to the Sale Loan) with the value of the Property booked at HK\$135 million and the unaudited consolidated loss of E-Garden (both before and after taxation and extraordinary items) for the two years ended 31 March 2007 and 2008 was HK\$1,465,298 and HK\$728,711 respectively.

Consideration:

The aggregate consideration payable by the Purchaser to the Vendor for the acquisition of the Sale Interest is HK\$135 million less any amount of bank loan outstanding as at completion and subject to further adjustments by reference to the net assets or liabilities (as the case may be) of E-Garden (excluding the value of the Property, the bank loan and the Sale Loan) as at completion. According to the S&P Agreement, when calculating the net assets or liabilities of E-Garden, only the book value of the following assets, namely, utility and other deposits and prepayments, and cash and bank balance, would be taken into account. According to the management accounts supplied by the Vendor, the amount of bank loan outstanding as at 31 March 2008 was approximately HK\$34 million and was provided by Chong Hing Bank Limited to East Champion on normal commercial terms, and the rental and utility deposit paid by E-Garden amounted to HK\$342,296 as at 31 March 2008 and E-Garden had cash and bank balance amounting to HK\$62,785 as at 31 March 2008. The Directors do not foresee any substantial increment to any of the above figures.

The aggregate consideration of approximately HK\$100 million is payable by cash in the following manner;

- (a) a deposit of approximately HK\$10 million has been paid by the Purchaser to the Vendor upon signing of the S&P Agreement; and
- (b) the remaining balance of approximately HK\$90 million will be paid by the Purchaser to the Vendor on Completion.

The Directors intend to fund the entire consideration by internal resources of the Group.

The consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the value of the Property of HK\$135 million as at 31 March 2008.

Completion:

Subject to the fulfillment or waiver of the following conditions, completion of the S&P Agreement shall take place on the third business day after fulfillment or waiver of the last of the following conditions (except the condition set out in paragraph (d) which shall be fulfilled immediately prior to completion) or such other date as may be agreed between the Vendor and the Purchaser in writing.

Completion shall be conditional upon:

- (a) the mortgagee bank agreeing to keep current the banking facilities now extended to East Champion as secured by the mortgage of the Property subject only to such conditions as may be acceptable to the Purchaser;
- (b) the Purchaser being satisfied with its due diligence review of the legal and financial affairs of E-Garden and East Champion;
- (c) the Vendor having shown and given a good title of East Champion to the Property; and
- (d) the representations and warranties made or given by the Vendor under the S&P Agreement remaining true and accurate in all material respects and not misleading in any material respect as at the completion date.

If any of the conditions precedent set out above is not fulfilled (or waived by the Purchaser) on or before 30 June 2008, the rights and obligations of the parties under the S&P Agreement shall lapse and be of no further force and effect, and the parties shall be released from all further obligations thereunder without any liability save to any antecedent breach and provided that the deposit paid by the Purchaser to the Vendor shall be returned to the Purchaser forthwith.

Pursuant to the S&P Agreement, the Purchaser may waive all of the above conditions precedent, and the Board may consider waiving all or part of the above conditions precedent if after considering the circumstances then existing, it is in the interest of the Company and the Shareholders to do so. However, the Board has no current intention to procure exercise of such right prior to Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in property related investments, investment in securities, investment in advertising and lottery related businesses and money-lending businesses.

The Property is currently left vacant. After completion, the Group would try to lease out the Property for rental income and depending on the market conditions, may also sell the Property for gain. The Directors believe that the Acquisition can enhance the property portfolio and future earnings of the Company and thus is in the interests of the Company and its shareholders as a whole. Taking into account the value of the Property of approximately HK\$135 million as at 31 March 2008, the Directors consider the terms of the Acquisition to be fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing further particulars of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

If the consideration ratio of the Acquisition, calculated with reference to the consideration as adjusted, exceeds 25%, the Acquisition would become a major transaction and the Company will re-comply with the relevant requirements of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Interest
“Board”	the board of Directors
“Company”	Heritage International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company

“E-Garden”	E-Garden Properties Limited, a company incorporated in the British Virgin Islands with limited liability and the beneficial owner of the entire issued share capital of East Champion
“East Champion”	East Champion Limited, a company incorporated in Hong Kong with limited liability and the registered owner of the Property
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	basement of China United Centre, No.28 Marble Road, North Point, Hong Kong
“Purchaser”	Central Town Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“S&P Agreement”	the sale and purchase agreement dated 25 April 2008 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Interest
“Sale Interest”	the Sale Share and the Sale Loan
“Sale Loan”	shareholder’s loan of approximately HK\$154 million owing by E-Garden to the Vendor
“Sale Share”	1 share of US\$1.00 in the issued share capital of E-Garden, representing the entire issued share capital of E-Garden
“Shareholders”	the shareholders of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

Z & Z International Limited, the sole legal and beneficial owner of E-Garden

By order of the Board
Chow Chi Wah, Vincent
Executive Director

Hong Kong, 29 April 2008

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

* *For identification purposes only*