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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)

**(1) MAJOR TRANSACTION  
– ACQUISITION OF PROPERTY**

**(2) CONNECTED TRANSACTION  
– DISPOSAL OF NOBLE CASTLE INTERNATIONAL LIMITED**

**AND**

**(3) RESUMPTION OF TRADING**

### **Major Transaction**

The Board wishes to announce that on 21 April 2009, Noble Castle, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with Joint Gain, pursuant to which Noble Castle had agreed to purchase, and Joint Gain had agreed to sell, the Property for a cash consideration of HK\$45 million.

The Acquisition constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the approval of the Shareholders. A circular containing further particulars of the Acquisition, and a notice convening the special general meeting of the Company to be held for the purpose of approving the Acquisition, will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

### **Connected Transaction**

As the Acquisition is subject to the Shareholders' approval, Noble Castle may not be able to complete the Acquisition and as a result thereof, suffer a loss of deposit paid under the Provisional Agreement. In this connection, Mr. Kwong, the Chairman of the Company, had undertaken to the Company on 21 April 2009 that in the event the requisite Shareholders' approval could not be obtained on or before 21 July 2009 (i.e. the proposed date of completion of the Acquisition), he would acquire the entire beneficial interest in Noble Castle at an aggregate consideration of HK\$4.5 million, which is equivalent to the total deposit paid by Noble Castle under the Provisional Agreement.

As Mr. Kwong is a director of the Company, the Disposal constitutes a connected transaction for the Company under the Listing Rules. Although some of the applicable percentage ratios in respect of the Disposal exceed 2.5%, they do not exceed 25% and the consideration is less than HK\$10 million. Therefore, the Disposal is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**Resumption of Trading**

Trading in the Shares was suspended with effect from 9:30 a.m. on 22 April 2008 at the request of the Company pending the release of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2009.

**1. MAJOR TRANSACTION**

**A. THE PROVISIONAL AGREEMENT**

**Date:**

21 April 2009

**Parties:**

Vendor: Joint Gain, a property holding company incorporated in Hong Kong with limited liability. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, Joint Gain and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Purchaser: Noble Castle, a wholly-owned subsidiary of the Company.

**Property to be acquired:**

House No.B7 (including its 2 car parking spaces), Regalia Bay, No.88 Wong Ma Kok Road, Hong Kong. The Property is a high-class residential property situated in Stanley on Hong Kong Island, occupying a total gross floor area of approximately 4,089 square feet. The Property is currently subject to a tenancy with rental agreed at HK\$140,000 per month (inclusive of management fees, government rent and rates) and expiring on 31 May 2010.

Based on the information provided by Joint Gain, the rental income attributable to the Property for the two financial years ended 31 March 2008 and 31 March 2009 was approximately HK\$1.44 million and HK\$1.40 million respectively.

The Company has engaged Asset Appraisal Limited, an independent qualified professional property valuer, to conduct a valuation of the Property, which details will be included in the circular to be despatched to the Shareholders in accordance with the requirements of the Listing Rules.

**Consideration:**

The consideration payable by Noble Castle to Joint Gain for the acquisition of the Property is HK\$45 million. An initial deposit of HK\$2.25 million was paid by Noble Castle to Joint Gain upon signing of the Provisional Agreement. A further deposit of HK\$2.25 million is payable by Noble Castle to Joint Gain on or before 8 May 2009 and the remaining balance of HK\$40.5 million will be paid by Noble Castle to Joint Gain on Completion. The formal agreement for sale and purchase will be signed on or before 8 May 2009. The Directors intend to fund the consideration by internal resources of the Group.

The consideration has been arrived at after arm's length negotiations between the parties with reference to the prevailing market value of residential properties of similar size and age as the Property in the same vicinity.

**Completion:**

Completion shall take place on or before 21 July 2009. Pursuant to the terms of the Provisional Agreement, should Noble Castle fail to complete the purchase in the manner contained in the Provisional Agreement, the initial deposit shall be forfeited to Joint Gain and Joint Gain shall not sue Noble Castle for any liabilities and/or damages or to enforce specific performance. On the other hand, should Joint Gain fail to complete the sale in the manner contained in the Provisional Agreement, Joint Gain shall immediately compensate Noble Castle with a refund of the initial deposit together with a sum equivalent to the amount of the initial deposit as liquidated damages and Noble Castle shall not take any further action to claim for damages or to enforce specific performance.

**B. 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 market in Hong Kong has experienced a recent downturn but the management of the Company is optimistic about the future of the Hong Kong property market and has accordingly taken advantage of this opportunity to acquire the Property at a reasonable price. The Directors consider that the Acquisition is a good investment opportunity and believe that the Group will benefit from the anticipated growth in value of the Property.

The Property will continue to be leased immediately after Completion for rental income and depending on the market conditions, may be sold for gain after expiration of the lease. Given that the consideration reflects the fair market value of the Property, the Directors consider the terms of the Acquisition to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **C. GENERAL**

The Acquisition constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the approval of the Shareholders. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiry, no Shareholders or any of their respective associates (other than Mr. Kwong) have any material interest in the Acquisition. As such, only Mr. Kwong and his associates will abstain from voting at the special general meeting to be convened for the purpose of approving the Acquisition. A circular containing further particulars of the Acquisition, and a notice convening the special general meeting of the Company to be held for the purpose of approving the Acquisition, will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

## **2. CONNECTED TRANSACTION**

As the Acquisition is subject to the Shareholders' approval, Noble Castle may not be able to complete the Acquisition and as a result thereof, suffer a loss of deposit paid under the Provisional Agreement. In this connection, Mr. Kwong, the Chairman of the Company, had undertaken to the Company on 21 April 2009 that in the event the requisite Shareholders' approval could not be obtained on or before 21 July 2009 (i.e. the proposed date of completion of the Acquisition), he would acquire the entire beneficial interest in Noble Castle at an aggregate consideration of HK\$4.5 million, which is equivalent to the total deposit paid by Noble Castle under the Provisional Agreement. No gain is expected to accrue to the Company as a result of the Disposal as the consideration reflects the actual deposit paid by Noble Castle under the Provisional Agreement. The net proceeds to be received by the Group are intended to be used as general working capital.

Noble Castle is a company incorporated in Hong Kong with limited liability. It is acquired by the Company for the purpose of acquiring the Property. Apart from its interest in the Provisional Agreement, Noble Castle does not have any other assets or business and no profit is yet recorded in the books of Noble Castle. After the Disposal, Noble Castle will cease to be a subsidiary of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole because the consideration reflects the actual deposit paid by Noble Castle under the Provisional Agreement and the Disposal can save the Group from loss in the event that the Shareholders' approval required for the Acquisition cannot be obtained.

As Mr. Kwong is a director of the Company, the Disposal constitutes a connected transaction for the Company under the Listing Rules. Although some of the applicable percentage ratios in respect of the Disposal exceed 2.5%, they do not exceed 25% and the consideration is less than HK\$10 million. Therefore, the Disposal is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### 3. RESUMPTION OF TRADING

Trading in the Shares was suspended with effect from 9:30 a.m. on 22 April 2008 at the request of the Company pending the release of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2009.

### 4. DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Acquisition”	the proposed acquisition of the Property by Noble Castle pursuant to the terms of the Provisional Agreement
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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
“Completion”	completion of the sale and purchase of the Property
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the entire beneficial interest in Noble Castle by the Company to Mr. Kwong pursuant to an undertaking given by Mr. Kwong on 21 April 2009
“Group”	the Company and its subsidiaries
“Joint Gain”	Joint Gain International Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Kwong”	Mr. Kwong Kai Sing, Benny, an executive Director and the Chairman of the Company
“Noble Castle”	Noble Castle International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Property”	House No.B7 (including its 2 car parking spaces), Regalia Bay, No.88 Wong Ma Kok Road, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 21 April 2009 entered into between Noble Castle as the purchaser and Joint Gain as the vendor in relation to the sale and purchase of the Property
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 23 April 2009

*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*