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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LIMITED

THE PLACING

On 28 April 2009 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis, in aggregate of 51,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

The 51,000,000 Placing Shares under the Placing represent approximately 19.94% of the existing issued share capital of the Company of 255,766,791 Shares as at the date of this announcement and approximately 16.63% of the then issued share capital of 306,766,791 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,100,000.

The Placing Price of HK\$0.50 represents a discount of approximately 14.38% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.560 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.584 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.50 also represents a discount of 14.53% to the average closing price of HK\$0.585 in the last 10 trading days prior to the date of the Placing Agreement.

* For identification purpose only

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HK\$25.50 million. The net proceeds from the Placing will amount to approximately HK\$24.59 million which is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.48 per Share.

THE PLACING AGREEMENT

Date

28 April 2009 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 51,000,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are not connected persons (as defined in Listing Rules) of the Company and its connected persons (as defined in Listing Rules).

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of and not connected with the Company, connected persons of the Company and any of the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates. None of the Placees will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

The 51,000,000 Placing Shares under the Placing represent approximately 19.94% of the existing issued share capital of the Company of 255,766,791 Shares as at the date of this announcement and approximately 16.63% of the then issued share capital of 306,766,791 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,100,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.50 represents a discount of approximately 14.38% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.560 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.584 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.50 also represents a discount of 14.53% to the average closing price of HK\$0.585 in the last 10 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 51,153,358 Shares, after being adjusted for the capital reorganization which took effect on 28 November 2008. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

Termination and Force Majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or**
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place within four business days after the fulfillment of the conditions set out in the Placing Agreement but not later than 22 May 2009 or such later date as may be agreed between the Company and the Placing Agent.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reasons for the Placing and Use of Proceeds

The Company was incorporated in Bermuda with limited liability. The principal business activities of the Group are property investment, investments in securities, money lending and investment holding.

The gross proceeds from the Placing will be approximately HK\$25.50 million. The net proceeds from the Placing will amount to approximately HK\$24.59 million is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.48 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company. In the meantime, the Company can take this opportunity to broaden the capital case of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activity in the past twelve months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

	Immediately before Placing		Immediately after the Placing	
	<i>Number of Shares</i>	<i>Approximate Percentage of total issued share capital</i>	<i>Number of Shares</i>	<i>Approximate Percentage of total issued share capital</i>
Directors				
Kwong Kai Sing, Benny	1,544,400	0.60%	1,544,400	0.50%
Ong Peter	859,536	0.34%	859,536	0.28%
Poon Chi Wan	118,800	0.05%	118,800	0.04%
Public:				
Places of Placing (<i>Note 1</i>)	–	–	51,000,000	16.63%
Other Public Shareholders	253,244,055	99.01%	253,244,055	82.55%
Sub-total	253,244,055	99.01%	304,244,055	99.18%
Total	<u>255,766,791</u>	<u>100.00%</u>	<u>306,766,791</u>	<u>100.00%</u>

Note:

- 1) Such Shares would be allotted and issued upon completion of the Placing.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 29 August 2008
“Board”	the board of Directors
“Company”	Heritage International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 51,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 28 April 2009 in relation to the Placing
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	an aggregate of 51,000,000 new Shares to be placed pursuant to the Placing Agreement

“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“PRC”	The People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Heritage International Holdings Limited
Ong, Peter
Executive Director

Hong Kong, 28 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.