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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)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2009**

FINANCIAL RESULTS

The Board of Directors (the “Board”) of Heritage International Holdings Limited (the “Company”) announced that the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2009 together with the comparative figures for the corresponding year are as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2009

	<i>Notes</i>	2009 HK\$'000	2008 <i>HK\$'000</i>
REVENUE	5	(20,459)	51,765
Other income and gains, net	5	1,228	8,880
Gains/(losses) arising from changes in fair value of investment properties, net		(51,800)	1,900
Fair value losses on investments at fair value through profit or loss, net		(271,793)	(404,401)
Gain/(loss) on disposal of subsidiaries, net		(8,055)	6,877
General and administrative expenses		(25,273)	(24,038)
Other expenses, net	6	(53,714)	(2,757)
Finance costs	7	(2,474)	(4,501)
LOSS BEFORE TAX	6	(432,340)	(366,275)
Tax	8	—	(1,476)
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(432,340)</u>	<u>(367,751)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		(Restated)
Basic		<u>HK\$(1.7)</u>	<u>HK\$(5.4)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

31 March 2009

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	4,895	16,314
Investment properties	105,900	150,500
Interests in jointly-controlled entities	–	–
Available-for-sale investments	4,080	9,130
Loans receivable	3,302	4,070
Convertible bond – loan portion	2,556	16,630
Rental deposit	279	–
Deposits paid for purchase of items of property, plant and equipment	2,242	–
Investment at fair value through profit or loss	15,000	–
	<u>138,254</u>	<u>196,644</u>
Total non-current assets		
CURRENT ASSETS		
Loans receivable	402,188	569,499
Convertible bond – option derivatives	–	1,626
Investments at fair value through profit or loss	346,389	357,627
Prepayments, deposits and other receivables	33,151	24,603
Tax recoverable	1,030	–
Cash and bank balances	29,473	205,172
	<u>812,231</u>	<u>1,158,527</u>
Total current assets		
CURRENT LIABILITIES		
Other payables and accruals	4,401	5,031
Interest-bearing bank borrowings	2,168	10,334
Tax payable	–	800
	<u>6,569</u>	<u>16,165</u>
Total current liabilities		
NET CURRENT ASSETS	<u>805,662</u>	<u>1,142,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>943,916</u>	<u>1,339,006</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	41,459	68,672
Deferred tax liabilities	52	9,370
	<u>41,511</u>	<u>78,042</u>
Total non-current liabilities		
Net assets	<u>902,405</u>	<u>1,260,964</u>
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	25,577	213,167
Reserves	876,828	1,047,797
	<u>902,405</u>	<u>1,260,964</u>
Total equity		

NOTES:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated. The basis of preparation and accounting policies adopted in the financial statements are consistent with those adopted in the Group’s annual financial statements for the year ended 31 March 2008 except for the new adoption of the new and revised HKFRSs as disclosed in note 2 below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of a subsidiary during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year’s financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> and HKFRS 7 <i>Financial Instruments: Disclosures – Reclassification of Financial Assets</i>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i>
HK(IFRIC)-Int 14	<i>HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The adoption of these new interpretations and amendments has had no financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> ¹
HKFRS 1 (Revised)	<i>First-time Adoption of HKFRSs</i> ²
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i> ¹
HKFRS 3 (Revised)	<i>Business Combinations</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i> ¹
HKFRS 8	<i>Operating Segments</i> ¹
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i> ¹
HKAS 23 (Revised)	<i>Borrowing Costs</i> ¹
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ²
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i> ¹
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> ²
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i> ⁵
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i> ³
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i> ¹
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i> ⁴
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i> ²
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i> ⁶

Apart from the above, in October 2008, the HKICPA issues *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for the annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

In addition, *Improvements to HKFRSs 2009* were issued in May 2009 by the HKICPA which contains amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, Appendix to HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. Except for the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16, which are effective for annual periods beginning on or after 1 July 2009 and no transitional provisions for the amendment to Appendix to HKAS 18 has been specified, other amendments are effective for annual periods beginning on or after 1 January 2010, although there are separate transitional provisions for each standard.

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 October 2008

⁵ Effective for annual periods ending on or after 30 June 2009

⁶ Effective for transfers of assets from customers received on or after 1 July 2009

* *Improvements to HKFRSs* contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Hong Kong, and over 90% of the Group's assets are located in Hong Kong.

The Group's operating businesses are structured and managed separately according to the nature of their operations and services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (i) the property investment segment engages primarily in the investments in properties for rental income potential and/or appreciation in values;
- (ii) the investments in securities segment engages primarily in the purchase and sale of securities and the holding of equity and debt investments primarily for interest income, dividend income and capital appreciation;

4. SEGMENT INFORMATION (continued)

- (iii) the money lending segment engages primarily in money lending operations in Hong Kong; and
- (iv) the investment holding segment engages primarily in holding investments for a continuing strategic or long term purpose, primarily for dividend income and capital appreciation.

There were no material intersegment sales and transfers during the year (2008: Nil).

Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

Group

	Property investment		Investments in securities		Money lending		Investment holding		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue												
Revenue from external customers	2,605	8,593	(54,602)	23,624	31,538	19,548	-	-	-	-	(20,459)	51,765
Other income and gains, net	118	220	1,801	622	250	5	(567)	315	-	-	1,602	1,162
Total	2,723	8,813	(52,801)	24,246	31,788	19,553	(567)	315	-	-	(18,857)	52,927
Segment results	(58,499)	7,074	(325,005)	(380,531)	(21,706)	22,072	(8,947)	(9,549)	-	-	(414,157)	(360,934)
Unallocated other income and gains, net											(374)	7,718
Unallocated expenses											(15,335)	(8,558)
Finance costs											(2,474)	(4,501)
Loss before tax											(432,340)	(366,275)
Tax											-	(1,476)
Loss for the year											(432,340)	(367,751)

4. SEGMENT INFORMATION (continued)

Business segments (continued)

Group

	Property investment		Investments in securities		Money lending		Investment holding		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities												
Segment assets	110,634	153,562	382,955	368,663	411,186	584,966	6,855	26,124	-	-	911,630	1,133,315
Unallocated assets											38,855	221,856
Total assets											<u>950,485</u>	<u>1,355,171</u>
Segment liabilities	390	674	-	-	-	-	521	136	-	-	911	810
Unallocated liabilities											47,169	93,397
Total liabilities											<u>48,080</u>	<u>94,207</u>
Other segment information												
Depreciation												
- unallocated											(3,067)	(3,774)
Gain/(loss) on disposal of items of property, plant and equipment												
- unallocated											(386)	80
Gain/(loss) on disposal of subsidiaries												
- allocated	(12,755)	3,284	-	-	-	-	370	-	-	-	(12,385)	3,284
Gain on disposal of subsidiaries												
- unallocated											4,330	3,593
											<u>(8,055)</u>	<u>6,877</u>
Impairment of an available-for-sale investment	-	-	-	-	-	-	(3,980)	(5,757)	-	-	(3,980)	(5,757)

4. SEGMENT INFORMATION (continued)

Business segments (continued)

Group

	Property investment		Investments in securities		Money lending		Investment holding		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information (continued)												
Gains/(losses) arising from changes in fair value of investment properties, net	(51,800)	1,900	-	-	-	-	-	-	-	-	(51,800)	1,900
Fair value losses on investments at fair value through profit or loss, net	-	-	(271,793)	(404,401)	-	-	-	-	-	-	(271,793)	(404,401)
Impairment of loans receivable	-	-	-	-	(19,000)	(4,000)	-	-	-	-	(19,000)	(4,000)
Reversal of impairment of loans receivable	-	-	-	-	-	7,000	-	-	-	-	-	7,000
Impairment of other receivables	-	-	-	-	(3,184)	-	-	-	-	-	(3,184)	-
Direct write-off of a loan receivable	-	-	-	-	(27,550)	-	-	-	-	-	(27,550)	-
Capital expenditure – allocated	135,000	-	-	-	-	-	-	-	-	-	135,000	-
Capital expenditure – unallocated amounts											1,863	2,392
											<u>136,863</u>	<u>2,392</u>

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents gross rental income received and receivable from investment properties; interest income earned from money lending operations; dividend income from investments at fair value through profit or loss; and gain/(loss) on sale of investments at fair value through profit or loss, net, during the year.

An analysis of revenue, other income and gains, net is as follows:

	Group	
	2009	2008
	HK\$'000	HK\$'000
Revenue		
Gross rental income from investment properties	2,605	8,593
Interest income from money lending operations	31,538	19,548
Dividend income from investments at fair value through profit or loss	2,582	1,430
Gain/(loss) on sale of investments at fair value through profit or loss, net*	(57,184)	22,194
	(20,459)	51,765
Other income and gains, net		
Fair value gains/(losses) on option derivatives, net	(1,626)	59
Interest income on a convertible bond	926	241
Bank interest income	53	7,644
Gain/(loss) on disposal of items of property, plant and equipment, net	(386)	80
Others	2,261	856
	1,228	8,880

* Represents the proceeds from the sale of investments at fair value through profit or loss of HK\$161,852,000 (2008: HK\$1,252,241,000) less the cost of sales and the carrying amount of the investments sold of HK\$219,036,000 (2008: HK\$1,230,047,000).

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2009	2008
	HK\$'000	HK\$'000
Depreciation	3,067	3,774
Employee benefit expense (excluding directors' remuneration):		
Salaries and allowances	2,335	1,511
Retirement benefit scheme contributions (defined contribution scheme)*	73	72
	<u>2,408</u>	<u>1,583</u>
Auditors' remuneration	1,838	1,760
Impairment of loans receivable**#	19,000	4,000
Reversal of impairment of loans receivable**	–	(7,000)
Impairment of other receivables**	3,184	–
Direct write-off of a loan receivable**	27,550	–
Direct operating expenses arising on rental-earning investment properties	1,180	1,036
Minimum lease payments under operating leases in respect of land and buildings	2,004	–
Foreign exchange differences, net	(35)	(3)
Impairment of an available-for-sale investment**	3,980	5,757
Net rental income	(1,425)	(7,557)
	<u><u>(1,425)</u></u>	<u><u>(7,557)</u></u>

* At 31 March 2009, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefit scheme in future years (2008: Nil).

** These items are included in "Other expenses, net" on the face of the consolidated income statement.

Included in the amount is an impairment of a loan receivable of HK\$15,000,000 (2008: Nil) during the year, which was subsequently written-off as at 31 March 2009.

7. FINANCE COSTS

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Bank loans not wholly repayable within five years	2,474	4,501
Other borrowings wholly repayable within five years	–	20
	<hr/>	<hr/>
Total interest expense on financial liabilities		
not at fair value through profit or loss	2,474	4,521
Less: Interest expense included in gain/(loss) on sale of		
investments at fair value through profit or loss, net	–	(20)
	<hr/>	<hr/>
Total finance costs	2,474	4,501
	<hr/> <hr/>	<hr/> <hr/>

8. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year. Hong Kong profits tax was provided in the prior year at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during that year.

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Group:		
Current – Hong Kong	–	43
Deferred	–	1,433
	<hr/>	<hr/>
Total tax charge for the year	–	1,476
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the year (2008: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

The calculation of the basic loss per share amount for the year is based on the loss for the year attributable to ordinary equity holders of the Company of HK\$432,340,000 (2008: HK\$367,751,000), and the weighted average number of 253,315,833 (2008: 67,511,207 (restated)) ordinary shares in issue during the year, as adjusted to reflect the consolidation of shares during the year. The basic loss per share amount for the prior year has been adjusted to reflect the consolidation of shares during the current year.

(b) Diluted loss per share

Diluted loss per share amounts for the years ended 31 March 2009 and 2008 have not been disclosed, as the warrants and convertible notes outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an investment holdings company with the following major lines of business:

- a) **Real Estate Investment:** the Group owned certain commercial properties in North Point. Subsequent to the financial year end, the Group has purchased a luxury residential property in Stanley for HK\$45 million.
- b) **Investment in Equity and Debt Securities:** the fair value losses on equity and debt investments at fair value through profit or loss was HK\$271,793,000. This losses is expected to reduced with the gradual recovery in the local stock market recently.
- c) **Money Lending business:** the money lending business recorded a loss of HK\$21,706,000 as there were certain write offs and provisions given the poor economy last year. Subsequent to the financial year end, the Group has disposed of 50% of its money lending business for HK\$180 million.
- d) **Investment in Advertising and Lottery related business in the People's Republic of China (the "PRC"):** the Group has a 20% interest in a company engaging in lottery related business in the PRC. Other than the advertising rights outside those lottery tickets selling booths provided to China Welfare Lottery Issuance Centre by the company, it has obtained lottery selling rights in over 10 provinces in China. Subject to the availability of funding support, the company is planning to increase its presence in the lottery industry in the near future.

Prospect

As at fiscal year end, the Group's consolidated equity base stood at HK\$902 million. With the additional cash resources, the Group is in a very strong position to take on new investment opportunities as and when they arise.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2009, the Group's total assets and bank borrowings were HK\$950,485,000 and HK\$43,627,000 respectively. A majority of the bank borrowings of the Group carried floating interest rates with reference to the Hong Kong dollar prime rate/HIBOR and were denominated in Hong Kong dollar, and thus, there is no exposure to fluctuations in exchange rate. The gearing ratio (total bank borrowings/total assets) was approximately 5%. As at 31 March 2009, investment properties and leasehold properties amounted to HK\$105,900,000 and HK\$7,878,000, respectively, were pledged to banks to secure certain loan facilities granted to the Group and investments in securities with carrying amount of HK\$357,627,000 were pledged to certain financial institutes to secure certain margin financing facilities provided to the Group.

EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFITS SCHEME

The Group selects and promotes staff based on their qualification, experience and suitability for the position offered. The Group's remuneration policy aims to retain and motivate staff. Performance of staff is appraised annually to provide a base for the review of the remuneration package. The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all its employees.

CONTINGENT LIABILITIES

The Company has major contingent liabilities relating to guarantees given to banks in connection with facilities granted to subsidiaries of approximately HK\$34,000,000 (2008: HK\$112,000,000).

CLOSURE OF REGISTER OF MEMBER

The register of members will be temporarily closed from 26 August 2009 to 31 August 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting in the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-16, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on 25 August 2009.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all requirements set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The audit committee comprises the five independent non-executive directors of the Company. The Company's annual results for the year ended 31 March 2009 have been reviewed by the audit committee of the Company.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

This result announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.heritage.com.hk>). The annual report for the year ended 31 March 2009 will be dispatch to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2009 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

By order of the Board
Kwong Kai Sing, Benny
Chairman

Hong Kong, 23 July 2009

As at the date of this announcement, the Company has five executive directors, being Mr. Kwong Kai Sing, Benny, Mr. Ong Peter, Ms. Poon Chi Wan, Mr. Chow Chi Wah, Vincent and Mr. Wong Chun Hung, 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*