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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

Financial Adviser



結好融資有限公司

GET NICE CAPITAL LIMITED

Placing Agent



結好證券有限公司

GET NICE SECURITIES LIMITED

On 5 October 2010 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a fully underwritten basis, 316,607,798 new Shares to independent Placees at a price of HK\$0.102 per Placing Share. The Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing.

The Placing Price of HK\$0.102 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on 5 October 2010, being the date of the Placing Agreement; (ii) a discount of approximately 13.56% to the average closing price of approximately HK\$0.118 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 4 October 2010; and (iii) a discount of approximately 14.29% to the average closing price of approximately HK\$0.119 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 4 October 2010.

The gross proceeds from the Placing will be approximately HK\$32.29 million. The Company plans to use the entire net proceeds of approximately HK\$31.39 million from the Placing for the general working capital of the Group.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

5 October 2010

Issuer

The Company

Placing Agent and the Placees

Get Nice Securities Limited, the Placing Agent, has conditionally agreed to place 316,607,798 Placing Shares on a fully underwritten basis and in consideration thereof, it will receive a placing commission of 2.5% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial(s) are not connected persons of the Company and are independent of and not connected with the Company and its connected persons.

The Placing Agent will place the Placing Shares to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons of the Company and will be independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

The 316,607,798 Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing.

Placing Price

The Placing Price of HK\$0.102 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on 5 October 2010, being the date of the Placing Agreement; (ii) a discount of approximately 13.56% to the average closing price of approximately HK\$0.118 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 4 October 2010; and (iii) a discount of approximately 14.29% to the average closing price of approximately HK\$0.119 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 4 October 2010.

The net placing price under the Placing is approximately HK\$0.099 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 20 August 2010 pursuant to which the Directors are allowed to allot and issue up to 316,607,798 Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to such general mandate.

Conditions of the Placing

The Placing, which is not subject to the approval of the Shareholders, is conditional upon:

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
2. the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

The conditions must be fulfilled on or before 31 October 2010 (or such other date as agreed by the Company and the Placing Agent), failing which the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the others for any costs or losses (save for any prior breaches of the Placing Agreement).

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.

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by any force majeure events (as defined below):

- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *sui generis* with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or

- (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (d) a change or development involving a prospective change in taxation in Hong Kong, Bermuda, the British Virgin Islands or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

Completion of the Placing

Completion of the Placing shall take place not later than the second Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

As 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 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 gross proceeds from the Placing will be HK\$32.29 million. The Company plans to use the entire net proceeds of approximately HK\$31.39 million from the Placing for the general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
22 March 2010	Placing of 137,883,749 new Shares under general mandate at the placing price of HK\$0.24	HK\$32.18 million	For general working capital of the Group	Used as intended
9 April 2010	Placing of 400,000,000 new Shares under specific mandate at the placing price of HK\$0.25	HK\$97.3 million	Approximately HK\$7.3 million will be used for general working capital of the Group and of approximately HK\$90 million will be used for repayment of outstanding loan.	Used as intended
27 July 2010	Subscription of 182,006,498 new Shares under general mandate at the subscription price of HK\$0.112	HK\$19.98 million	For general working capital of the Group	Used as intended

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing is as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Executive Directors:</i>				
Kwong Kai Sing, Benny	1,544,400	0.10	1,544,400	0.08
Ong Peter	859,536	0.05	859,536	0.04
Poon Chi Wan	118,800	0.01	118,800	0.01
Mr. Hendra Anwar (<i>Note</i>)	182,006,498	11.50	182,006,498	9.58
<i>Public Shareholders:</i>				
- Placees	-	-	316,607,798	16.67
- Others	<u>1,398,509,758</u>	<u>88.34</u>	<u>1,398,509,758</u>	<u>73.62</u>
Total	<u>1,583,038,992</u>	<u>100.00</u>	<u>1,899,646,790</u>	<u>100.00</u>

Note:

Mr. Hendra Anwar may cease to be a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Placing.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Heritage International Holdings Limited (Stock Code: 412), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 316,607,798 new Shares by the Placing Agent on a fully underwritten basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a licensed corporation within the meaning of the SFO
“Placing Agreement”	a conditional placing agreement dated 5 October 2010 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.102 per Placing Share
“Placing Shares”	316,607,798 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each 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
Heritage International Holdings Limited
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 5 October 2010

As at the date of this announcement, the Board comprises the following Directors: -

Executive Directors:

Dr. Kwong Kai Sing, Benny (*Chairman*)
Mr. Wong Chun Hung
Mr. Ong Peter
Ms. Poon Chi Wan
Mr. Chow Chi Wah, Vincent

Independent non-executive Directors:

Mr. Chan Sze Hung
Mr. To Shing Chuen
Mr. Ha Kee Choy, Eugene
Mr. Chung Yuk Lun
Mr. Lo Wong Fung

** For identification purpose only*