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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)

PROPOSED ESTABLISHMENT OF AN INVESTMENT FUND WITH GUANGXI FORESTRY GROUP CORPORATION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that the Company has entered into a framework agreement with Guangxi Forestry Group on 12 October 2011, pursuant to which the Company and Guangxi Forestry Group agreed to establish a green energy fund for investing in green energy and environmental conservation projects primarily in Guangxi.

The Board wishes to emphasise that the Framework Agreement is very preliminary and non-legally binding, and the cooperation is subject to negotiation and execution of formal agreement(s). Shareholders and the investing public should exercise caution when dealing in the securities of the Company as the cooperation may or may not proceed. Further announcement(s) will be made by the Company as and when required under the Listing Rules.

This announcement is made by Heritage International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company is pleased to announce that the Company has entered into a framework agreement (the “Framework Agreement”) with 廣西林業集團有限公司 (Guangxi Forestry Group Corporation#) (“Guangxi Forestry Group”) on 12 October 2011, pursuant to which the Company and Guangxi Forestry Group agreed to establish a green energy fund (the “Fund”) for investing in green energy

and environmental conservation projects primarily in the Guangxi Zhuang Autonomous Region (廣西壯族自治區) (“Guangxi”) of the People’s Republic of China (the “PRC”). It is intended that the Fund will act as an investment platform for the Company to invest in green energy and environmental conservation projects with other co-investors which include Guangxi Forestry Group.

The initial Fund size is estimated to be approximately US\$300 million with an aim to increase to US\$500 million in 5 years’ time. Guangxi Forestry Group would contribute US\$10 million at the beginning while the Company would be responsible for raising the balance of US\$290 million from a combination of its own resources and other investor(s). The term of the Fund would be 15 years unless otherwise extended by the investors. The Fund would be managed by a team of professional fund managers (the “Fund Manager”) who would render professional advice to the investment committee of the Fund (the “Investment Committee”). Investment and divestment decisions would then be made by a majority of not less than two-thirds of the members of the Investment Committee and endorsed by the board of directors of the Fund. The composition of the Investment Committee would be jointly determined by the Company, Guangxi Forestry Group and the Fund Manager.

Given the rising demands for energy, the PRC government has recently developed various policies to encourage the development of renewable energy generation in the country, aiming to provide secure, affordable and environmentally sustainable energy. The PRC government also encourages overseas investment that can help the country to protect the environment and lessen the impact of pollution brought about by its remarkable economic growth. It is envisaged that green energy and environmental conservation projects in the PRC would be one of the most attractive areas for the investors in the years to come and investment in the Fund would help to contribute to the revenue of the Group.

Incorporated in 2008 with a registered capital of RMB850 million, Guangxi Forestry Group is a state-owned enterprise under the direct supervision of 廣西壯族自治區林業局 (Forestry Administration of Guangxi Zhuang Autonomous Region[#]). It has 2.12 million mu (畝) of timber plantation bases in Guangxi and is mainly engaged in cultivation of forest resources, and processing and trading of forest products. Apart from that, it also invests in other environmental conservation projects. It is believed that through the cooperation with Guangxi Forestry Group, the Group would be able to leverage on the experience, expertise and network of Guangxi Forestry Group and participate in those projects that have great potential.

The Board wishes to emphasise that the Framework Agreement is very preliminary and non-legally binding, and the cooperation is subject to negotiation and execution of formal agreement(s). Shareholders and the investing public should exercise caution when dealing in the securities of the Company as the cooperation may or may not proceed. Further announcement(s) will be made by the Company as and when required under the Listing Rules.

By order of the Board
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 12 October 2011

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

* *For identification purposes only*

The unofficial English transliterations or translations are for identification purposes only.