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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)

(Warrant Code: 1248)

VOLUNTARY ANNOUNCEMENT ISSUE OF BONDS

Selling Agent



FREEMAN SECURITIES LIMITED

INTRODUCTION

On 15 October 2012, after trading hours, the Company and the Selling Agent entered into a Selling Agreement. Pursuant to the Selling Agreement, the Selling Agent has agreed to sell during the Selling Period, on a best effort basis, the Bonds to individual, institutional or other professional investors. The Selling Agent shall use all reasonable endeavours to ensure that such investors shall be third parties independent of and not connected to the Company and the Directors, chief executive or substantial Shareholders (as defined under the Listing Rules) of the Company, any of its subsidiaries or their respective associates.

The principal terms of the Selling Agreement and the Bonds are set out below.

THE SELLING AGREEMENT

Date: 15 October 2012 (after trading hours)

Issuer: The Company

* For identification purposes only

Selling Agent: Freeman Securities Limited, as the exclusive Selling Agent of the Selling

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Selling Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)

Investors: Individual, institutional or other professional investors who are third parties independent of and not connected to the Company and the Directors, chief executive or substantial Shareholders (as defined under the Listing Rules) of the Company, any of its subsidiaries or their respective associates

Maximum Principal Amount of the Bonds: HK\$450 million

Selling Price: Face value of the Bonds

Selling Period: A period of 6 months commencing from the date of the Selling Agreement or such other period as the Company and the Selling Agent may agree

Selling Commission: 7.5% of the aggregate principal amount of the Bonds being successfully sold by the Selling Agent

Completion: Whenever the Selling Agent shall have procured an investor to purchase a Bond, it shall give written notice to the Company and the completion of such Selling shall take place at 10:00 a.m. on the Relevant Completion Date

Termination: If at any time prior to 10:00 a.m. on a Relevant Completion Date, in the absolute opinion of the Selling Agent, the success of the Selling or the business or financial prospects of the Group would or might be adversely affected by:–

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever; 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 Selling 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; 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; or
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Selling Agreement; or
- (v) any of the representations or warranties contained in the Selling Agreement being untrue or inaccurate in any respect,

the Selling Agent may terminate the Selling Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on such Relevant Completion Date.

In the event that the Selling Agent terminates the Selling Agreement, all obligations of each of the parties under the Selling Agreement shall cease and terminate and no party to the Selling Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Selling Agreement except for any breach arising prior to such termination.

PRINCIPAL TERMS OF THE BONDS

Maximum Principal Amount:	HK\$450 million
Form of the Bonds and Denomination:	In registered form and in denominations of HK\$10 million at minimum or any amount over HK\$10 million in integral multiples of HK\$1 million
Interest:	5% per annum payable in such manner as shall be agreed between the Company and each of the Bondholders
Maturity Date:	The day last preceding the seventh anniversary of the date of the issue of the relevant Bonds or, if that is not a Business Day, the first Business Day thereafter
Redemption:	To be redeemed in full on the Maturity Date
Status:	The Bonds will rank <i>pari passu</i> in all respects with the claims of the existing unsecured creditors of the Company
Transferability:	Transferable upon consent of the Company not to be unreasonably withheld
Voting Rights:	The Bondholders are not entitled to attend or vote at any meetings of the Company
Listing:	No application will be made for the listing of the Bonds to the Stock Exchange or any other stock exchange elsewhere

REASONS FOR THE ISSUE OF THE BONDS AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in property related investments, investment in securities, money-lending businesses and operation of Chinese medicine clinic.

Pursuant to the announcement of the Company in relation to the Acquisition, the consideration of the Acquisition, being a total amount of HK\$800 million, is expected to be funded by internal resources of the Group and/or external borrowings. The Board considers that the issue of the Bonds provides a good opportunity for the Company to replenish the depleted working capital of the Company, and therefore is in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the issue of the Bonds will be HK\$450 million assuming that the Bonds are fully sold by the Selling Agent during the Selling Period. The maximum net proceeds from the issue of the Bonds, after the deduction

of the selling commission and other related costs and expenses, are estimated to be approximately HK\$415.2 million. Such net proceeds will be utilized to replenish the depleted working capital of the Company.

DEFINITIONS

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

“Acquisition”	proposed acquisition of the entire issued capital of Global Castle Investments Limited as announced by the Company on 5 October 2012
“associates”	with the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“Bonds”	a series of five (5) per cent unsecured seven-year straight bonds of an aggregate principal amount up to HK\$450 million to be issued by the Company constituted by the Bonds Instrument
“Bonds Instrument”	the instrument constituting the Bonds
“Bondholder(s)”	the holder(s) of the Bonds
“Business Day”	any day (excluding Saturday, Sunday and public holiday) on which banks generally in Hong Kong are open for business
“Company”	Heritage International Holdings Limited (Stock Code: 412), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong currency
“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

“Maturity Date”	the day last preceding the seventh anniversary of the date of the issue of the relevant Bonds or, if that is not a Business Day, the first Business Day thereafter
“Relevant Completion Date”	the third Business Day or such other date as the Company and the Selling Agent may agree following receipt of the written notice given by the Selling Agent to the Company whenever the Selling Agent shall have procured an investor to purchase a Bond
“Selling”	the offer by way of private sale of the Bonds procured by the Selling Agent to selected investors on the terms and conditions of the Selling Agreement
“Selling Agent”	Freeman Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance
“Selling Agreement”	the agreement dated 15 October 2012 entered into between the Company and the Selling Agent in relation to the appointment of the Selling Agent for the Selling
“Selling Period”	A period of 6 months commencing from the date of the Selling Agreement or such other period as the Company and the Selling Agent may agree
“Share(s)”	ordinary share(s) with par value of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	with the meaning ascribed thereto in the Listing Rules
“%”	per cent.

By order of the Board
HERITAGE INTERNATIONAL HOLDINGS LIMITED
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 15 October 2012

As at the date of this announcement, the Company has five executive Directors, being Dr. Kwong Kai Sing, Benny, Mr. Ong Peter, Ms. Poon Chi Wan, Mr. Chow Chi Wah, Vincent and Dr. Wu Jian 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.