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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Heritage International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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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)

- (1) PLACING OF SHARES UNDER SPECIFIC MANDATE;
(2) GRANT OF ISSUE MANDATE;
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
(4) NOTICE OF THE SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**

VINCO  **域高**

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Board is set out on pages 4 to 15 of this circular.

A notice convening a special general meeting of the Company to be held at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 28 May 2010 at 9:00 a.m. is set out on pages 25 to 28 of this circular. If you are not able to attend the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally 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 main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Grant of Issue Mandate”	the general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board established by the Board to advise the Independent Shareholders in respect of the Grant of Issue Mandate
“Independent Shareholders”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, executive Directors and the chief executive of the Company and their respective associates
“Latest Practicable Date”	30 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Placees”	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”	the placing of 400,000,000 new Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 9 April 2010 in respect of the Placing
“Placing Price”	HK\$0.25 per Share
“Placing Shares”	400,000,000 new Shares to be placed under the Placing
“Notice of SGM”	the notice convening the SGM as set out on pages 25 to 28 of this circular
“Overall Limit”	the meaning ascribed thereto in the Section headed “Proposed Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“Scheme Mandate Limit”	the meaning ascribed thereto in the Section headed “Proposed Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“Specific Mandate”	The specific mandate for the issue and allotment of the Placing Shares to be granted to the Directors by the Shareholders at the SGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Option”	options to subscribe for Shares granted under the Share Option Scheme

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2004
“SGM”	the special general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on 28 May 2010 at 9:00 a.m. to approve, inter alia, the Placing Agreement, the transactions contemplated thereunder (including the grant of the Specific Mandate), the Grant of Issue Mandate and refreshment of the Scheme Mandate Limit
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Grant of Issue Mandate

LETTER FROM THE BOARD



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

Principal place of business

in Hong Kong:
29/F,
China United Centre
28 Marble Road
North Point
Hong Kong

5 May 2010

To the Shareholders

Dear Sir or Madam,

**(1) PLACING OF SHARES UNDER SPECIFIC MANDATE
(2) GRANT OF ISSUE MANDATE
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
(4) NOTICE OF THE SPECIAL GENERAL MEETING**

INTRODUCTION

On 9 April 2010 after trading hours, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a fully underwritten basis, 400,000,000 new Shares to the Placees at a price of HK\$0.25 per Placing Share.

The purpose of this circular is to provide you with information relating to (i) the Placing Agreement and the transactions contemplated thereto (including the issue and allotment of the Placing Shares under the Specific Mandate); (ii) the proposed Grant of Issue Mandate to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of the SGM; (iii) the proposed refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme; and (iv) to give you notice of the SGM.

* For identification purposes only

LETTER FROM THE BOARD

PLACING OF SHARES UNDER SPECIFIC MANDATE

The Placing Agreement

Date

9 April 2010

Parties

Issuer: the Company

Placing Agent: Chung Nam Securities Limited

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its Connected Persons.

Placees

The Placing Agent will place the Placing Shares to not less than six Placees, who are expected to be institutional, professional or private investors, and who and (where a corporation) whose ultimate beneficial owner(s) will not be Connected Persons of the Company and will be independent from and not connected with the Company and/or its Connected Persons. It is expected that none of the Placees will become a controlling or substantial shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, the Placees to subscribe for or failing which itself as principal to subscribe for 400,000,000 Placing Shares at the Placing Price. The aggregate nominal value of the Placing Shares amounts to HK\$40 million. The 400,000,000 Placing Shares represent approximately (i) 43.95% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 30.53% of the issued share capital of the Company as enlarged by the Placing.

Ranking of Placing Shares

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

LETTER FROM THE BOARD

Placing Price

The Placing Price of HK\$0.25 represents:

- (i) a discount of approximately 12.28% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 13.79% to the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on 9 April 2010, being the date of the Placing Agreement;
- (iii) a discount of approximately 8.76% to the average closing price of HK\$0.274 per Share in the last five consecutive trading days up to and including the date of the Placing Agreement; and
- (iv) a discount of approximately 4.94% to the average closing price of HK\$0.263 per Share in the last ten consecutive trading days up to and including the date of the Placing Agreement.

The net placing price for the Placing is approximately HK\$0.243 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing trading price of the Shares. Having considered the current market conditions, the Directors consider that the Placing Price is fair and reasonable.

Placing commission

The Placing Agent will receive a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares. The Placing commission was determined after arm's length negotiations between the Company and the Placing Agent by reference to the prevailing market practice and market conditions.

Conditions precedent to the Placing Agreement

Completion of the Placing is conditional upon fulfillment of the following conditions:

- (i) the approval of the Placing Agreement and the transactions contemplated thereunder (including the issue of the Placing Shares) by Shareholders at the SGM in accordance with the Listing Rules; and
- (ii) the Stock Exchange granting listing of and permission to deal in the Placing Shares.

If the conditions are not fulfilled on or prior to 30 June, 2010 (or such other date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and neither of the parties shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

LETTER FROM THE BOARD

Termination and force majeure

If, at any time prior to 9:00 a.m. on the date of completion of the Placing Agreement, in the sole and absolute 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:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
 - (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 ejusdem generis with any of the foregoing, resulting in a material adverse change in, or which might reasonably 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 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,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company prior to 9:00 a.m. on the date of completion of the Placing Agreement.

Completion

Completion of the Placing shall take place on the second business day upon fulfillment of the conditions of the Placing (or such other date as may be agreed between the Company and the Placing Agent).

LETTER FROM THE BOARD

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has outstanding convertible securities amounted to HK\$90 million at a conversion price of HK\$0.59 each Share. Upon full conversion of the aforementioned convertible securities, 152,542,372 Shares will be issued, representing approximately 16.76% of the issued share capital of the Company as at the Latest Practicable Date.

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing are illustrated as below:–

	As at the Latest Practicable Date		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate</i>	<i>Number of Shares</i>	<i>Approximate</i>
Directors				
Kwong Kai Sing, Benny	1,544,400	0.17%	1,544,400	0.12%
Ong Peter	859,536	0.09%	859,536	0.07%
Poon Chi Wan	118,800	0.01%	118,800	0.01%
Places	–	–	400,000,000	30.53%
Other public Shareholders	907,509,758	99.72%	907,509,758	69.27%
Total	910,032,494	100%	1,310,032,494	100%

Note:

The above calculation assumes that there is no new Share issued and the Company has not repurchased any of its Shares after the Latest Practicable Date and upon the completion of the Placing.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
28 April 2009	Placing of 51,000,000 new Shares at the placing price of HK\$0.50 each under general mandate	HK\$24.59 million	For general working capital of the Company	HK\$24.59 million was used as the general working capital of the Company
29 September 2009	Placing of 61,350,000 new Shares at the placing price of HK\$0.44 under general mandate and 361,350,000 new Shares at the placing price of HK\$0.44 under the specific mandate	HK\$180.4 million	(i) not more than HK\$100 million to be invested in the possible PRC joint venture as stated in the circular of the Company on 20 October 2009; and (ii) approximately HK\$80.4 million for general working capital of the Group	(i) The sum of HK\$100 million has not been utilized for investment in the possible PRC joint venture as the project is still under negotiation; and (ii) the sum of HK\$80.4 million has been utilized for general working capital of the Group.
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	HK\$32.18 million was used as the general working capital of the Group

As disclosed above, the Company has raised approximately HK\$237 million for the past twelve months, of which approximately HK\$137 million was used as the general working capital of the Group in attempt to generate positive return to the Company and the Shareholders. As such, the Company had applied such working capital to finance its principal activities, being money-lending and investments in securities.

LETTER FROM THE BOARD

Further, the Company had intended to apply approximately HK\$100 million (raised in the placing of new Shares as announced on 29 September 2009) for an investment in a possible PRC joint venture in relation to the production of copper foil. The Company is still negotiating with the relevant party, yet no legally-binding agreement has been entered into as at the Latest Practicable Date. The project may or may not proceed subject to further negotiation between the parties. However, the Company considers that the project once proceeds may require urgent needs of working capital, therefore, it is necessary to reserve the immediate availability and liquidity of the working capital of the Group.

Save as disclosed, the Company did not have any other business expansion plans in the relevant period.

Reasons for the Placing

The Group is principally engaged in supply and procurement business, provision of finance and securities investment. The gross proceeds from the Placing will be HK\$100 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of 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.

The Directors are of the view that the Placing will strengthen the Group's financial position by decreasing the total liabilities of the Group and providing additional resources to finance its principal activities. Also, the Company can take this opportunity to broaden its capital base and shareholder base. The Directors have considered different types of fund raising arrangement such as rights issue and open offer and the Directors consider that the Placing is the most efficient way to proceed having considered the cost and time involved for the Company.

On the basis of the above, the Directors are of the view that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Specific Mandate

As the General Mandate has been fully utilized, the Placing Shares will be issued under the Specific Mandate to be sought at the SGM. An application will be made to the Stock Exchange for listing of, and permission to deal in, the Placing Shares. The Company also proposed the Grant of Issue Mandate at the SGM to provide a flexible means for the Company to raise further funds in a timely manner through the issue of new Shares.

GRANT OF ISSUE MANDATE

At the special general meeting of the Company held on 15 March 2010, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 137,883,749 Shares, which is equivalent to 20% of the then issued share capital of the Company.

LETTER FROM THE BOARD

On 22 March 2010, after trading hours, the Company entered into a placing agreement in relation to the placing of 137,883,749 Shares which fully utilized the General Mandate and the net proceeds of which had been applied as the general working capital of the Company. Further, the Company announced on 9 April 2010 that it entered into the Placing Agreement and details of which are set out in the section under “Placing of Shares under Specific Mandate”. As at the Latest Practicable Date, the issued share capital of the Company was 910,032,494 Shares.

In order to provide a flexible means for the Company to raise further funds through the issue of new Shares for its future business development if and when an opportunity arises, the Board proposes the Grant of Issue Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

History of refreshments of Issue Mandate since last annual general meeting of the Company held on 31 August 2009

Date of announcement	Fund raising activities	Net proceeds raised (approximately)	Actual use of proceeds	Date of subsequent grant of issue mandate
29 September 2009	Placing of 61,350,000 new Shares under general mandate at the placing price of HK\$0.44	HK\$26.32 million	Utilized for general working capital of the Group	Granted on the annual general meeting of the Company held on 31 August 2009
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	Utilized as the general working capital of the Group	Granted on the special general meeting held on 15 March 2010

Although the Company has no immediate funding need before the holding of next annual general meeting and the Company has sufficient working capital in its existing operations, the Company believes that appropriate investment opportunities may arise at any time and investment decisions may have to be made within a short period of time. Therefore, the Board considers that it is important for the Company to be able to raise fund quickly in order to seize the investment opportunities that may arise. To this end, the Directors believe that the Grant of Issue Mandate will give the Company the flexibility to raise funds and to expand and develop the business of the Company and therefore, is in the interests of the Company and the Shareholders as a whole. Meanwhile, the Board would also consider other means of fund-raising such as a rights issue or open offer, or to seek for a specific mandate when a specific usage can be identified. However, as at the Latest Practicable Date, save for the possible PRC joint venture in relation to the production of copper foil, the Company has no other specific plan for business expansions or projects/ investments.

LETTER FROM THE BOARD

Based on the 910,032,494 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the Grant of Issue Mandate at the SGM, the Directors will be authorised to allot and issue up to 182,006,498 Shares under the refreshed mandate. As such, the Grant of Issue Mandate may result possible future dilution effect in the shareholding upon issue of new Shares under such refreshed mandate. However, having balanced the benefits of the Grant of Issue Mandate discussed above, the Company considers such potential future dilution of shareholding to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROPOSED REFRESHMENT OF THE 10% SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted on 28 September 2004. Apart from the Share Option Scheme, the Company had no other share option scheme in force as at the Latest Practicable Date. Pursuant to the terms of the Share Option Scheme, among other things:-

- (1) the overall limit on number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “Overall Limit”); and
- (2) the Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company (“Scheme Mandate Limit”) shall not exceed 10% of the Shares in issue on the day of approval by Shareholders.

The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders’ approval in general meeting and the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit. However, the total number of Shares which may be issued upon exercise of all Share Options granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval for refreshment of the Scheme Mandate Limit. In this connection, Share Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for purpose of calculating the Scheme Mandate Limit as “refreshed”.

The existing Scheme Mandate Limit was refreshed to 82,730,249 Shares, being 10% of the Shares in issue on the day the Scheme Mandate Limit was refreshed on 1 April 2010. Subsequently, Share Options carrying rights to subscribe for up to 82,730,000 Shares were granted by the Company on 27 April 2010 and had been exercised in full. As at the Latest Practicable Date, there are no outstanding options granted under the Share Option Scheme or any other scheme(s) of the Company which remain unexercised and the Company is allowed to grant only 249 Shares Options carry rights to subscribe for up to 249 Shares, representing less than 0.001% of the existing Scheme Mandate Limit.

LETTER FROM THE BOARD

If the Scheme Mandate Limit is “refreshed” at the SGM, on the basis of 910,032,494 Shares in issue as at the Latest Practicable Date and that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM, the Scheme Mandate Limit will be “refreshed” to 91,003,249 Shares (the “Refreshed Limit”) and the Refreshed Limit will supersede the existing Scheme Mandate Limit and the Company will be allowed, to grant Share Options under the Share Option Scheme carrying the rights to subscribe for a maximum of 91,003,249 Shares.

In order to allow the Company to make full use of the Share Option Scheme to grant Share Options to participants, including but not limited to Directors and employees of the Group, to provide incentive or rewards for their contribution to the growth of the Group, a resolution will be proposed at the SGM to “refresh” the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is conditional upon:–

- (a) the passing of an ordinary resolution to approve the proposed refreshment of the Scheme Mandate Limit by the Shareholders at the SGM; and
- (b) subject to the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of Share Options under the “Refreshed Limit” up to 10% of the issued share capital of the Company on the date of the SGM.

Application will be made to the Stock Exchange for listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit.

SGM

The SGM will be convened and held for the purpose of considering, and, if thought fit, approving the proposed refreshment of the Scheme Mandate Limit.

The notice of the SGM is set out on page 25 to page 28 of this circular. A form of proxy for use at the SGM is enclosed. If you are not able to attend the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

Pursuant to Rules 13.36(4)(a) and 13.39(4) of the Listing Rules, the granting of the Issue Mandate requires the approval of the Independent Shareholders at the SGM voting by way of poll. Controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and chief executive of the Company and their respective associates are required to abstain from voting in favour of the relevant resolutions at the SGM. As at the Latest Practicable Date, the Company did not have any controlling Shareholder, and the executive Directors, namely, Mr. Kwong Kai Sing, Benny held 1,544,400 Shares representing approximately 0.17% of the issued share capital of the Company, Mr. Ong Peter held 859,536 Shares representing approximately 0.09% of the issued share capital of the Company and Ms. Poon Chi Wan held 118,800 Shares representing approximately 0.01% of the issued share capital in the Company. Save as disclosed, none of the executive Directors and the chief executives of the Company and their respective associates hold any Shares. Since there is no controlling Shareholder of the Company, the executive Directors (including Mr. Kwong Kai Sing, Benny, Mr. Ong Peter and Ms. Poon Chi Wan) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the EGM) are required to abstain from voting in favour at the EGM in respect of the resolution relating to the Grant of Issue Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Placing Agreement and the transactions contemplated thereto (including the issue and allotment of the Placing Shares), therefore, no Shareholder is required to abstain from voting the relevant resolution in the SGM.

Further, no Shareholder will be required to abstain from voting at the SGM in respect of the resolution relating to the proposed refreshment of the Scheme Mandate Limit.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the SGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular and the letter from Vinco Capital containing its advice and the principal factors which it has considered in arriving at its advice with regard to the Grant of Issue Mandate, as set out on pages 17 to 24 of this circular.

The Board is of the opinion that (i) the Placing Agreement and the transactions contemplated thereto (including the issue and allotment of the Placing Shares under the Specific Mandate); (ii) the proposed Grant of Issue Mandate to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of the SGM; and (iii) the proposed refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme, are in the best interests of the Company and Shareholders as a whole and the Board recommends Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Heritage International Holdings Limited
Dr. Kwong Kai Sing, Benny
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

5 May 2010

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED GRANT OF ISSUE MANDATE

We refer to the circular from the Company to the Shareholders dated 5 May 2010 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the Grant of Issue Mandate, details of which are set out in the “Letter from Vinco Capital” set out on pages 17 to 24 of the Circular, which contains Vinco Capital’s advice regarding the Grant of Issue Mandate.

Having taken into account the advice of Vinco Capital, we consider the Grant of Issue Mandate to be fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Grant of Issue Mandate.

Yours faithfully,

For and on behalf of the
Independent Board Committee

Chan Sze Hung	To Shing Chuen	Ha Kee Choy, Eugene	Chung Yuk Lun	Lo Wong Fung
<i>Independent non- executive Director</i>	<i>Independent non- executive Director</i>	<i>Independent non- executive Director</i>	<i>Independent non- executive Director</i>	<i>Independent non- executive Director</i>

* For identification purposes only

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Grand Vinco Capital Limited to the Independent Board Committee and the Independent Shareholders in connection with the proposed Grant of Issue Mandate, which has been prepared for the purpose of incorporation in this circular.



Grand Vinco Capital Limited
Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

5 May 2010

*To the Independent Board Committee and the Independent Shareholders of
Heritage International Holdings Limited*

Dear Sirs,

PROPOSED GRANT OF ISSUE MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed Grant of Issue Mandate, details of which are set out in the section headed "Letter from the Board" in the circular ("Circular") issued by the Company to the Shareholders dated 5 May 2010 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

According to the announcement of the Company dated 22 March 2010, the Company entered into a placing agreement in relation to the placing of 137,883,749 Shares which fully utilized the General Mandate, representing 100% of the General Mandate. As such, the General Mandate was fully utilized as at the Latest Practicable Date. In order to provide a flexible mean for the Company to raise further funds for its future business development and/or through the issue of new Shares whenever merger and acquisition opportunities arise, the Board proposes to refresh the Existing General Mandates for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company at the date of SGM.

Pursuant to Rules 13.36(4)(a) and 13.39(4) of the Listing Rules, the granting of the Issue Mandate requires the approval of the Independent Shareholders at the SGM voting by way of poll. Controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and chief executive of the Company and their respective associates are required to abstain from voting in favour of the relevant resolutions at the SGM. As at the Latest Practicable Date, the Company did not have any controlling Shareholder, and the executive Directors, namely, Mr. Kwong Kai Sing, Benny, Mr. Ong Peter and Ms. Poon Chi Wan respectively held 1,544,400, 859,536 and 118,800 Shares in the Company. All of them controlled or were otherwise entitled to exercise

LETTER FROM VINCO CAPITAL

control over the voting right in respect of such Shares. To the best of the knowledge of the executive Directors and chief executive of the Company having made all reasonable enquiries, none of them nor any of their respective associates had any present intention to vote against the relevant resolutions at the SGM.

The Independent Board Committee, comprising Mr. Chan Sze Hung, Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene, Mr. Chung Yuk Lun and Mr. Lo Wong Fung, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Grant of the Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether the proposed Grant of the Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the grant of the Issue Mandate, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the proposed Grant of the Issue Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without prior written consent.

LETTER FROM VINCO CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the proposed Grant of the Issue Mandate, we have taken into consideration the following principal factors and reasons:

Background of and reasons for the proposed Grant of the Issue Mandate

The Company is an investment holding company, through its subsidiaries and associated companies, is principally engaged in supply and procurement business, provision of finance and securities investment.

At the annual general meeting of the Company held on 31 August 2009, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the general mandate to issue, allot and deal with up to 61,353,749 Shares, which is equivalent to 20% of the then issued share capital of the Company. In accordance with the placing agreement of the Company dated 29 September 2009 which was completed on 13 October 2009, an aggregate of 61,350,000 Shares were issued by the Company pursuant to the general mandate approved at the annual general meeting on 31 August 2009. The use of net proceeds arising from such placing is stated under the paragraph headed "Fund raising activities of the Company in the past twelve months" below.

At the special general meeting of the Company held on 15 March 2010, the Shareholders approved, among other things, an ordinary resolution to grant the Directors the General Mandate to issue, allot and deal with up to 137,883,749 Shares, which is equivalent to 20% of the then issued share capital of the Company.

On 22 March 2010, after trading hours, the Company entered into a placing agreement in relation to the placing of 137,883,749 Shares which fully utilized the General Mandate and the net proceeds of which had been applied as the general working capital of the Company. As such, the General Mandate was fully utilized as at the Latest Practicable Date.

Given that the General Mandate granted to the Directors has been fully utilized, if the General Mandate is not refreshed, the Directors would not be allowed to allot and issue Shares until the next annual general meeting of the Company, which is about four months from the Latest Practicable Date. In addition, in order to allow the flexibility to raise further capital through the issue of new Shares to finance its future business development if and when an opportunity arises, the Board proposes to seek approval of Independent Shareholders at the SGM to refresh the General Mandate so that the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company at the date of SGM.

LETTER FROM VINCO CAPITAL

Based on the 910,032,494 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the SGM (both dates inclusive), subject to the passing of the relevant ordinary resolution to approve the Grant of Issue Mandate at the SGM, the Directors will be authorised to allot and issue up to 182,006,498 Shares under the refreshed mandate.

Fund raising activities of the Company in the past twelve months

Set out below are the fund-raising activities of the Company during the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date	Date of subsequent grant of general mandate
28 April 2009	Placing of 51,000,000 new Shares under general mandate at the placing price of HK\$0.50 each	HK\$24.59 million	For general working capital of the Company	HK\$24.59 million was used as the general working capital of the Company	31 August 2009
29 September 2009	Placing of 61,350,000 new Shares at the placing price of HK\$0.44 under general mandate and 361,350,000 new Shares at the placing price of HK\$0.44 under the specific mandate	HK\$180.4 million	(i) not more than HK\$100 million to be invested in the possible PRC joint venture as stated in the circular of the Company on 20 October 2009; and (ii) approximately HK\$80.4 million for general working capital of the Group	(i) The sum of HK\$100 million has not been utilized for investment in the possible PRC joint venture as the project is still under negotiation; and (ii) the sum of HK\$80.4 million has been utilized for general working capital of the Group.	15 March 2010
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	HK\$32.18 million was used as the general working capital of the Group	To be sought at the SGM

LETTER FROM VINCO CAPITAL

Save as disclosed above, the Directors confirmed that the Company has not conducted any other fund raising activities during the past 12 months immediately prior to the Latest Practicable Date.

As noted from the table above, we noted that (i) approximately HK\$137.17 million has been raised and utilized by the Group; (ii) HK\$100 million has been raised and will be utilized for a possible investment in a PRC joint venture; and (iii) approximately HK\$97.3 million will be raised by the Group subject to the approval by the Shareholders at the SGM. As per our discussion with the Directors, we understood that the funds raised were utilized as to HK\$90 million for the repayment of loan of the Group and the remaining for the general working capital of the Group, which is in line with the business development and strategy of the Group. We also noted that the letter of intent for the possible investment in a PRC joint venture has lapsed for over four months. Upon our discussion with the Directors, we were advised that the negotiation for such investment is still on-going as at the Latest Practicable Date. As confirmed by the Directors, the proceeds of HK\$100 million has been placed in a registered financial institution in Hong Kong and such proceeds will be retained for such investment. Save as aforementioned, we noted that the actual use of proceeds from the abovementioned fund raising activities were in line with the intended use of proceeds.

The Directors confirmed that the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, the Directors cannot preclude the possibilities that additional funding may still be needed for investment development as well as other opportunities arise in the future. In the event the Company identifies a suitable investment opportunity but does not have sufficient financial resources on hand, or is unable to obtain loan financing on acceptable terms, or cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Company may lose its opportunities in an otherwise favourable investment and a favorable opportunity to expand its business portfolio. In light of the above, we are of the view that the proposed Grant of the Issue Mandate is fair and reasonable to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

Financial flexibility

The Directors believe that the grant of the Issue Mandate will provide the Company with necessary financial flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

As set out in the interim report of the Company for the six months ended 30 September 2009, we noted that the Company will take a very cautious approach to seek for opportunities to enhance its operation. Notwithstanding that there are still plenty of uncertainties in the market, in view of the global economy appears to have bottomed out and is on the upswing and the necessary financial flexibility available to the Company, we concur with the Directors' view that the proposed Grant of the Issue Mandate is essential for the Group to respond to the market in a timely manner to seize the investment opportunities that may arise. The proposed Grant of Issue Mandate would provide the Group with maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to fund such potential investments and/or acquisitions in the future as and when such opportunities arise. We also consider that the proposed Grant of Issue Mandate could enhance the financing flexibility of the Group to raise capital and to strengthen the capital base of the Group, if and when required, by way of issue of new Shares or other convertible instruments for further development of the Group. The increased amount

LETTER FROM VINCO CAPITAL

of capital which may be raised under the proposed Grant of Issue Mandate provides more financing alternatives to the Group when assessing and negotiating potential acquisitions in a timely manner. Accordingly, we are of the view that the proposed Grant of Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

Other financing alternatives

We have enquired the Directors and we noted that the Directors have considered equity financing to be an important avenue of resources for the Group given its non-interest bearing nature. Other than equity financing, the Directors confirmed that they have also considered other financing alternatives, such as debt financing and funding through internal cash resources, to be other possible fund raising alternatives available to the Group. As confirmed by the Directors, the Group has sufficient working capital to meet its present requirements, however, there is no certainty that such cash resources will be sufficient or be available for its future investments or business developments. In addition, debt financing may incur interest burden on the Group and it may subject to, including but not limited to, lengthy due diligence and negotiations with the banks based on the Group's financial position, capital structure and the prevailing market condition, which is rather uncertain and time-consuming as compared to equity financing. Further to our discussion with the Directors, they have also considered other forms of pro rata equity financing methods such as rights issue and open offer, yet, such financing methods would be subject to a lengthy process and would incur additional costs in form of underwriting commission and there would be no certainty that the Company would be able to procure favourable terms in such commercial underwriting. We were also advised by the Directors that they have considered the possibility of seeking a specific mandate when specific project is identified. However, the Directors considered that timely decision making is critical to grasp any opportunities arising from the prevailing market condition. As such, the Directors consider the granting of specific mandate which is subject to the approval of the Independent Shareholders may pose as a hindrance to the Group to grasp the opportunities in a timely manner. In this regard, we consider that the Grant of the Issue Mandate will provide the Company an additional financing alternative for the Company to raise funds for its future investments or business developments and it is reasonable for the Company to have the flexibility in deciding the best financing methods for any future investments or business developments. Accordingly, we are of the view that the proposed Grant of the Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM VINCO CAPITAL

Potential dilution to shareholdings of the Shareholders

Set out below is a table illustrating the shareholdings of the Company (i) as at the Latest Practicable Date; (ii) upon completion of the Placing; and (iii) upon completion of the Placing and full utilisation of the grant of the Issue Mandate (assuming no further Shares will be issued or repurchased by the Company after the Latest Practicable Date and up to the date of the SGM):

	As at the Latest Practicable Date		Upon completion of the Placing		Upon completion of the Placing and full utilisation of the grant of the Issue Mandate (assuming no Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the SGM)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors						
Mr. Kwong Kai Sing, Benny	1,544,400	0.17	1,544,400	0.12	1,544,400	0.10
Mr. Ong Peter	859,536	0.10	859,536	0.07	859,536	0.06
Ms. Poon Chi Wan	118,800	0.01	118,800	0.01	118,800	0.01
Public Shareholders						
Placees			400,000,000	30.53	400,000,000	26.81
New Shares issued under the grant of the Issue Mandate					182,006,498	12.20
Other Public Shareholders	907,509,758	99.72	907,509,758	69.27	907,509,758	60.82
Total	<u>910,032,494</u>	<u>100.00</u>	<u>1,310,032,494</u>	<u>100.00</u>	<u>1,492,038,992</u>	<u>100.00</u>

As illustrates in the table above, the aggregate shareholding of the other public Shareholders will decrease from approximately 99.72% as at the Latest Practicable Date to approximately 60.82% upon completion of the Placing and full utilisation of the refreshed mandate, indicating a potential maximum dilution of approximately 38.90%; in addition, the aggregate shareholding of the other public Shareholders will decrease from approximately 69.27% upon completion of the Placing to approximately 60.82% upon full utilisation of the refreshed mandate, indicating a potential maximum dilution of approximately 8.45%. Taking into account the potential benefits of the grant of the Issue Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionally to their respective shareholdings upon full utilisation of the refreshed mandate, we consider such maximum potential dilution to the shareholdings of the Shareholders to be acceptable.

LETTER FROM VINCO CAPITAL

CONCLUSION

Having taken into consideration the principal factors and reasons as set out above, we are of the opinion that the grant of the Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the Issue Mandate.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

NOTICE OF SGM



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Heritage International Holdings Limited (the “Company”) will be held at 9:00 a.m. on 28 May 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:–

ORDINARY RESOLUTION

1. **“THAT**

- (a) the conditional placing agreement (the “Placing Agreement”) entered into on 9 April 2010 between the Company as issuer and Chung Nam Securities Limited as placing agent in relation to the placing of 400,000,000 new shares (the “Placing Shares”) of HK\$0.10 each in the capital of the Company for cash at a price of HK\$0.25 per Placing Share, a copy of the Placing Agreement having been produced to the SGM and marked “A” respectively and signed by the Chairman of the SGM for the purpose of identification, and the transactions contemplated under the Placing Agreement, be and are hereby ratified, confirmed and approved;
- (b) the allotment and issue of the Placing Shares in accordance with the terms and conditions of the Placing Agreement and is hereby approved and further that the directors (the “Directors”) of the Company be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Placing Shares, pursuant to the terms of the Placing Agreement, such Placing Shares shall rank *pari passu* in all respects among themselves and with the existing ordinary shares of the Company in issue at the date of the allotment of the Placing Shares. The specific mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (c) The Directors, acting together, individually or by committee, be and are hereby authorized to take such actions, do such things and execute such further documents or deeds which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in this resolution.”

* *For identification purposes only*

NOTICE OF SGM

2. **“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company; or (iii) the exercise of options granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to eligible persons prescribed thereunder of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited according; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

NOTICE OF SGM

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares whose names appear in the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company or, where appropriate, such other securities (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

3. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company to be issued upon the exercise of options under the share option scheme adopted by the Company on 28 September 2004 (the “Share Option Scheme”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

By Order of the Board
Heritage International Holdings Limited
Chow Chi Wah, Vincent
Company Secretary

Hong Kong, 5 May 2010

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:
29th Floor, China United Centre
No. 28 Marble Road
North Point
Hong Kong

NOTICE OF SGM

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or more than one person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. Completion and return of the form of proxy will not preclude a member from attending and voting at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the principal place of business of the Company in Hong Kong at 29/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

As at the date of this notice, the Board comprises the following Directors:–

Executive Directors:

Dr. Kwong Kai Sing, Benny
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