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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company (as defined herein), you should at once hand the Rights Issue Documents (as defined herein) to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Rights Issue Documents, having attached thereto the written consent referred to under the paragraph headed "Consent of expert" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (as defined herein). A copy of each of the Rights Issue Documents will as soon as reasonably practicable be delivered to the Registrar of Companies in Bermuda for filing in accordance with the requirements of the Companies Act (as defined herein). The Securities and Futures Commission of Hong Kong, the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility for the contents of any of these documents.

Dealings in the Shares (as defined herein) and the nil-paid and fully-paid Rights Shares (as defined herein) may be settled through CCASS (as defined herein), you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC (both as defined herein) take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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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)

### RIGHTS ISSUE OF 94,982,339 RIGHTS SHARES OF HK\$0.01 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE AT HK\$0.50 PER RIGHTS SHARE

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The latest time for acceptance and payment of the Rights Shares is 4:00 p.m. on Thursday, 17 March 2011. The procedures for acceptance or transfer of the Rights Shares provisionally allotted are set out in the section headed "Procedures for acceptance or transfer of the Rights Shares" set out on page 19 of this prospectus.

It should be noted that the Underwriting Agreement (as defined herein) contains provisions entitling the Underwriter (as defined herein), by notice in writing, to terminate the Underwriting Agreement at any time prior to 6:00 p.m. on the second business day following the latest date for acceptance of the Rights Shares on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on pages 14 to 15 of this prospectus. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue (as defined herein) will not proceed. In addition, the Rights Issue is conditional on all conditions set out on page 13 of this prospectus being fulfilled or waived (as applicable). If such conditions are not fulfilled or waived (as applicable) in accordance with the Underwriting Agreement on or before the times and dates specified therein, all liabilities of the parties to the Underwriting Agreement shall cease and determine save for costs and expenses incurred by the Underwriter in connection with the underwriting of the Underwritten Shares (as defined herein).

Existing Shares have been dealt in on an ex-rights basis on the Stock Exchange from Tuesday, 22 February 2011. The Rights Shares will be dealt with in their nil-paid form on the Stock Exchange from Monday, 7 March 2011 to Monday, 14 March 2011, both days inclusive. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or, if applicable, waived by the Underwriter, the Rights Issue will not proceed. Any Shareholder (as defined herein) or other person dealing in the Shares or the Pre-Adjusted Shares (as defined herein) from 7 January 2011, being the date immediately after publication of the Announcement (as defined herein), up to the date on which all conditions to which the Rights Issue is subject are fulfilled or, if applicable, waived by the Underwriter (which is expected to be Monday, 21 March 2011), or in the Rights Shares in their nil-paid form on the Stock Exchange during the period as aforesaid, will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person contemplating selling or purchasing existing Shares on an ex-rights basis and/or the Rights Shares in their nil-paid form during these periods who is in doubt about his or her position is recommended to consult his or her own professional adviser.

\* For identification purposes only

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 6 January 2011 regarding, among other things, the Rights Issue and the Capital Reorganisation
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	any day on which banks in Hong Kong are generally open for business, except a Saturday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Capital Reorganisation”	the reorganisation of the share capital of the Company as set out in the Announcement, which became effective on 17 February 2011
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Heritage International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares
“Excluded Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register on that date is/are outside Hong Kong where the Directors, after making relevant enquiry as required under the Listing Rules, consider the exclusion of such Shareholder(s) from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	3 January 2011, being the last day on which the Pre-Adjusted Shares were traded on the Stock Exchange prior to entering into of the Underwriting Agreement
“Latest Acceptance Date”	17 March 2011 or such other date as may be agreed between the Company and the Underwriter, being the latest date for acceptance of the offer of and payment for the Rights Shares
“Latest Practicable Date”	28 February 2011, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on the Latest Acceptance Date or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	6:00 p.m. on 21 March 2011, being the second business day after (but excluding) the Latest Acceptance Date, or such other time as may be agreed between the Company and the Underwriter
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PAL(s)”	the provisional allotment letter(s) issued in connection with the Rights Issue
“Posting Date”	3 March 2011 or such other date as the Underwriter may agree in writing with the Company for the despatch of the Rights Issue Documents
“PRC”	the People’s Republic of China
“PRC Co”	上海新幹線廣告有限公司(Shanghai Newline Advertising Co., Ltd.^), a limited liability company established in Shanghai, the PRC

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## DEFINITIONS

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“Pre-Adjusted Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Capital Reorganisation became effective
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date except for the Excluded Shareholder(s)
“Record Date”	2 March 2011, being the record date to determine entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the offer of the Rights Shares by way of rights on the basis of one Rights Share for every two Shares held on the Record Date, at the Subscription Price on the terms set out in the Underwriting Agreement and the Rights Issue Documents
“Rights Issue Documents”	this prospectus, the PAL and EAF
“Rights Share(s)”	94,982,339 new Share(s) to be offered to the Qualifying Shareholders by way of Rights Issue for subscription on the terms set out in the Underwriting Agreement and the Rights Issue Documents
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.50 per Rights Share under the Rights Issue

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## DEFINITIONS

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“Underwriter”	Chung Nam Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Underwriter and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Underwriting Agreement”	the conditional underwriting agreement dated 4 January 2011 entered into between the Company and the Underwriter in relation to the underwriting of the Rights Issue
“Underwritten Shares”	all the Rights Shares, not exceeding 94,982,339 Shares, under the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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If at any time on or before 6:00 p.m. on the second business day following the Latest Acceptance Date:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) there shall be:
  - (i) any new law or regulation enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
  - (ii) any change in local, national or international financial, political, industrial or economic conditions;
  - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
  - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
  - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
  - (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which event or events is or are in the reasonable opinion of the Underwriter:

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, the Underwriter may by notice in writing to the Company terminate the Underwriting Agreement whereupon all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and the Rights Issue shall not proceed.

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## SUMMARY OF THE RIGHTS ISSUE

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*The following information is derived from, and should be read in conjunction with, the full text of this prospectus:*

Number of Rights Shares to be issued	:	94,982,339 Rights Shares
Amount to be raised	:	Approximately HK\$47.5 million before expenses
Subscription Price	:	HK\$0.50 per Rights Share payable in full on acceptance or application (as the case may be)
Latest time for acceptance	:	4:00 p.m. on Thursday, 17 March 2011
Basis of the Rights Issue	:	One Rights Share for every two Shares held on the Record Date
Excess applications	:	Qualifying Shareholders may apply for any unsold Rights Shares created by adding together fractions of Rights Shares, and any Rights Shares provisionally allotted but not accepted in excess of their provisional allotments.
Status of the Rights Shares	:	The Rights Shares, when fully paid and issued, will rank <i>pari passu</i> in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.



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## EXPECTED TIMETABLE

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2011

Posting Date .....	Thursday, 3 March
First day of dealings in nil-paid Rights Shares .....	Monday, 7 March
Latest time for splitting nil-paid Rights Shares .....	4:30 p.m. on Wednesday, 9 March
Last day of dealings in nil-paid Rights Shares .....	Monday, 14 March
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares .....	4:00 p.m. on Thursday, 17 March
Latest time for termination of the Underwriting Agreement .....	6:00 p.m. on Monday, 21 March
Announcement of results of the Rights Issue .....	Wednesday, 23 March
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before .....	Thursday, 24 March
Certificates for the Rights Shares expected to be despatched on or before .....	Thursday, 24 March
Dealings in fully-paid Rights Shares commence .....	Monday, 28 March

*Notes:*

1. All times in this prospectus refer to Hong Kong times.
2. Dates stated in this prospectus for events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as appropriate in accordance with the Listing Rules.

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## **EXPECTED TIMETABLE**

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning in force in Hong Kong at any time before 12:00 noon on the Latest Acceptance Date, but no longer in force after 12:00 noon, the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same business day.

If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date, the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

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

*Principal place of business in*

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

3 March 2011

*To the Shareholders*

Dear Sir or Madam,

### RIGHTS ISSUE

**OF 94,982,339 RIGHTS SHARES OF HK\$0.01 EACH  
ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES  
HELD ON THE RECORD DATE AT HK\$0.50 PER RIGHTS SHARE**

#### 1. INTRODUCTION

The Board announced on 6 January 2011 that, subject to the fulfillment of certain conditions, the Company proposed to raise approximately HK\$47.5 million before expenses, by way of a rights issue of 94,982,339 Rights Shares at the Subscription Price of HK\$0.50 per Rights Share payable in full on acceptance or application, as the case may be.

The purpose of this prospectus is to set out details of the Rights Issue, including information on dealing and transfer of nil-paid Rights Shares and the procedure for acceptance of provisional allotment of Rights Shares, and certain financial and other information of the Group.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. TERMS OF THE RIGHTS ISSUE

#### Issue Statistics

Basis of the Rights Issue	:	one Rights Share for every two Shares held on the Record Date
Number of Shares in issue as at the Record Date	:	189,964,679 Shares
Subscription Price	:	HK\$0.50 per Rights Share
Number of Rights Shares	:	94,982,339 Shares
Underwriter	:	Chung Nam Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO

Under the Rights Issue, 94,982,339 Rights Shares will be allotted and issued, representing approximately 50.00% of the existing issued share capital of the Company and approximately 33.33% of the issued share capital of the Company as enlarged by the issue of the Rights Shares. The aggregate nominal value of the Rights Shares is HK\$949,823.39.

As at the Latest Practicable Date, there were no outstanding options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

#### Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, any transfer of Share(s) (with the relevant Share certificate(s)) must have been lodged for registration with the Registrar by no later than 4:30 p.m. on Wednesday, 23 February 2011.

#### Excluded Shareholders

According to the register of members of the Company, there was 1 Shareholder whose registered address was in Macau as at the Record Date. In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries as to whether the issue of the Rights Shares to that overseas Shareholder may contravene the applicable securities legislation of Macau or the requirements of the relevant regulatory body or stock exchange. The Directors have been advised by the legal counsels in Macau that it would be lawful for the Company to offer the Rights Shares

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## LETTER FROM THE BOARD

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in Macau even though the Rights Issue Documents are not registered in Macau. Therefore, the Rights Issue Documents will be sent to such overseas Shareholder and there will be no Excluded Shareholders for the purpose of the Rights Issue.

It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any acceptance of or application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

### **Subscription Price**

HK\$0.50 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price of HK\$0.50 per Share is equivalent to, on the basis of the share capital of the Company prior to the Capital Reorganisation, HK\$0.05 per Pre-Adjusted Share, which represents:

- (a) a discount of approximately 35.06% to the closing price of HK\$0.077 per Pre-Adjusted Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 35.06% to the average closing price of approximately HK\$0.077 per Pre-Adjusted Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (c) a discount of approximately 49.49% to the average closing price of approximately HK\$0.099 per Pre-Adjusted Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date;
- (d) a discount of approximately 26.47% to the theoretical ex-rights price of HK\$0.068 per Pre-Adjusted Share based on the closing price of HK\$0.077 as quoted on the Stock Exchange on the Last Trading Date;
- (e) a discount of approximately 92.54% to the unaudited consolidated net assets value attributable to the Shareholders of approximately HK\$0.67 per Pre-Adjusted Share as at 30 September 2010;
- (f) a discount of approximately 96.30% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$1.35 per Pre-Adjusted Share as at 31 March 2010; and

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## LETTER FROM THE BOARD

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- (g) a discount of approximately 3.85% to the theoretical closing price of HK\$0.052 per Pre-Adjusted Share based on the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to the market price of the shares of the Company under the prevailing market conditions as adjusted for the Capital Reorganisation. The Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of Rights Shares**

The Rights Shares, when fully paid and issued, will rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

### **Certificates for the Rights Shares**

Subject to the fulfillment or the waiver in whole or in part by the Underwriter of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or around Thursday, 24 March 2011 to those Qualifying Shareholders and applicants who have accepted or (as the case may be) applied and paid for the Rights Shares, at their own risks.

### **Fractions of Rights Shares**

The Company has not allotted any fractional entitlements of Rights Shares. All fractions of Rights Shares will be aggregated, and all or as many as possible of Rights Shares arising from such aggregation will be sold in the market after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be achieved, and the Company will keep the net proceeds for its own benefit. Any fractions of nil-paid Rights Shares remaining unsold at the Latest Time for Acceptance will be made available for excess application.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted or otherwise subscribed for by transferees or purchasers of nil-paid Rights Shares. The procedures for applying for excess Rights Shares by Qualifying Shareholders are set out in the section headed "Applications for excess Rights Shares" in this prospectus.

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## LETTER FROM THE BOARD

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### 3. CONDITIONS PRECEDENT TO THE RIGHTS ISSUE AND THE UNDERWRITING AGREEMENT

The Rights Issue and the underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon the following:

- (a) the delivery to the Stock Exchange and the filing with and registration of the Rights Issue Documents by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance on or before the Posting Date;
- (b) the posting of the Rights Issue Documents to the Qualifying Shareholders on or before the Posting Date;
- (c) the Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Underwriter may in its absolute discretion accept and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the date on which nil-paid Rights Shares commence dealings on the Stock Exchange, and not having withdrawn or revoked such listing and permission before 8:00 a.m. on the date (“dealing date”) dealings in the Rights Shares, in fully-paid form, commence on the Stock Exchange;
- (d) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof;
- (e) the shares of the Company remaining listed on the Stock Exchange at all times prior to the dealing date and the current listing of the shares of the Company not having been withdrawn and no indication being received before 8:00 a.m. on the dealing date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (f) the Capital Reorganisation having become effective.

If any of the above conditions precedent is not satisfied and/or waived at or prior to the respective time specified therein or, if no time or date is specified, 4:00 p.m. on 30 April 2011 or such other date as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall be automatically terminated and all obligations of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other save that all such reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Rights Issue shall be borne by the Company, and the Rights Issue will not proceed.

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## LETTER FROM THE BOARD

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### 4. UNDERWRITING ARRANGEMENT

#### Underwriting Agreement

Date	:	The Underwriting Agreement was entered into after trading hours on 4 January 2011.
Parties	:	the Company and Chung Nam Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO, as the Underwriter
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares, not exceeding 94,982,339 Shares, under the Rights Issue
Commission	:	2.5% of the aggregate Subscription Price in respect of the Underwritten Shares

### 5. TERMINATION OF THE UNDERWRITING AGREEMENT

If at any time on or before 6:00 p.m. on the second business day following the Latest Acceptance Date:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) there shall be:
  - (i) any new law or regulation enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
  - (ii) any change in local, national or international financial, political, industrial or economic conditions;
  - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
  - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
  - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
  - (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,



## LETTER FROM THE BOARD

which event or events is or are in the reasonable opinion of the Underwriter:

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, the Underwriter may by notice in writing to the Company terminate the Underwriting Agreement whereupon all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and the Rights Issue shall not proceed.

### 6. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The effect of the Rights Issue on the shareholding of the Company is as follows:

	Current shareholding		Shareholding after the Rights Issue (assuming all Shareholders take up their entitlements)		Shareholding after the Rights Issue (assuming no Shareholders take up their entitlements)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Directors</b>						
Kwong Kai Sing, Benny	154,440	0.082	231,660	0.082	154,440	0.055
Ong Peter	85,953	0.045	128,929	0.045	85,953	0.030
Poon Chi Wan	11,880	0.006	17,820	0.006	11,880	0.004
<b>Public</b>	189,712,406	99.867	284,568,609	99.867	199,210,640	69.912
<b>Underwriter</b>	–	–	–	–	85,484,105	29.999
					<i>(Note)</i>	
<b>Total</b>	<b>189,964,679</b>	<b>100.000</b>	<b>284,947,018</b>	<b>100.000</b>	<b>284,947,018</b>	<b>100.000</b>

*Note:* This shows the maximum number of Shares which may be taken up by the Underwriter without breaching the undertakings contained in the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter has undertaken to the Company that:

- (a) it shall, whether by itself or together with the parties acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with it (if any), be under no circumstances hold 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue; and
- (b) it shall, in fulfillment of its underwriting obligations under the Underwriting Agreement to subscribe for (or procure subscribers for) any Underwritten Shares not taken up, procure that the subscribers procured by it and/or its sub-underwriter(s) and/or the subscribers procured by such sub-underwriter(s), are not parties acting in concert with it, so that it, together with parties acting in concert with it (if any) will not become the controlling shareholder of the Company immediately after completion of the Rights Issue.

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## LETTER FROM THE BOARD

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In the event no Shareholders take up their entitlements and the Underwriter is called upon to subscribe for all the Rights Shares, it would procure subscribers and/or other sub-underwriters to subscribe for the Underwritten Shares not taken up by the Qualifying Shareholders. The Underwriter has confirmed that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriter(s) such that each of the Underwriter and the sub-underwriter(s) will not individually hold 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue.

### 7. REASONS FOR THE RIGHTS ISSUE AND INTENDED 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.

In view of the technological development in the PRC which makes Internet more popular and selling of lottery tickets through Internet possible, the Company is recently considering diversifying its business into Internet lottery business by increasing its investment in the PRC Co, a jointly-controlled entity held by the Group in Shanghai. It is estimated that such investment would require a capital injection of approximately RMB50 million as the minimum capital requirement for engaging in Internet lottery business in the PRC is RMB50 million pursuant to the Provisional Administrative Measures on Internet Selling of Lottery Tickets (互聯網銷售彩票管理暫行辦法). The current registered capital of the PRC Co is RMB1 million and is held as to 20% by the Group and 80% by independent third parties. If the investment opportunity realises, the Group's equity interest therein would be increased and the PRC Co may become a subsidiary of the Company.

The PRC Co commenced selling lottery tickets for and on behalf of China Welfare Lottery Issue and Administration Centre (中國福利彩票發行管理中心) at lottery ticketing shops through an affiliated company since 2007. Based on the audited financial statements of the PRC Co for the two years ended 31 March 2009 and 2010, the audited net losses of the PRC Co were approximately HK\$0.76 million for 2009 and HK\$0.22 million for 2010.

As at the Latest Practicable Date, the Company was still considering the viability of Internet lottery business in the PRC and no definitive or legally binding agreement or contract has been signed by the Group up to such date. In view of the growing popularity of Internet in the PRC, the Directors believe that such diversification is necessary in order to maintain the competitiveness of the PRC Co in the lottery selling market. Nevertheless, they would consider such business opportunity carefully and would only invest in such business if the PRC Co can obtain the approval for engaging in Internet lottery business from the Ministry of Finance and the investment is in the interest of the Company and the Shareholders as a whole. Should such investment opportunity materialise, further announcement will be made by the Company if required by the Listing Rules.

The Board considers that the Rights Issue will enhance the Group's financial position and enable it to invest in such business should the opportunity materialise. Since the Rights Issue will allow the Qualifying Shareholders to maintain their shareholdings in the Company, the Board considers raising capital through the Rights Issue is in the interest of the Company and the Shareholders as a whole.

The gross proceeds of the Rights Issue are approximately HK\$47.5 million. The estimated net proceeds of the Rights Issue after deducting expenses are approximately HK\$45.9 million, and the net price per Rights Share upon full acceptance of the relevant provisional allotment of the Rights Shares is approximately HK\$0.48. It is intended that the entire amount of the net proceeds will be used for

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## LETTER FROM THE BOARD

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increasing the Group's investment in the PRC Co for expanding into Internet lottery business in the PRC or, failing which, for general working capital of the Group as the Company has not identified any other specific investments at the moment apart from the Internet lottery business. Given that the expected capital injection is approximately RMB50 million and the net proceeds arising from the Rights Issue are only HK\$45.9 million, the Company intends to fund any shortfall by its internal resources or by further fund raising exercises should the opportunity materialise.

### 8. FUND RAISING EXERCISES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company's equity fund raising exercises over the past 12-month period immediately preceding the date of the Announcement are set out below:

Date of announcement	Fund raising activities	Net proceeds raised (approximately)	Actual use of proceeds	Date of grant of issue mandate
5 October 2010	Placing of 316,607,798 new shares under general mandate at the placing price of HK\$0.102 per share	HK\$31.39 million	Utilised for general working capital of the Group including, but not limited to, daily operating expenses and investment in securities	Granted at the annual general meeting of the Company held on 20 August 2010
27 July 2010	Issue of 182,006,498 new shares under general mandate at the subscription price of HK\$0.112 per share	HK\$19.98 million	Utilised for general working capital of the Group including, but not limited to, daily operating expenses and investment in securities	Granted at the special general meeting of the Company held on 28 May 2010
9 April 2010	Placing of 400,000,000 new shares under specific mandate at the placing price of HK\$0.25 per share	HK\$97.30 million	Utilised as to HK\$90.00 million for repayment of outstanding loan and as to HK\$7.30 million for general working capital of the Group	Granted at the special general meeting of the Company held on 28 May 2010
22 March 2010	Placing of 137,883,749 new shares under general mandate at the placing price of HK\$0.24 per share	HK\$32.18 million	Utilised for general working capital of the Group including, but not limited to, daily operating expenses and investment in securities	Granted at the special general meeting of the Company held on 15 March 2010

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## LETTER FROM THE BOARD

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### 9. REVIEW OF OPERATIONS AND PROSPECTS

For the six months ended 30 September 2010, the Group made a loss before tax of approximately HK\$212 million. The loss was mainly attributable to loss on sale of investments at fair value through profit or loss and fair value losses arising from investments at fair value through profit or loss of the Group's securities investment as at the fiscal half year end date.

Performance of the Group's major businesses for the six months ended 30 September 2010 is summarised below:

- (a) Real estate investment: the Group owned certain commercial properties in North Point and a luxury residential property in Stanley. With the increase in property prices in Hong Kong, the Group's property portfolio appreciated in value. The gain arising from changes in fair value amounted to approximately HK\$0.9 million during the six months ended 30 September 2010. The value of the Group's property investment stood at HK\$237 million as at 30 September 2010.
- (b) Investment in listed securities: the Group's securities portfolio has suffered a loss on sale of investments at fair value through profit or loss of approximately HK\$159 million for the six months ended 30 September 2010. Besides, there is fair value loss on investments at fair value through profit and loss of approximately HK\$50 million for the same period.
- (c) Money lending business: the Group's associated company engaging in money lending has contributed a gain of approximately HK\$2 million for the six months ended 30 September 2010. Besides, a new wholly-owned subsidiary was formed to engage in the money lending business. The operation generated positive result for the six months ended 30 September 2010.
- (d) Investment in lottery related business in the PRC: the Group has a 20% interest in the PRC Co. The PRC Co has sold China Welfare Lottery Tickets in the PRC through an affiliated company since 2007. Since early part of 2010, the PRC Co has also commenced selling Sports Lottery Tickets in Shanghai through the aforesaid affiliated company. With the gaining popularity in single match betting game, business has been very good in this area of sale.

As set out in the interim report of the Company for the six months ended 30 September 2010, global economy has stabilised from the financial tsunami since 2009 and is undergoing a recovery stage. However, unemployment rates in Europe and the United States remain high and consumers' confidence has yet to fully pick up. Furthermore, the quantitative easing of money supply in the United States has led to rising inflationary expectations and has great impact on the global market. On the other hand, the financial market has rallied in the second half of 2010 after bouncing back from bottom in the financial crisis. These two factors contributed significantly to the overall market improvement in the year 2010. Barring unforeseen circumstances in the year 2011, the business outlook for Hong Kong is positive albeit possibly at a slower growth rate compared with that of 2010. In response to this unstable economy and uncertainties, the Group will adopt a more conservative approach in its future investments.

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## LETTER FROM THE BOARD

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### 10. PROCEDURES FOR ACCEPTANCE OR TRANSFER OF THE RIGHTS SHARES

A PAL is enclosed with this prospectus which entitles you to take up the number of Rights Shares shown therein.

If you wish to exercise your right to take up all the Rights Shares specified in the PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance by cheque or banker's cashier order for the full amount payable on acceptance, with the Registrar by not later than 4:00 p.m. on Thursday, 17 March 2011. All remittances must be made in Hong Kong dollars and by cheque or banker's cashier order. Cheque must be drawn on an account with, and banker's cashier order must be issued by, a licensed bank in Hong Kong and made payable to "HERITAGE INTERNATIONAL HOLDINGS LTD – PAL A/C" and crossed "Account Payee Only". Such payment will constitute full acceptance of the provisional allotment on terms of the PAL and this prospectus and subject to the Memorandum of Association and Bye-laws of the Company.

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you under the PAL to one person or persons as joint holders, you and the person(s) to or through whom you are transferring such rights must complete and sign the PAL in accordance with the instructions printed thereon, and the transferee(s) must then lodge the PAL intact, together with a remittance by cheque or banker's cashier order for the full amount payable on acceptance, with the Registrar so as to be received by not later than 4:00 p.m. on Thursday, 17 March 2011. All remittances must be made in Hong Kong dollars and by cheque or banker's cashier order. Cheque must be drawn on an account with, and banker's cashier order must be issued by, a licensed bank in Hong Kong and made payable to "HERITAGE INTERNATIONAL HOLDINGS LTD – PAL A/C" and crossed "Account Payee Only". It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares.

If you wish to accept only part of your provisional allotment of Rights Shares (without renouncing the balance of your provisional allotment under the PAL), or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you under the PAL, or transfer your rights to more than one person (not as joint holders), the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 9 March 2011 with the Registrar who will cancel the original PAL and issue new PALs in the denominations required.

All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the accompanying cheque or banker's cashier order is dishonoured on first or, at the option of the Company, subsequent presentation is liable to be rejected and, in that event, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled at the discretion of the Company.

If the Underwriter exercises its rights to terminate its obligations under the Underwriting Agreement before the latest time for termination, the subscription monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form shall have been validly transferred without interest by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or other persons on or around Thursday, 24 March 2011.

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## LETTER FROM THE BOARD

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### 11. APPLICATIONS FOR EXCESS RIGHTS SHARES

If you wish to apply for any Rights Shares in addition to your provisional allotment under the Rights Issue, you must complete and sign the enclosed EAF as indicated therein and lodge it, together with a separate remittance by cheque or banker's cashier order for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on Thursday, 17 March 2011. All remittances must be made in Hong Kong dollars and by cheque or banker's cashier order. Cheque must be drawn on an account with, and banker's cashier order must be issued by, a licensed bank in Hong Kong and made payable to "HERITAGE INTERNATIONAL HOLDINGS LTD – EAF A/C" and crossed "Account Payee Only".

All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first or, at the option of the Company, subsequent presentation is liable to be rejected.

Subject to the provisions set out in the section headed "Allocation of excess Rights Shares" in this prospectus, the Board intends to allot the excess Rights Shares applied for at its sole discretion on a fair and reasonable basis but will give preference to topping up odd lots of Shares into whole board lots.

If no excess Rights Shares are allotted to you, the amount tendered on application will be refunded to you in full without interest by means of cheques despatched by ordinary post at your own risk on or around Thursday, 24 March 2011. If the number of excess Rights Shares allotted to you is less than that applied for, the surplus application money will be refunded to you without interest by means of cheques despatched by ordinary post at your own risk on or around Thursday, 24 March 2011.

If the Underwriter exercises its rights to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of applications for excess Rights Shares will be returned to the applicants without interest by means of cheques despatched by ordinary post at the risk of such applicants on or around Thursday, 24 March 2011.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses on the register of members of the Company.

### 12. ALLOCATION OF EXCESS RIGHTS SHARES

Qualifying Shareholders shall be entitled to apply for any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted or otherwise subscribed for by transferees or purchasers of nil-paid Rights Shares. The Directors will allocate the excess Rights Shares at their discretion, but on a fair basis in accordance with the Listing Rules on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and

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## LETTER FROM THE BOARD

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- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive greater number of Rights Shares).

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually.

### 13. LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. It is expected that dealings in the Rights Shares in their nil-paid form on the Stock Exchange will commence on Monday, 7 March 2011.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

**Existing Shares have been dealt in on an ex-rights basis on the Stock Exchange from Tuesday, 22 February 2011. The Rights Shares will be dealt with in their nil-paid form on the Stock Exchange from Monday, 7 March 2011 to Monday, 14 March 2011, both days inclusive. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or, if applicable, waived by the Underwriter, the Rights Issue will not proceed. Any Shareholder or other person dealing in the Shares or the Pre-Adjusted Shares from 7 January 2011, being the date immediately after publication of the Announcement, up to the date on which all conditions to which the Rights Issue is subject are fulfilled or, if applicable, waived by the Underwriter (which is expected to be Monday, 21 March 2011), or in the Rights Shares in their nil-paid form on the Stock Exchange during the period as aforesaid, will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person contemplating selling or purchasing existing Shares on an ex-rights basis and/or the Rights Shares in their nil-paid form during these periods who is in doubt about his or her position is recommended to consult his or her own professional adviser.**

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## LETTER FROM THE BOARD

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Nil-paid Rights Shares are expected to be traded in board lots of 5,000. Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong.

### 14. TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the nil-paid or fully-paid Rights Shares. It is emphasised that none of the Company, its Directors, and any other parties involved in the Rights Issue accepts responsibility for any tax effects or liability of any Shareholder or transferee of nil-paid Rights Shares resulting from the purchase, holding or disposal of, or dealing in the nil-paid or fully-paid Rights Shares.

### 15. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this prospectus.

Yours faithfully,  
For and on behalf of the Board  
**Kwong Kai Sing, Benny**  
*Chairman*



**1. FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial statements of the Group for the years ended 31 March 2010, 2009 and 2008 together with the relevant notes to the consolidated financial statements of the Group can be found from pages 27 to 122 of the annual report of the Company for the year ended 31 March 2010, pages 25 to 117 of the annual report of the Company for the year ended 31 March 2009 and pages 26 to 121 of the annual report of the Company for the year ended 31 March 2008.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2010 and 2009 together with the relevant notes to the consolidated financial statements of the Group can be found from pages 2 to 22 of the interim report of the Company for the six months ended 30 September 2010 and pages 2 to 23 of the interim report of the Company for the six months ended 30 September 2009.

The said annual reports and interim reports of the Company are available on the Company's website at [www.heritage.com.hk](http://www.heritage.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**2. INDEBTEDNESS****Borrowings**

At the close of business on 31 January 2011, the Group had aggregate outstanding borrowings comprising secured bank loans of approximately HK\$67,023,000.

The Group's bank loans were secured by the first legal charges over the Group's investment properties.

**Contingent liabilities**

At the close of business on 31 January 2011, the Group had no material contingent liabilities.

**Disclaimers**

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances or acceptances credits, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 January 2011.

**No material changes**

The Directors have confirmed that, save as disclosed herein, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 January 2011.

**3. WORKING CAPITAL**

The Directors are satisfied after due and careful enquiry that taking into account the present internal financial resources of the Group, the available banking facilities and the net proceeds to be derived from the Rights Issue, in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements, that is for at least twelve months from the date of publication of this prospectus.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 March 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FOREIGN EXCHANGE**

The Group has interests in certain companies established and operating in the PRC. The relevant revenue and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Shortages in the availability of foreign currency may restrict the ability of such companies to remit sufficient foreign currency to pay dividends or other amounts to the Group.

### 1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared based on the unaudited consolidated net tangible assets of the Group as at 30 September 2010, as extracted from the published interim report of the Company for the six months ended 30 September 2010, and is adjusted as described below for the purpose of illustrating the effect of the Rights Issue as if it had been completed on 30 September 2010. This statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Group as at 30 September 2010 had the Rights Issue actually been completed on that date or at any future date.

	Unaudited consolidated net tangible assets as at 30 September 2010  (approximately) <i>HK\$'000</i>	Net proceeds raised from placing of shares (Note 1)  (approximately) <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue (Note 2)  (approximately) <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets after completion of the Rights Issue  (approximately) <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share after the Rights Issue (Note 3)  (approximately) <i>HK\$</i>
Based on 94,982,339 Rights Shares issued	1,060,629	31,390	45,900	1,137,919	3.99

*Notes:*

- On 19 October 2010, the Company allotted and issued a total of 316,607,798 ordinary shares of HK\$0.10 each at a price of HK\$0.102 per share for a total cash consideration, after expenses, of approximately HK\$31,390,000.
- The estimated gross proceeds from the Rights Issue are approximately HK\$47,500,000. Estimated expenses associated with the Rights Issue amounted to approximately HK\$1,600,000, resulting in an estimated net proceeds from the Rights Issue of approximately HK\$45,900,000.
- The unaudited pro forma adjusted consolidated net tangible assets per Share of the Group after the Rights Issue of approximately HK\$3.99 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as calculated above and on the basis of 284,947,018 Shares, comprising 189,964,679 Shares in issue as at the Record Date and 94,982,339 Rights Shares to be issued pursuant to the Rights Issue.

**2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF  
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

*The following is the text of a letter from Ernst & Young, the reporting accountants to the Company, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets for incorporation in this prospectus.*



18th Floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

The Board of Directors  
Heritage International Holdings Limited

3 March 2011

Dear Sirs

**Accountants' report on the unaudited pro forma statement of adjusted consolidated net tangible assets**

We report on the unaudited pro forma adjusted consolidated net tangible assets (the "Unaudited Pro Forma Financial Information") of Heritage International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed rights issue of 94,982,339 rights shares of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 3 March 2011 (the "Prospectus"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

**Respective responsibilities of the directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2010 or any future dates.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully  
**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue was and will be as follows:

Number of Shares		Nominal value HK\$
<i>Authorised:</i>		
<u>50,000,000,000</u>	Shares	<u>500,000,000.00</u>
<i>Issued and fully-paid:</i>		
<u>189,964,679</u>	Shares in issue as at the Record Date	<u>1,899,646.79</u>
<u>94,982,339</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>949,823.39</u>
<u>284,947,018</u>	Shares in issue upon completion of the Rights Issue	<u>2,849,470.18</u>

All the issued Shares rank *pari passu* in all respects as regards dividends, voting rights and return of capital.

No part of the share capital of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed for the Shares to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

## 3. PARTICULARS OF DIRECTORS

<b>Name</b>	<b>Address</b>
<i>Executive Directors</i>	
Dr. Kwong Kai Sing, Benny	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Wong Chun Hung	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Ong Peter	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Ms. Poon Chi Wan	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Chow Chi Wah, Vincent	29/F., China United Centre 28 Marble Road North Point, Hong Kong
<i>Independent Non-Executive Directors</i>	
Mr. Chan Sze Hung	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. To Shing Chuen	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Ha Kee Choy, Eugene	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Chung Yuk Lun	29/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Lo Wong Fung	29/F., China United Centre 28 Marble Road North Point, Hong Kong

**Executive Directors**

**Kwong Kai Sing, Benny**, aged 52, is the Chairman and an Executive Director of the Company since 2001. Dr. Kwong graduated from Simon Fraser University in British Columbia, Canada with a bachelor degree in arts. Dr. Kwong was awarded the honor degree of doctor of commerce by The University of West Alabama in 2008.

Dr. Kwong held senior positions with major international banks in Hong Kong in respective lending departments and China department for many years. For the past several years, he has served as executive director of over 10 publicly listed companies both in Hong Kong, Canada and the UK. Dr. Kwong has extensive knowledge in corporate finance and banking. Dr. Kwong was a director of the Tung Wah Group of Hospitals from 2008 to 2010 and has been a member of the Campaign Committee of The Community Chest since 2006. Dr. Kwong was nominated as 中國企業創新優秀人物 in China in 2006 and was an appointed member of the China People's Political Consultative Committee of the Hubei Province in 1995-1996.

**Mr. Wong Chun Hung**, aged 55, is the Vice Chairman and an Executive Director of the Company since 2009. He was also an executive director of the Company for the period from 1991 to 2001. He holds a Bachelor of Mathematics degree from the University of Waterloo, Canada.

Mr. Wong has more than 15 years' experience in property investment, development and construction and project management in Mainland China, which was acquired from his years developing the now completed Dong-Jun Plaza and Universal Plaza in Guangzhou.

**Ong Peter**, aged 41, is the Managing Director and an Executive Director of the Company since 2003. Mr. Ong holds a bachelor degree from California State University, Los Angeles, the United States of America. He has extensive experience in the press and the insurance industries.

**Poon Chi Wan**, aged 55, is an Executive Director of the Company since 2001. Ms. Poon has over 10 years' experience in administrative management including management experience in another listed company. Ms. Poon graduated from the Royal School of Music.

**Chow Chi Wah, Vincent**, aged 42, is the Financial Controller, the Company Secretary and an Executive Director of the Company since 2006. Mr. Chow is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years' experience in the finance and accounting field in Hong Kong.

**Independent Non-Executive Directors**

**Chan Sze Hung**, aged 58, is an Independent Non-Executive Director of the Company since 2001. Mr. Chan graduated from the University of Hong Kong with a degree in law. He is now a consultant of Chan, Lau and Wai, a firm of solicitors in Hong Kong. He has over 20 years' experience in the legal profession. Mr. Chan is also a non-executive director of Asia Orient Holdings Limited, a company listed on the Stock Exchange.



**To Shing Chuen**, aged 60, is an Independent Non-Executive Director of the Company since 2002. Mr. To has a Bachelor's degree in Arts and has over 19 years' experience in trading, garment and leather field. He enjoys excellent relationship with Mainland China companies.

**Ha Kee Choy, Eugene**, aged 54, is an Independent Non-Executive Director of the Company since 2005. Mr. Ha is a fellow member of the Association of Chartered Certified Accountant. Mr. Ha has a master degree in business administration and has over 15 years of experience in finance and banking industry. Mr. Ha is also an executive director of 21 Holdings Limited, a company listed on the Stock Exchange.

**Chung Yuk Lun**, aged 50, is an Independent Non-Executive Director of the Company since 2001. Mr. Chung has over 20 years' experience in the finance and accounting field. Mr. Chung is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and an Associate Chartered Accountant (England and Wales). Mr. Chung is also the Chairman of Radford Capital Investment Limited, an executive director of Ming Fung Jewellery Group Limited and an independent non-executive director of Forefront Group Limited and Dragonite International Limited, all of which companies are listed on the Stock Exchange.

**Lo Wong Fung, JP**, aged 64, is an Independent Non-Executive Director of the Company since 2007. Mr. Lo is the founder and Chairman of Golden Fame Logistics Holding Limited and has more than 30 years' experience in the logistic field. He is the Chairman of The Chamber of Hong Kong Logistics Industry, a director and the Chairman of the Technology Committee of Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies, the Permanent President of Hong Kong CFS & Logistics Association, the Permanent President of Hong Kong Container Drayage Services Association, the Honorary President of Hong Kong Cargo Vessel Traders' Association and also a member of the Hong Kong Logistics Development Council.

Mr. Lo is also the Vice Chairman and Welfare Committee Chairman of Ning Po Residents Association (H.K.), a member of the Political Consultative Committee of Zhongshan City, China and the Vice Chairman of Zhongshan Association of Overseas Chinese Enterprises. Mr. Lo is currently a visiting professor at the Shanghai Maritime University of China.

#### 4. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

<b>Registered office</b>	Clarendon House 2 Church Street Hamilton HM11 Bermuda
<b>Principal place of business in Hong Kong</b>	29/F., China United Centre 28 Marble Road North Point, Hong Kong
<b>Authorised representatives in Hong Kong</b>	Kwong Kai Sing, Benny Poon Chi Wan

<b>Company secretary</b>	Chow Chi Wah, Vincent, <i>FCCA, HKICPA</i>
<b>Underwriter of the Rights Issue</b>	Chung Nam Securities Limited 26/F., China United Centre 28 Marble Road North Point, Hong Kong
<b>Legal advisers to the Company</b>	<i>As to Bermuda law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong  <i>As to Hong Kong law:</i> Iu, Lai & Li 20/F., Gloucester Tower The Landmark 11 Pedder Street, Central Hong Kong
<b>Auditors</b>	Ernst & Young <i>Certified Public Accountants</i> 18/F., Two International Finance Centre 8 Finance Street, Central Hong Kong
<b>Principal share registrar in Bermuda</b>	Butterfield Corporate Services Limited Rosebank Centre 11 Bermudiana Road Pembroke Bermuda
<b>Hong Kong branch share registrar</b>	Computershare Hong Kong Investor Services Limited Shops 1712-16, 17/F. Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
<b>Principal banker</b>	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

## 5. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Director	Number of Shares (long position)	Nature of interest	Percentage of total issued share capital as at the Latest Practicable Date
Kwong Kai Sing, Benny	154,440	Personal	0.082%
Ong Peter	85,953	Personal	0.045%
Poon Chi Wan	11,880	Personal	0.006%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

## 6. DISCLOSURE OF SHAREHOLDER'S INTERESTS

As at the Latest Practicable Date, so far as the Directors or chief executive of the Company were aware or could ascertain after reasonable enquiry, the following person, not being a Director or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital.

**Interests in the shares of the Company**

<b>Name</b>	<b>Number of Shares (long position)</b>	<b>Nature of interest</b>	<b>Percentage of total issued share capital as at the Latest Practicable Date</b>
Anwar Hendra	18,200,649	Personal	9.58%

Save as disclosed above and so far as the Directors or chief executive of the Company were aware, as at the Latest Practicable Date, there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital.

**7. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP**

None of the Directors has, or has had, any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2010, the date to which the latest published audited financial statements of the Group were made up.

None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

**8. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a conditional placing agreement dated 28 April 2009 between the Company as issuer and Kingston Securities Limited as placing agent in relation to a placing of 51,000,000 new ordinary shares of the Company at a price of HK\$0.50 per share. Further details of the placing were set out in the announcement of the Company dated 28 April 2009;
- (b) the provisional agreement for sale and purchase dated 21 April 2009 entered into between Noble Castle International Limited (a subsidiary of the Company) as the purchaser and Joint Gain International Limited as the vendor in relation to the sale and purchase of House No.B7 (including its 2 car parking spaces), Regalia Bay, No.88 Wong Ma Kok Road, Hong Kong for a cash consideration of HK\$45 million. Further details of the transaction were set out in the announcement and circular of the Company dated 23 April 2009 and 27 May 2009, respectively;
- (c) a share purchase agreement dated 8 June 2009 between Coupeville Limited (“Coupeville”) (a subsidiary of the Company) as the vendor and Welltodo Investments Limited (“Welltodo”) as the purchaser relating to the sale of 50% of the entire issued share capital of Best Purpose Limited to Welltodo for a total consideration of HK\$180 million. Further details of the transaction were set out in the announcement and circular of the Company dated 11 June 2009 and 17 July 2009, respectively;
- (d) a conditional subscription agreement dated 15 July 2009 entered into between the Company as the subscriber and Neptune Group Limited (“Neptune”) as the issuer in relation to the subscription of the zero coupon convertible note due 2012 in the principal amount of HK\$100 million to be issued by Neptune to the Company or its nominee(s). Further details of the transaction were set out in the announcement and circular of the Company dated 16 July 2009 and 25 August 2009, respectively;
- (e) a conditional subscription agreement dated 15 July 2009 entered into between the Company as the issuer and Neptune as the subscriber in relation to the subscription of the zero coupon convertible note due 2012 in the principal amount of HK\$100 million to be issued by the Company to Neptune or its nominee(s). Further details of the transaction were set out in the announcement and circular of the Company dated 16 July 2009 and 25 August 2009, respectively;
- (f) the heads of agreement dated 27 July 2009 between Waytech Limited (a subsidiary of the Company) and New Range Investments Limited (“New Range”) in relation to the subscription by Waytech Limited of the two per cent convertible redeemable non-voting preference shares of HK\$1.00 each in the share capital of New Range for a cash consideration of HK\$80 million. Further details of the subscription were set out in the announcement of the Company dated 27 July 2009;

- (g) the bought and sold notes and instrument of transfer both dated 14 August 2009 between Dollar Group Limited (a subsidiary of the Company) as purchaser and transferee on the one hand and Pearl Decade Limited as seller and transferor on the other hand, under which Pearl Decade Limited sold and transferred a convertible bond in the principal amount of HK\$20 million issued by Mascotte Holdings Limited to Dollar Group Limited for a cash consideration of HK\$45 million. Further details of the transaction were set out in the announcement of the Company dated 17 August 2009;
- (h) a conditional placing agreement dated 29 September 2009 between the Company as issuer and the Underwriter as placing agent in relation to a placing, on a best effort basis, of 300,000,000 new ordinary shares of the Company at a price of HK\$0.44 per share. Further details of the placing were set out in the announcement and circular of the Company dated 30 September 2009 and 20 October 2009, respectively;
- (i) a conditional placing agreement dated 29 September 2009 between the Company as issuer and the Underwriter as placing agent in relation to a placing, on a fully underwritten basis, of 61,350,000 new ordinary shares of the Company at a price of HK\$0.44 per share. Further details of the placing were set out in the announcement and circular of the Company dated 30 September 2009 and 20 October 2009, respectively;
- (j) a conditional placing agreement dated 9 April 2010 between the Company as issuer and the Underwriter as placing agent in relation to a placing, on a fully underwritten basis, of 400,000,000 new ordinary shares of the Company at a price of HK\$0.25 per share. Further details of the placing were set out in the announcement and circular of the Company dated 9 April 2010 and 5 May 2010, respectively;
- (k) a conditional sale and purchase agreement dated 4 January 2011 between Hennabun Capital Group Limited (“Hennabun”) as the purchaser and Coupeville as the vendor in relation to the sale of 19.75% of the entire issued share capital of Best Purpose Limited to Hennabun for a total consideration of HK\$69 million. Further details of the transaction were set out in the announcement and circular of the Company dated 4 January 2011 and 24 January 2011, respectively; and
- (l) the Underwriting Agreement.

## 10. LITIGATION

As at the Latest Practicable Date, there is no litigation or claims of material importance pending or threatened against any member of the Group.

**11. CONSENT OF EXPERT**

The following is the qualification of the professional adviser who has given opinion or advice contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
Ernst & Young	Certified public accountants, Hong Kong

Ernst & Young has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Ernst & Young did not have: (a) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2010, the date to which the latest published audited financial statements of the Group were made up.

**12. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES**

A copy of each of the Rights Issue Documents, having attached thereto the written consent referred to under the paragraph headed “Consent of expert” in this Appendix, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance. A copy of each of the Rights Issue Documents will as soon as reasonably practicable be delivered to the Registrar of Companies in Bermuda for filing in accordance with the requirements of the Companies Act.

**13. EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, documentation, printing, translation, legal and accountancy fees and expenses, and the fees for the application for listing of the Rights Shares are estimated to amount to approximately HK\$1.6 million and are payable by the Company.

**14. LEGAL EFFECT**

The Rights Issue Documents and all acceptances of any offer or application contained in such documents, are governed by and will be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant documents shall have the effect of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours up to and including the 14th day following the date hereof:

- (a) the Memorandum of Association and the Bye-laws of the Company;
- (b) the material contracts referred to in section 9 of this Appendix;
- (c) the written consent given by Ernst & Young referred to in section 11 of this Appendix and the report from Ernst & Young set out in section 2 of Appendix II to this prospectus;
- (d) the annual reports of the Company for the two years ended 31 March 2009 and 31 March 2010; and
- (e) the circular of the Company dated 24 January 2011.

**16. MISCELLANEOUS**

The English text of the Rights Issue Documents shall prevail over the Chinese text.