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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)

MONTHLY ANNOUNCEMENT ON CONVERSION OF CONVERTIBLE NOTES

The Company made this announcement pursuant to paragraph (i)(a) under the heading “Dilution effect on Shareholders” of the Announcement and the Circular.

Reference is made to the Company’s announcements dated 6th April, 2006, 27 June 2006, 28 June 2006, 30 June 2006, 3 July 2006, 4 July 2006, 10 July 2006, 19 July 2006, 1 August 2006, 31 August 2006, 3 October 2006, 31 October 2006 and 30 November 2006 (the “Announcements”) and the Company’s circular dated 12th May, 2006 (the “Circular”). The Company makes this announcement pursuant to paragraph (i)(a) under the heading “Dilution effect on Shareholders” of the Announcements and the Circular. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Announcements and the Circular.

The Company has received notices for the partial conversion of the Convertible Notes issued and as a result of which the Company has issued a total of 200,000,000 Shares to two independent placees at the Conversion Price of HK\$0.025 per Conversion Share on 8 December 2006. The Conversion Shares issued represent approximately 1.68 % of the issued share capital of the Company as at the date of this announcement.

The details regarding the status of conversion of the Convertible Notes issued in the month of December 2006 are as follows:-

(a) Conversion of the Convertible Notes issued:

- | | |
|---|-----------------|
| (i) Date of conversion: | 8 December 2006 |
| (ii) Number of new Shares issued: | 200,000,000 |
| (iii) Conversion Price for each conversion: | HK\$0.025 |

- | | |
|--|-----------------|
| (b) The outstanding principal amount of the Convertible Notes after conversion(s) referred to above: | HK\$195,000,000 |
|--|-----------------|

* For identification purposes only

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|---|----------------|
| (c) The total number of Shares issued during the month other than as a result of the conversion of the Convertible Notes: | Nil |
| (d) The total issued share capital of the Company as at 1 December 2006: | 11,700,081,943 |
| (e) The total issued share capital of the Company as at 3 January 2007: | 11,900,081,943 |

This announcement is only released through the web-site of The Stock Exchange of Hong Kong Limited and no publication in the newspapers is made.

By order of the board
Heritage International Holdings Limited
Kwong Kai Sing, Benny
Chairman

Hong Kong, 3 January 2007

As at the date of this announcement, the Directors are as follows:

Executive Directors

Mr. Kwong Kai Sing, Benny
Ms. Lo Ki Yan, Karen
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