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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)

NEGOTIATION IN RELATION TO A MANAGEMENT ARRANGEMENT WITH A LAS VEGAS STYLE CASINO IN MACAU AND RESUMPTION OF TRADING

On 11 April 2007, the Group entered into the Services Agreement (which, if not terminated, would have constituted a very substantial acquisition for the Company) with the Operator, pursuant to which the Group had conditionally agreed to procure certain marketing and promotional services to a VIP area to be established by the Operator in a Las Vegas style casino due to open within the next two years in Macau. However, due to certain regulatory requirements in Macau, the Group had been advised that the structure contemplated under the Services Agreement had to be modified. The parties are now negotiating for a structure which is viable and acceptable to both parties and the relevant regulatory authorities and the Company is considering provision of financial assistance to a connected person (as defined in the Listing Rules) of the Company to facilitate implementation of such structure. To avoid prolonged suspension in the trading of the Shares, the parties had agreed to terminate the Services Agreement with effect from the date of the Termination Agreement.

As the above negotiation may or may not lead to the signing of a formal agreement, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 12 April 2007 pending the release of an announcement in relation to a very substantial acquisition of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 4 June 2007.

A. SERVICES AGREEMENT DATED 11 APRIL 2007

Reference is made to the announcements issued by the Company on 17 October 2006, 13 December 2006, 27 March 2007 and 30 March 2007 in relation to the management arrangement proposed to be entered into by the Group with respect to a VIP area to be established in a Las Vegas style casino in Macau. The Board wishes to announce that on 11 April 2007, the Group entered into the Services Agreement (which, if not terminated, would have constituted a very substantial acquisition for the Company) with the Operator, pursuant to which the Group had conditionally agreed to procure certain marketing and promotional services to a VIP area of approximately 80,000 square feet to be established by the Operator in a Las Vegas style casino due to open within the next two years in Macau. Pursuant to the Services Agreement, the Group shall provide customer relation, transportation, credit extension and collection, administrative and such other services as are typically provided by junket operators or private gaming room operators to its VIP players.

In consideration of the provision of the aforesaid services, the Group will receive (a) an agreed percentage of the Rolling Turnover generated by the Group and/or its customers at the VIP area as a monthly service fee and (b) an agreed percentage of the net profit attributable to the VIP area as an annual bonus fee.

In addition, the Group is required under the Services Agreement to make a minimum chip purchase for each quarterly period. In order to secure the Group's performance of such obligations, a cash deposit is required to be placed by the Group with the Operator.

B. TERMINATION AGREEMENT DATED 30 MAY 2007

To ensure that the Services Agreement fulfills all relevant requirements in Macau, the parties to the agreement have, since the beginning of their negotiation, made enquiries with the relevant government authorities and consulted Macau legal advisers in relation to legality of the arrangement contemplated under the Services Agreement. However, the parties were advised about a week ago that in order to make the agreement valid and effective, the parties to the Services Agreement might need to be modified so as to include, for example, the concessionaire and/or a company incorporated in Macau. To avoid prolonged suspension in the trading of the Shares, the parties to the Services Agreement agreed to enter into a termination agreement (the "Termination Agreement") on 30 May 2007 to terminate the Services Agreement and release and discharge each other from its respective obligations under the Services Agreement with effect from the date of the Termination Agreement.

The parties are now negotiating for a structure which is viable and acceptable to both parties and the relevant regulatory authorities and the Company is considering provision of financial assistance to a connected person (as defined in the Listing Rules) of the Company to facilitate implementation of such structure. **However, as such negotiation may or may not lead to the signing of a formal agreement, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

C. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 12 April 2007 pending the release of an announcement in relation to a very substantial acquisition of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 4 June 2007.

D. DEFINITIONS

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

“Board”	the board of Directors
“Company”	Heritage International Holdings Limited, a 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
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operator”	a foreign limited liability company, which is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Rolling Turnover”	the value of non-negotiable chips purchased by the Group on behalf of its customers less the value of non-negotiable chips redeemed by the Group on behalf of its customers
“Services Agreement”	the junket representative and services agreement dated 11 April 2007 between Easywin Cotai Entertainment Limited, a wholly-owned subsidiary of the Company, the Company and the Operator in relation to the provision of certain marketing and promotional services
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Kwong Kai Sing, Benny
Chairman

Hong Kong, 1 June 2007

As at the date of this announcement, the Company has five executive Directors, being Mr. Kwong Kai Sing, Benny, Ms. Lo Ki Yan, Karen, Mr. Ong Peter, Ms. Poon Chi Wan and Mr. Chow Chi Wah, Vincent and four independent non-executive Directors, being Mr. Chan Sze Hung, Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene and Mr. Chung Yuk Lun.

** For identification purposes only*