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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)

PROPOSED SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE

Proposed Share Subdivision and Change in Board Lot Size

The Board proposes to implement the Share Subdivision on the basis that each issued and unissued Share of par value HK\$0.001 each in the share capital of the Company will be subdivided into four (4) Subdivided Shares of par value HK\$0.00025 each. The SGM will be convened and held to consider and, if thought fit, approve the Share Subdivision. The Board further proposes to change the board lot size for trading in the shares of the Company from 10,000 Shares to 6,000 Subdivided Shares upon the Share Subdivision becoming effective.

The Share Subdivision is conditional upon (a) the passing of an ordinary resolution by the Shareholders at the SGM, and (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subdivided Shares.

Reasons for the Share Subdivision and Change in Board Lot Size

The Directors believe that the reduced amount for investing in a board lot of the Subdivided Shares as a result of the Share Subdivision and change in board lot size will improve the liquidity in the trading of the shares of the Company, thereby enabling the Company to attract more investors and broaden its shareholder base. The Board is of the opinion that the Share Subdivision and change in board lot size is in the interests of the Company and the Shareholders as a whole.

General

A circular containing, among other things, details regarding the proposed Share Subdivision and a notice convening the SGM is expected to be despatched to the Shareholders on or before Tuesday 6 January 2015.

PROPOSED SHARE SUBDIVISION

The Board proposes to implement the Share Subdivision on the basis that each issued and unissued Share of par value of HK\$0.001 each will be subdivided into four (4) Subdivided Shares of par value HK\$0.00025 each.

Effects of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company amounts to HK\$500,000,000 divided into 500,000,000,000 Shares, of which 4,235,929,561 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, on the basis that the Company does not allot, issue or repurchase any further Shares prior thereto, the authorised share capital of the Company shall be HK\$500,000,000 divided into 2,000,000,000,000 Subdivided Shares, of which 16,943,718,244 Subdivided Shares will be in issue. Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu in all respects with each other. The Share Subdivision will not result in any change in the relevant rights of the Shareholders.

Other than the expenses incurred in relation to the Share Subdivision, implementation of the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Directors consider that the Share Subdivision will not have any adverse effect on the financial position of the Company and its subsidiaries.

Convertible Securities

As at the date of this announcement, save for 42,350,000 share options granted to Mr. Yau Wai Lung, an executive director of the Company, under the Share Option Scheme to subscribe for a total of 42,350,000 ordinary shares of HK\$0.001 each of the Company on 5 December 2014, there are no outstanding options, warrants or securities which are convertible or exchangeable into Shares.

Upon the Share Subdivision becoming effective, adjustments will be made to the exercise price of the share options pursuant to the terms thereof. Further details of the adjustment will be set out in the circular to be despatched to the Shareholders in connection with the Share Subdivision.

Dealings in the Subdivided Shares

The Subdivided Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares 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 Subdivided Shares 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.

For those persons whose interests in the Company are currently held through CCASS, dealings in the Subdivided Shares are expected to be capable of settlement through CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange and without any need on the part of such persons to deposit new share certificates in respect of the Subdivided Shares with HKSCC.

Conditions of the Share Subdivision

The Share Subdivision is conditional on:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Subdivision at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Subdivided Shares to be issued.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares to be issued upon the Share Subdivision becoming effective.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the ordinary shares of the Company from 10,000 Shares to 6,000 Subdivided Shares upon the Share Subdivision becoming effective.

OTHER ARRANGEMENTS

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Subdivided Shares to

make up a full board lot, or to dispose of their holding of odd lots of the Subdivided Shares. Holders of odd lots of the Subdivided Shares should note that successful matching of the sale and purchase of odd lots of the Subdivided Shares are not guaranteed. If any Shareholder is in doubt about the odd lot trading arrangement, such Shareholder should consult his/her/its own professional advisers. Further details of the odd lot arrangement will be stated in the circular to be despatched to the Shareholders which shall contain, inter alia, details of the Share Subdivision.

Exchange of Share Certificates

Subject to the Share Subdivision becoming effective, which is expected to be at 9:00 a.m. on Friday, 23 January 2015, Shareholders may, on or after Friday, 23 January 2015 until 4:30 p.m. on Wednesday, 4 March 2015 (both days inclusive) submit share certificates for existing Shares to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates for the Subdivided Shares with a new par value of HK\$0.00025 each (on the basis of every one (1) Share for four (4) Subdivided Shares). Thereafter, certificates for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each existing share certificate for the Shares submitted for cancellation, whichever number of share certificates involved is higher.

In order to distinguish between the existing and the new share certificates, new share certificates for the Subdivided Shares will be in green colour, which is different from the existing share certificates for the Shares, which are in grey colour.

It is expected that new share certificates for the Subdivided Shares will be available for collection on or after the tenth Business Day from the date of submission of the existing share certificates for the Shares to the Company's share registrar at the abovementioned address. New share certificates will be issued in the board lot size of 6,000 Subdivided Shares.

REASONS FOR THE SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE

The Directors believe that the reduced amount for investing in a board lot of the Subdivided Shares as a result of the Share Subdivision and change in board lot size will improve the liquidity in the trading of the shares of the Company, thereby enabling the Company to attract more investors and broaden its shareholder base. The Board is of the opinion that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE FOR THE SHARE SUBDIVISION

Set out below is the expected timetable in relation to the proposed Share Subdivision and change in board lot size:

Despatch of circular and notice of the SGM on or before Tuesday, 6 January 2015

Latest time for lodging form of proxy 9:00 a.m. on Tuesday,
for the SGM 20 January 2015

SGM 9:00 a.m. on Thursday, 22 January 2015

Publication of announcement of results of the SGM Thursday, 22 January 2015

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision

Effective date for the Share Subdivision 9:00 a.m. on Friday, 23 January 2015

First day of free exchange of existing share Friday, 23 January 2015
certificates for the Shares for new share
certificates for the Subdivided Shares

Dealings in Subdivided Shares commences 9:00 a.m. on Friday, 23 January 2015

Original counter for trading in Shares in 9:00 a.m. on Friday, 23 January 2015
board lots of 10,000 Shares (in the form
of existing share certificates for the Shares)
temporarily closes

Temporary counter for trading in Subdivided 9:00 a.m. on Friday, 23 January 2015
Shares in board lots of 40,000 Subdivided
Shares (in the form of existing share
certificates for the Shares) opens

Original counter for trading in Subdivided 9:00 a.m. on Friday, 6 February 2015
Shares in new board lots of 6,000
Subdivided Shares (in the form of
new share certificates for the
Subdivided Shares) re-opens

Parallel trading in Subdivided Shares 9:00 a.m. on Friday, 6 February 2015
(in the form of new share certificates
for Subdivided Shares and existing
share certificates for the Shares) commences

Designated broker starts to stand in the 9:00 a.m. on Friday, 6 February 2015
market to provide matching services
for odd lots of Subdivided Shares

Temporary counter for trading in Subdivided4:00 p.m. on Monday, 2 March 2015
Shares in board lots of 40,000 Subdivided
Shares (in the form of existing share
certificates for the Shares) closes

Parallel trading in Subdivided Shares4:00 p.m. on Monday, 2 March 2015
(in the form of new share certificates
for the Subdivided Shares and existing
share certificates for the Shares) ends

Designated broker ceases to stand in the4:00 p.m. on Monday, 2 March 2015
market to provide matching services
for odd lots of Subdivided Shares

Last day for free exchange of existing share4:30 p.m. Wednesday, 4 March 2015
certificates for new share certificates

Existing share certificates for the Shares will only be valid for trading, settlement and
registration purposes for the period up to 4:00 p.m. on Monday, 2 March 2015 and
thereafter will not be accepted for trading, settlement and registration purposes.

Nevertheless, the existing share certificates for the Shares will continue to be good
evidence of legal title on the basis of one (1) existing Share for four (4) Subdivided
Shares and may be exchanged for new share certificates for the Subdivided Shares at
any time after Wednesday, 4 March 2015 at the expense of the Shareholders but are not
acceptable for trading, settlement and registration purposes after 4:00 p.m. on Monday,
2 March 2015, being the last day of operation of the temporary counter for trading in
Subdivided Shares in board lots of 40,000 Subdivided Shares.

GENERAL

The proposed Share Subdivision is subject to Shareholders’ approval at the SGM and
no Shareholders are required to abstain from voting on the resolution in relation to the
proposed Share Subdivision. A circular containing, among other things, details regarding
the proposed Share Subdivision and a notice convening the SGM is expected to be
despatched to the Shareholders on or before Tuesday, 6 January 2015.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	the day on which banks in Hong Kong are open for business (except Saturdays and Sundays)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Heritage International Holdings Limited 漢基控股有限公司*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Share Subdivision and change in board lot size
Share Option Scheme”	the share option scheme adopted by the Company on 18 August 2014
“Share Subdivision”	the proposed subdivision of every issued or unissued Shares into four (4) Subdivided Share
“Shareholder(s)”	Shareholder(s) of Shares or Subdivided Shares, as the context requires
“Share(s)”	share(s) with a par value of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subdivided Share(s)”

share(s) with a par value of HK\$0.00025 each in the share capital of the Company after the Share Subdivision having become effective

By Order of the Board
Heritage International Holdings Limited
Yau Wai Lung
Executive Director

Hong Kong, 16 December 2014

As at the date of this announcement, the Company has three executive directors, being Mr. Ong Peter, Mr. Yau Wai Lung and Dr. Jonathan Ross and three independent non-executive directors, being Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene and Mr. Chung Yuk Lun.

* *For identification purposes only*