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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)

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 2 August 2007, the Company entered into the Placing Agreement with the Placing Agent pursuant to which an aggregate of 744,530,000 new Shares will be placed by the Placing Agent on behalf of the Company at the price of HK\$0.180 per Share with at least six (6) independent investors.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

#### **PLACING AGREEMENT DATED 2 AUGUST 2007**

- Placing Agent : Chung Nam Securities Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent 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.
- Placees : Not less than six (6) institutional, professional and/or individual investors who, together with their ultimate beneficial owner(s) (if any), will be third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.
- Number of Shares to be placed : 744,530,000 new Shares, representing approximately 17.77% of the existing issued share capital of the Company and approximately 15.09% of the issued share capital of the Company as enlarged by the Placing. The Placing will be on a fully underwritten basis.

The Placing Shares will be issued pursuant to the general mandate granted to the Directors by the Shareholders at the special general meeting of the Company held on 23 July 2007, which general mandate has not been utilised prior to the date hereof.

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Placing Price : HK\$0.180 per Placing Share. Taking into account the relevant expenses, the net price to the Company of each Placing Share is approximately HK\$0.175 per Share.

The Placing Price was agreed after arm's length negotiations and represents (i) a discount of approximately 4.76% to the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on 2 August 2007, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 17.43% to the average closing price of approximately HK\$0.218 per Share as quoted on the Stock Exchange from 26 July 2007 to 1 August 2007, both days inclusive, being the last five trading days of the Shares immediately before the date of the Placing Agreement.

Placing and underwriting commission : 2.5% of the aggregate Placing Price.

Termination of the Placing Agreement : The Placing Agreement contains force majeure provisions entitling the Placing Agent to terminate its obligations thereunder on the occurrence of certain events, which include any material adverse change in the financial, political or economic conditions in Hong Kong, prior to the completion date. If the Placing Agent exercises such right to so terminate the Placing, the Placing will not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

Conditions : The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

If the above condition is not fulfilled on or prior to 31 August 2007 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and no party shall have any claim against the other in respect of any matters arising out of or in connection with the Placing Agreement save for antecedent breaches.

Expected completion date : The date falling two (2) business days after the date upon which the last of the conditions set out above shall have been satisfied or such later date as the Company and the Placing Agent may agree in writing.

Ranking : The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares in issue at the time of issue and allotment of the Placing Shares.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in property related investments and investment in securities and money-lending businesses.

The Directors believe that the Placing is in the interests of the Company and its shareholders as a whole and represents a good opportunity for the Company to raise capital, further expand its business and broaden its shareholders and capital base. Further, it can strengthen the financial position of the Company.

The estimated expenses for the Placing are approximately HK\$3.5 million. The net proceeds arising from the Placing in the amount of approximately HK\$130.5 million, are intended to be used for expanding the Group's business into the junket representative and services sector or, if such opportunity does not materialise, for general working capital of the Group.

## EFFECTS ON SHAREHOLDING

The effects of the Placing on the shareholding of the Company are as follows:

	Shareholding before the Placing		Shareholding after the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholder</b>				
Willie International Holdings Limited	510,948,000	12.19	510,948,000	10.35
<b>Directors</b>				
Kwong Kai Sing, Benny	42,900,000	1.02	42,900,000	0.87
Lo Ki Yan, Karen	12,000,000	0.29	12,000,000	0.24
Ong Peter	23,876,000	0.57	23,876,000	0.48
Poon Chi Wan	3,300,000	0.08	3,300,000	0.07
<b>Public</b>	3,597,672,388	85.85	3,597,672,388	72.90
<b>Places and/or the Placing Agent</b>	–	–	744,530,000	15.09
<b>Total</b>	<u>4,190,696,388</u>	<u>100.00</u>	<u>4,935,226,388</u>	<u>100.00</u>

## FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

Date of announcement	Date of agreement	Nature of transaction	Placee/ subscriber/ allottee	Amount of fund raised (net of expenses)	Number of Shares issued	Approximate % of the total issued share capital of the Company as at the date hereof	Intended use of proceeds	Use of proceeds according to the intended use	Use of proceeds other than the intended use
14 June 2007	13 June 2007	Placing of new Shares under general mandate	Independent third parties	Approximately HK\$171 million	2,340,000,000 shares of HK\$0.02 each (equivalent to 468,000,000 Shares)	11.17%	For expanding the Group's business into the junket representative and services sector or, if such opportunity does not materialise, for general working capital of the Group	Not applied yet	Nil

## 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, 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
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of the Placing Shares at the Placing Price to at least six (6) independent investors pursuant to the Placing Agreement

“Placing Agent”	Chung Nam Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) permitted to engage in type 1 of the regulated activities
“Placing Agreement”	the conditional placing agreement dated 2 August 2007 between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.180 per Placing Share
“Placing Shares”	744,530,000 new Shares to be placed pursuant to the Placing
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Kwong Kai Sing, Benny**  
*Chairman*

Hong Kong, 2 August 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 five independent non-executive Directors, being Mr. Chan Sze Hung, Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene, Mr. Chung Yuk Lun and Mr. Lo Wong Fung.*

\* *For identification purposes only*