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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)

**(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE,  
(2) PROPOSED RIGHTS ISSUE OF NEW SHARES ON THE BASIS OF ONE  
RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE,  
(3) PROPOSED REFRESHMENT OF GENERAL MANDATES  
AND  
(4) RESUMPTION OF TRADING**

**(1) Placing of New Shares under General Mandate**

On 23 August 2007, the Company entered into the Placing Agreement with the Placing Agent pursuant to which an aggregate of 987,000,000 new Shares will be placed by the Placing Agent on behalf of the Company at the price of HK\$0.10 per Share with at least six (6) independent investors.

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

**(2) Proposed Rights Issue**

The Company also proposes to raise a minimum of approximately HK\$246 million, before expenses, by way of the Rights Issue of not less than 2,467,613,194 Rights Shares and not more than 3,147,248,013 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share.

The Company will provisionally allot one Rights Share in nil-paid form for every two Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue will not be available to the Excluded Overseas Shareholders.

As at the date of this announcement, the Company has no outstanding option granted under the Share Option Scheme, and there are no outstanding securities issued by the Company which are convertible or exchangeable into Shares, but the Company is permitted under the Scheme Mandate Limit as refreshed on 23 July 2007 to grant options to subscribe for up to 372,269,638 Shares. Assuming that the aforesaid options are granted and exercised, and the Placing Shares and Shares issued pursuant to such options are issued and allotted on or prior to the Record Date, the number of Rights Shares to be issued under the Rights Issue will be increased by 679,634,819 Rights Shares.

The estimated net proceeds of the Rights Issue will be approximately HK\$240 million (assuming no further Shares are issued on or prior to the Record Date) or HK\$306 million (assuming options are granted and exercised to the fullest extent possible and Placing Shares are issued on or prior to the Record Date). The Company intends to apply such net proceeds 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.

**The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms referred to under the section headed "Underwriting Arrangements for the Rights Issue" below. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.**

**Shareholders should note that Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 18 September 2007 and that dealings in the Shares and Rights Shares in nil-paid form will take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and Rights Shares in nil-paid form up to the date on which all conditions to which the Rights Issue is subject remain unfulfilled, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and Rights Shares in nil-paid form who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. Under the Listing Rules, Shareholders' approval is not required for the Rights Issue.

The Prospectus containing, among other things, details of the Rights Issue, will be despatched to the Shareholders as soon as practicable.

**(3) Proposed Refreshment of General Mandates**

The existing general mandate to issue Shares was granted by the Shareholders at the annual general meeting of the Company held on 22 August 2007. After completion of the Placing, the Company will only be left with the balance of 45,278 Shares under the existing general mandate, representing less than 0.01% of the issued share capital of the Company as enlarged by the Placing and the Rights Issue. In order to afford the Company with the maximum flexibility to issue and repurchase new Shares in the future, the Board proposes to seek the approval of the Shareholders to refresh the General Mandates.

A circular containing, among other things, further particulars of the proposed refreshment of General Mandates, a letter from an independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate, the recommendation of the Independent Board Committee in relation to the refreshment of the Issue Mandate and the notice of the SGM, will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

**(4) Resumption of Trading**

Trading in the Shares was suspended with effect from 9:30 a.m. on 24 August 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 28 August 2007.

**(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Date of the Placing Agreement : 23 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.

So far as the Company is aware, no individual placee will become a substantial shareholder of the Company as a result of completion of the Placing.

Number of Shares to be placed : 987,000,000 new Shares, representing approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% 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 annual general meeting of the Company held on 22 August 2007, which authorised the Directors to issue up to 987,045,278 Shares (representing 20% of the issued share capital of the Company as at the date of the said annual general meeting). Such 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\$0.10 per Placing Share. Taking into account the relevant expenses, the net price to the Company of each Placing Share is approximately HK\$0.097 per Share.

The Placing Price was agreed after arm's length negotiations and represents (i) a discount of approximately 13.79% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on 23 August 2007, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 7.92% to the average closing price of approximately HK\$0.1086 per Share as quoted on the Stock Exchange from 16 August 2007 to 22 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 independent of the Rights Issue and is only conditional upon:
- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and
  - (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof.
- If the above conditions are not fulfilled on or prior to 30 September 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 third business day 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. It is expected that the Placing will be completed prior to the Record Date, and the holders of the Placing Shares will be eligible to participate in the Rights Issue.
- Ranking : The Placing Shares, when fully paid and issued, 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 : Given the prevailing market conditions, the Directors consider the timing of the Placing to be in the best interests of the Company and its shareholders as a whole and represents a good opportunity for the Company to raise capital for future business development and expansion. Further, it enables the Company to broaden its shareholders and capital base and enables the Company to capture suitable investment opportunities when they arise.

Use of proceeds : The estimated expenses for the Placing are approximately HK\$2.6 million. The net proceeds arising from the Placing in the amount of approximately HK\$96.1 million, are intended to be used for expanding the Group's business into the junket representative and services sector as disclosed by the Company in its announcements dated 17 October 2006, 13 December 2006, 27 March 2007, 30 March 2007 and 1 June 2007. The Company is still negotiating with the relevant parties in relation to the possible expansion into such sector and will make further announcement once the material terms are finalised. If such opportunity does not materialise, the net proceeds arising from the Placing will be applied for general working capital of the Group.

## **(2) PROPOSED RIGHTS ISSUE**

### **A. 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 date of this announcement	:	4,935,226,388 Shares
Number of Shares to be issued pursuant to the Placing	:	987,000,000 Shares
Number of Shares which may be issued pursuant to the Share Option Scheme	:	372,269,638 Shares
Number of Rights Shares	:	Not less than 2,467,613,194 and not more than 3,147,248,013 Rights Shares
Subscription Price per Rights Share	:	HK\$0.10 per Rights Share

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be issued and allotted on or before the Record Date, including Shares which may be issued and allotted to holders of options granted pursuant to the Share Option Scheme and the Placing Shares. As at the date of this announcement, the Company has no outstanding option granted under the Share Option Scheme, and there are no outstanding securities issued by the Company which are convertible or exchangeable into Shares, but the Company is permitted under the Scheme Mandate Limit as refreshed on 23 July 2007 to grant options to subscribe for up to 372,269,638 Shares. Assuming that the aforesaid options are granted and exercised, and the Placing Shares and Shares issued pursuant to such options are issued and allotted on or prior to the Record Date, the number of Rights Shares to be issued under the Rights Issue will be increased by 679,634,819 Rights Shares.

## **B. Qualifying Shareholders**

The Company will send: (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Excluded Overseas Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the register of members of the Company on the Record Date.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfer of Shares (with the relevant share certificates) for registration with the Company's branch share registrar in Hong Kong by 4:00 p.m. on Wednesday, 19 September 2007.

The Company's branch share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## **C. Excluded Overseas Shareholders**

If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Directors will make enquiries as to whether the issue of Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange.

If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Overseas Shareholders.

Further information in this connection will be set out in the Prospectus containing, among other things, details of the Rights Issue, to be despatched to the Shareholders as soon as practicable.

The Company will only send the Prospectus to the Excluded Overseas Shareholders for their information.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the relevant Excluded Overseas Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

#### **D. Subscription Price**

HK\$0.10 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or applies for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 13.79% to the closing price per Share of HK\$0.116 as quoted on the Stock Exchange on 23 August 2007, being the last trading day prior to the date of this announcement;
- (ii) a discount of approximately 9.09% to the theoretical ex-rights price of approximately HK\$0.11 per Share based on the closing price per Share as quoted on the Stock Exchange on 23 August 2007; and
- (iii) a discount of approximately 7.92% to the average closing price of approximately HK\$0.1086 per Share as quoted on the Stock Exchange from 16 August 2007 to 22 August 2007, both days inclusive, being the last five trading days of the Shares immediately before the date of the Underwriting Agreement.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter. The Directors consider the Subscription Price to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

#### **E. 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.



**F. Share certificates**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before Thursday, 25 October 2007 to those who have accepted or where applicable applied for, and paid for the Rights Shares, by ordinary post at their own risk, and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Thursday, 25 October 2007 by ordinary post to the applicants at their own risk.

**G. Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

**H. Application for excess Rights Shares**

The Qualifying Shareholders may apply for any unsold entitlements of the Excluded Overseas Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares, and any Rights Shares provisionally allotted by not accepted.

Application may be made by completing a prescribed form of application for excess Rights Shares. The Board will allocate the excess Rights Shares at its discretion on a fair and reasonable basis, but will give preference to topping-up odd lots of Shares to whole board lots.

**I. Application for listing**

The Company will apply 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. Under the Listing Rules, Shareholders' approval is not required for the Rights Issue.

The Rights Shares in their nil-paid form will be traded in board lots of 5,000 Rights Shares. Dealings in the Rights Shares, in both their nil-paid and fully-paid forms, in Hong Kong will be subject to the payment of stamp duty.

**J. Closure of register of members**

The register of members of the Company will be closed from Thursday, 20 September 2007 to Monday, 24 September 2007 (both dates inclusive) to determine the eligibility of Shareholders to the Rights Issue. No transfer of Shares will be registered during this period.

## **K. Underwriting arrangements for the Rights Issue**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite up to 3,147,248,013 Rights Shares.

The Rights Issue is independent of the Placing and the Underwriting Agreement is conditional upon fulfillment (or waiver by the Underwriter in respect of the conditions set out in sub-paragraphs (iv) and (v) below) of the following:

- (i) the filing and registration of all relevant documents with the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong respectively;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms;
- (iii) the compliance by the Company with its obligations under the Underwriting Agreement in relation to the despatch of the Prospectus Documents;
- (iv) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (v) the Shares remaining listed on the Stock Exchange and the current listing of the Shares not having been withdrawn and no indication being received to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto).

If at any time on or before 6:00 p.m. on the second business day following the latest date for the acceptance of the Rights Shares:

- (i) 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
- (ii) there shall be:
  - (a) 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;
  - (b) any change in local, national or international financial, political, industrial or economic conditions;
  - (c) any change of an exceptional nature in local, national or international equity securities or currency markets;
  - (d) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;

- (e) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
- (f) 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.

#### **L. Warning of the risks of dealing in Shares and nil-paid Rights Shares**

**The Rights Issue is conditional upon, upon other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms referred to under the section headed “Underwriting Arrangements for the Rights Issue” above. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.**

**Shareholders should note that Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 18 September 2007 and that dealings in the Shares and Rights Shares in nil-paid form will take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and Rights Shares in nil-paid form up to the date on which all conditions to which the Rights Issue is subject remain unfulfilled, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and Rights Shares in nil-paid form who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.**

**M. Expected timetable for the Rights Issue**

The following expected timetable is indicative only and may be subject to change:

**2007**

Last day of dealings in Shares on a cum-rights basis .....	Monday, 17 September
First day of dealings in Shares on an ex-rights basis .....	Tuesday, 18 September
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue .....	4:00 p.m. on Wednesday, 19 September
Closure of register of members .....	Thursday, 20 September to Monday, 24 September
Record Date .....	Monday, 24 September
Register of members re-opens .....	Tuesday, 25 September
Despatch of the Prospectus Documents by ordinary post .....	Friday, 28 September
First day of dealings in nil-paid Rights Shares .....	Tuesday, 2 October
Latest time for splitting of nil-paid Rights Shares .....	4:00 p.m. on Tuesday, 9 October
Last day of dealings in nil-paid Rights Shares .....	Friday, 12 October
Latest time for acceptance of the Rights Shares as well as application for excess Rights Shares and payment of consideration therefor .....	4:00 p.m. on Wednesday, 17 October
Latest time for Rights Issue and Underwriting Agreement to become unconditional .....	6:00 p.m. on Monday, 22 October
Announcement of results of acceptance of the Rights Issue .....	Wednesday, 24 October
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications by ordinary post .....	Thursday, 25 October
Despatch of certificates for fully-paid Rights Shares by ordinary post .....	Thursday, 25 October
Commencement of dealings in fully-paid Rights Shares .....	Monday, 29 October

## N. Reasons for the Rights Issue and use of proceeds of the Rights Issue

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position. 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 estimated net proceeds of the Rights Issue will be approximately HK\$240 million (assuming no further Shares are issued on or prior to the Record Date) or HK\$306 (assuming options are granted and exercised to the fullest extent possible and Placing Shares are issued on or prior to the Record Date). The Company intends to apply such net proceeds for expanding the Group's business into the junket representative and services sector as disclosed by the Company in its announcements dated 17 October 2006, 13 December 2006, 27 March 2007, 30 March 2007 and 1 June 2007. The Company is still negotiating with the relevant parties in relation to the possible expansion into such sector and will make further announcement once the material terms are finalised. If such opportunity does not materialise, the net proceeds of the Rights Issue will be applied for general working capital of the Group.

### (3) EFFECTS ON SHAREHOLDING

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

	Shareholding before the Placing		Shareholding after the Placing but before the Rights Issue		Shareholding after the Placing and the Rights Issue (assuming all Shareholders take up their entitlements)		Shareholding after the Placing and the Rights Issue (assuming no Shareholders take up their entitlements)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Substantial Shareholder</b>								
Willie International Holdings Limited	510,948,000	10.35	510,948,000	8.63	766,422,000	8.63	510,948,000	5.75
<b>Directors</b>								
Kwong Kai Sing, Benny	42,900,000	0.87	42,900,000	0.72	64,350,000	0.72	42,900,000	0.48
Lo Ki Yan, Karen	12,000,000	0.24	12,000,000	0.20	18,000,000	0.20	12,000,000	0.14
Ong Peter	23,876,000	0.48	23,876,000	0.40	35,814,000	0.40	23,876,000	0.27
Poon Chi Wan	3,300,000	0.07	3,300,000	0.06	4,950,000	0.06	3,300,000	0.04
<b>Public</b>	4,342,202,388	87.99	4,342,202,388	73.32	6,513,303,582	73.32	4,342,202,388	48.88
<b>Placers and/or the Placing Agent</b>								
Underwriter	-	-	987,000,000	16.67	1,480,500,000	16.67	987,000,000	11.11
	-	-	-	-	-	-	2,961,113,194	33.33
<b>Total</b>	<b>4,935,226,388</b>	<b>100.00</b>	<b>5,922,226,388</b>	<b>100.00</b>	<b>8,883,339,582</b>	<b>100.00</b>	<b>8,883,339,582</b>	<b>100.00</b>

*Notes:*

1. The above table has not taken into account any Shares which may be issued upon exercise of options granted under the Share Option Scheme. The Company is permitted under the Scheme Mandate Limit as refreshed on 23 July 2007 to grant options to subscribe for up to 372,269,638 Shares. Assuming that the aforesaid options are granted and exercised, and Shares issued pursuant to such options are issued and allotted on or prior to the Record Date, the number of Rights Shares to be issued under the Rights Issue will be increased by 186,134,819 Rights Shares.
2. The Underwriter has confirmed that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and the sub-underwriters will not individually own 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue.

**(4) FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS**

Date of announcement	Date of agreement	Nature of transaction	Placees/ 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	468,000,000 Shares	9.48%	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, and are currently deposited in interest-bearing accounts of the Company	Nil
2 August 2007	2 August 2007	Placing of new Shares under general mandate	Independent third parties	Approximately HK\$130.5 million	744,530,000 Shares	15.09%	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, and are currently deposited in interest-bearing accounts of the Company	Nil

## **5. PROPOSED REFRESHMENT OF GENERAL MANDATES**

The existing general mandate to issue Shares was granted by the Shareholders at the annual general meeting of the Company held on 22 August 2007. After completion of the Placing, the Company will only be left with the balance of 45,278 Shares under the existing general mandate, representing less than 0.01% of the issued share capital of the Company as enlarged by the Placing and the Rights Issue. In order to afford the Company with the maximum flexibility to issue and repurchase new Shares in the future, the Board proposes to seek the approval of the Shareholders to refresh the General Mandates such that:

- (i) the Directors will be given the powers to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution;
- (ii) the Directors will be given the powers to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution; and
- (iii) subject to the passing of the above two resolutions, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares will be extended by the addition of an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution.

A circular containing, among other things, further particulars of the proposed refreshment of General Mandates, a letter from an independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate, the recommendation of the Independent Board Committee in relation to the refreshment of the Issue Mandate and the notice of the SGM, will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

## **6. RESUMPTION OF TRADING**

Trading in the Shares was suspended with effect from 9:30 a.m. on 24 August 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 28 August 2007.

## 7. 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
“Excluded Overseas Shareholders”	the Overseas Shareholders whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Shares to, on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“General Mandates”	the general and unconditional mandates to be granted to the Directors to exercise all powers of the Company to allot, issue, deal with and repurchase Shares up to a specified amount
“Group”	the Company and its subsidiaries
“Independent Board Committee”	a committee of independent non-executive Directors, formed to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate
“Independent Shareholders”	Shareholders other than the controlling Shareholders and their associates or, where there are no controlling Shareholders, executive Directors and their respective associates
“Issue Mandate”	the mandate to allot and issue new Shares as set out in the section headed “Proposed Refreshment of General Mandates” above
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	the Shareholders with registered addresses (as shown in register of members of the Company on the Record Date) which are outside Hong Kong



“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 23 August 2007 between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.10 per Placing Share
“Placing Shares”	987,000,000 new Shares to be placed pursuant to the Placing
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Overseas Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
“Record Date”	24 September 2007, being the date by reference to which entitlements under the Rights Issue will be determined
“Rights Issue”	the issue by way of rights of not less than 2,467,613,194 Rights Shares and not more than 3,147,248,013 Rights Shares in the proportion of one Rights Share for every two Shares held on the Record Date at the Subscription Price payable in full on acceptance
“Rights Share(s)”	new Share(s) of HK\$0.10 each to be allotted and issued under the Rights Issue
“Scheme Mandate Limit”	the maximum number of shares which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme and any other scheme(s) of the Company

“SGM”	the special general meeting of the Company to be convened for the purpose of approving the refreshment of the General Mandates
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 28 September 2004
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“Underwriter”	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
“Underwriting Agreement”	the conditional underwriting agreement dated 23 August 2007 entered into between the Company and the Underwriter in relation to the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 27 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*