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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)

(Warrant Code: 1248)

(1) MAJOR TRANSACTION

– ACQUISITION OF SHARES OF HAO TIAN RESOURCES GROUP LIMITED

(2) MAJOR AND CONNECTED TRANSACTION

– DISPOSAL OF SHARES TO A CONNECTED PERSON OF THE COMPANY

AND

(3) RESUMPTION OF TRADING

The Acquisition

The Board wishes to announce that the Group had purchased 300,000,000 HT Shares off the Stock Exchange through its broker on 21 March 2012 at HK\$0.275 per share. Together with the 100,000,000 HT Shares acquired during the placing of shares by HT at HK\$0.325 per share earlier, the Group together held 400,000,000 HT Shares as at the date of this announcement, representing approximately 10.18% of the entire issued share capital of HT as at the date of this announcement.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under the Listing Rules and is subject to the approval of the Shareholders.

* *For identification purposes only*

The Proposed Disposal and the Forced Sale

As the Acquisition is subject to Shareholders' approval, the Group may not be able to retain the HT Shares that it had acquired pursuant to the Acquisition if Shareholders' approval is not obtained. In this connection, Dr. Kwong, the Chairman of the Board, had undertaken to the Company that in the event that the requisite Shareholders' approval could not be obtained on or before 31 May 2012, he would acquire all the Acquisition Shares at an aggregate consideration of HK\$115 million (equal to the original cost of acquisition to the Group) and reimburse the Group for all costs and expenses incurred in connection with the Acquisition and the Proposed Disposal.

As Dr. Kwong is a Director, the Proposed Disposal constitutes a connected transaction for the Company under the Listing Rules. Further, as one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Disposal exceeds 25% and the total consideration is more than HK\$10 million, the Proposed Disposal is subject to the approval of the Independent Shareholders. A circular containing further particulars of the Acquisition and the Proposed Disposal, the letter from the independent Board committee, the advice from the independent financial advisers and a notice convening the SGM will be despatched to the Shareholders on or before 30 April 2012.

If neither the Acquisition nor the Proposed Disposal is approved by the Shareholders or the Independent Shareholders (as the case may be) at the SGM, the Group would be forced to sell the Acquisition Shares to third party(parties). Dr. Kwong had undertaken to the Company that in such event, he would indemnify the Group for all losses, costs and expenses suffered by the Group in connection with the Acquisition and the Forced Sale.

Resumption of Trading

Trading in the securities and warrants of the Company was suspended with effect from 9:00 a.m. on 22 March 2012 at the request of the Company pending the release of this announcement and application has been made to the Stock Exchange for the resumption of trading in the securities and warrants of the Company with effect from 9:00 a.m. on 23 March 2012.

THE ACQUISITION

The Board wishes to announce that the Group had purchased 300,000,000 HT Shares from a number of sellers off the Stock Exchange on 21 March 2012 at HK\$0.275 per share. Together with the 100,000,000 HT Shares acquired during the placing of shares by HT (announced by HT on 8 March 2012) at HK\$0.325 per share earlier, the Group together held 400,000,000 HT Shares as at the date of this announcement, representing approximately 10.18% of the entire issued share capital of HT as at the date of this announcement.

The Acquisition was conducted through Chung Nam Securities Limited, the Group's broker and a licensed corporation to carry out Type 1 regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Save as disclosed above, to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, Chung Nam Securities Limited and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The price at which the 300,000,000 HT Shares were acquired by the Group was determined after arm's length negotiations between the Company and its broker with reference to the prevailing market price of the HT Shares. The aggregate consideration for the Acquisition of HK\$115 million was paid to Chung Nam Securities Limited in cash on settlement thereof and was funded by internal resources of the Group.

THE PROPOSED DISPOSAL AND THE FORCED SALE

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under the Listing Rules and is subject to the approval of the Shareholders. If such Shareholders' approval is not obtained, the Group would not be able to retain the HT Shares that it had acquired pursuant to the Acquisition. In this connection, Dr. Kwong, the Chairman of the Board, had undertaken to the Company on 21 March 2012 that in the event that the requisite Shareholders' approval could not be obtained on or before 31 May 2012, he would acquire all the Acquisition Shares at an aggregate consideration of HK\$115 million (equal to the original cost of acquisition to the Group) and reimburse the Group for all costs and expenses incurred in connection with the Acquisition and the Proposed Disposal within 5 business days from the date of the SGM.

No gain or loss is expected to accrue to the Group as a result of the Proposed Disposal as the consideration reflects the actual acquisition cost incurred by the Group in relation to the Acquisition and Dr. Kwong would reimburse the Group for all costs and expenses incurred in connection with the Acquisition and the Proposed Disposal. The net proceeds receivable by the Group under the Proposed Disposal are intended to be used for expansion of the Group's existing business and/or future development and/or acquisition of new businesses and assets where suitable opportunities arise.

As Dr. Kwong is a Director, the Proposed Disposal constitutes a connected transaction for the Company under the Listing Rules. Further, as one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Disposal exceeds 25% and the total consideration is more than HK\$10 million, the Proposed Disposal is subject to the approval of the Independent Shareholders. If neither the Acquisition nor the Proposed Disposal is approved by the Shareholders or the Independent Shareholders (as the case may be) at the SGM, the Group would be forced to sell the Acquisition Shares to third party(parties). Pursuant to the Undertaking entered into between the Company and Dr. Kwong on 21 March 2012, the Company would procure the Group

to dispose of all the Acquisition Shares to third party(parties) within 3 months after the date of the SGM if neither the Acquisition nor the Proposed Disposal is approved by the Shareholders or the Independent Shareholders (as the case may be), and if the Group suffers any losses, costs and expenses as a result of or in connection with the Acquisition or the Forced Sale, Dr. Kwong would indemnify the Group for all such losses, costs and expenses.

INFORMATION ON THE HT GROUP

The HT Group is principally engaged in the mining, washing and marketing of coking coal in the PRC. The following is a summary of the audited consolidated results and total assets of the HT Group for the two financial years ended 31 March 2010 and 2011 and as at 31 March 2010 and 31 March 2011 as extracted from the 2010/11 annual report of HT:

	For the financial year ended 31 March	
	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	(468,024)	(96,609)
Taxation	(1,385)	(37)
Loss for the year	(469,409)	(96,646)
	As at 31 March	
	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	2,502,224	2,744,900

REASONS FOR THE ACQUISITION AND THE PROPOSED DISPOSAL

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

The Acquisition is for strategic investment purpose which is in line with the ordinary course of business of the Company. The HT Group is actively investing in energy resources business and mining energy is one of its main focuses. As foreseen by the HT Group, the demand for coking coal in the international and domestic markets will still be tight and coking coal price is expected to rise continually. In addition, the Chinese government is now actively promoting the integration and consolidation of coal mines through merger, reorganisation and shutdown of obsolete, small, inefficient and unsafe coal mines. The shortage in supply of coking coal may therefore be intensified. Thus, the Directors consider that the business of the HT Group has great potential.

At the present moment, the Company has no intention to appoint any person to the board of directors of HT as the Company does not want to interfere with the present management of HT.

In view of the great potential of the HT Group and the price at which the Acquisition Shares were acquired which was determined with reference to the prevailing market price of the HT Shares, the Directors consider the terms of the Acquisition to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Given that the Acquisition involves a number of sellers and a conditional disposal is not customary for sale of listed securities on the market, the Group has no choice but to complete the Acquisition first as the Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole as illustrated above. To comply with the Listing Rules in relation to the obtaining of shareholders' approval, Dr. Kwong had volunteered to take up all the Acquisition Shares at the original acquisition cost of the Group and undertake to reimburse the Group for all costs and expenses incurred in connection with the Acquisition and the Proposed Disposal. The Proposed Disposal is merely an arrangement to facilitate the Acquisition and enable the Company to comply with the requirements of the Listing Rules. As the Proposed Disposal can save the Group from loss in the event that Shareholders' approval is not obtained in respect of the Acquisition, the Directors (excluding the independent non-executive Directors who would express their view after receiving the advice from the independent financial advisers) consider that the terms of the Proposed Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under the Listing Rules and is subject to the approval of the Shareholders. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates (other than Dr. Kwong) have any material interest in the Acquisition. As such, only Dr. Kwong and his associates would be required to abstain from voting in favour of the resolution approving the Acquisition at the SGM.

In respect of the Proposed Disposal, given that Dr. Kwong is a Director, and one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Disposal exceeds 25% and the total consideration is more than HK\$10 million, the Proposed Disposal constitutes a major and connected transaction for the Company under the Listing Rules and is subject to the approval of the Independent Shareholders. A circular containing further particulars of the Acquisition and the Proposed Disposal, the letter from the independent Board committee, the advice from the independent financial advisers and a notice convening the SGM will be despatched to the Shareholders on or before 30 April 2012, which is more than 15 business days after the publication of this announcement as it is expected that more time would be required in view of the forthcoming Easter holiday for gathering the necessary information (such as bank confirmations) for compiling the financial information to be contained in the circular.

RESUMPTION OF TRADING

Trading in the securities and warrants of the Company was suspended with effect from 9:00 a.m. on 22 March 2012 at the request of the Company pending the release of this announcement and application has been made to the Stock Exchange for the resumption of trading in the securities and warrants of the Company with effect from 9:00 a.m. on 23 March 2012.

DEFINITIONS

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

“Acquisition”	the acquisition of 400,000,000 HT Shares by the Group as described in this announcement
“Acquisition Shares”	the 400,000,000 HT Shares acquired by the Group pursuant to the Acquisition, representing approximately 10.18% of the entire issued share capital of HT as at the date of this announcement
“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 Stock Exchange
“Director(s)”	the director(s) of the Company
“Dr. Kwong”	Dr. Kwong Kai Sing, Benny, an executive Director and the Chairman of the Board
“Forced Sale”	the disposal of the Acquisition Shares to third party(parties) in the event that neither the Acquisition nor the Proposed Disposal is approved by the Shareholders or the Independent Shareholders (as the case may be) at the SGM
“Group”	the Company and its subsidiaries
“HT”	Hao Tian Resources Group Limited (Stock Code: 474), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“HT Group”	HT and its subsidiaries

“HT Shares”	ordinary share(s) of HK\$0.05 each in the share capital of HT
“Independent Shareholders”	Shareholders other than Dr. Kwong and his associate(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Disposal”	the proposed disposal of the Acquisition Shares to Dr. Kwong in the event that the Acquisition is not ratified by the Shareholders at the SGM
“SGM”	the special general meeting of the Company to be convened for the purpose of ratifying the Acquisition and considering the Proposed Disposal in the event that the Acquisition is not ratified by the Shareholders
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Undertaking”	the deed of undertaking entered into between the Company and Dr. Kwong on 21 March 2012 in relation to the Proposed Disposal and the Forced Sale

By order of the Board
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 22 March 2012

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