

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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) SUBSCRIPTION OF SHARES UNDER GENERAL MANDATE

AND

(2) GRANT OF OPTIONS

The Subscription

The Board wishes to announce that on 20 April 2012, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber agreed to subscribe for, and the Company agreed to allot and issue, 56,989,403 Shares at the Subscription Price of HK\$0.12 per Share. The Subscription Shares represent approximately 0.74% of the existing issued share capital of the Company and approximately 0.73% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

Grant of Options

The Board also announces that on 20 April 2012, the Company granted, subject to acceptance of the grantee, share option to an eligible person under the Share Option Scheme to subscribe for 18,996,467 Shares at HK\$0.137 per Share.

* For identification purposes only

THE SUBSCRIPTION

The Subscription Agreement

Date:

20 April 2012

Parties:

- (a) the Company; and
- (b) the Subscriber

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Subscription Shares:

56,989,403 Shares, representing approximately 0.74% of the existing issued share capital of the Company and approximately 0.73% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price:

The Subscription Price of HK\$0.12 per Share represents:

- (a) a discount of approximately 12.41% to the closing price of HK\$0.137 per Share as quoted on the Stock Exchange on 20 April 2012, being the date of the Subscription Agreement;
- (b) a discount of approximately 11.37% to the average closing price of HK\$0.1354 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement; and
- (c) a discount of approximately 12.60% to the average closing price of HK\$0.1373 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Subscriber and the Company on the date of the Subscription Agreement with reference to the prevailing market price and daily turnover of the Shares. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and the Subscription is in the interest of the Company and the Shareholders as a whole.

The Subscription Shares have a market value of approximately HK\$7.81 million, based on the closing price of HK\$0.137 per Share on 20 April 2012, being the date of the Subscription Agreement. After deducting the expenses relating to the Subscription, the net price per Subscription Share is approximately HK\$0.118.

General mandate:

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting held on 3 August 2011. As at the date of this announcement, the Company can issue up to 56,989,403 Shares under the general mandate. After completion of the Subscription, the general mandate will be fully utilised. The issue of the Subscription Shares is not subject to the approval of the Shareholders.

Condition of the Subscription Agreement:

Completion of the Subscription Agreement is conditional upon the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange.

In the event that the condition to the Subscription is not fulfilled on or before 31 May 2012 (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement shall terminate and none of the parties thereto shall have any claim against the other for costs, damages, compensation or otherwise.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Ranking of the Subscription Shares:

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the date of completion of the Subscription, including the right to any dividends or distribution declared, made or paid on or after the date of completion of the Subscription.

Completion of the Subscription:

Completion of the Subscription shall take place on the third business day after fulfillment of the condition of the Subscription Agreement set out above (or such later date as the Company and the Subscriber may agree in writing).

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

Set out below is the table of shareholding of the Company before and after completion of the Subscription:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors				
Kwong Kai Sing, Benny	6,347,484	0.08%	6,347,484	0.08%
Ong Peter	3,532,654	0.05%	3,532,654	0.05%
Poon Chi Wan	488,268	0.01%	488,268	0.01%
The Subscriber	–	–	56,989,403	0.73%
Other Public Shareholders	<u>7,717,222,895</u>	<u>99.86%</u>	<u>7,717,222,895</u>	<u>99.13%</u>
Total:	<u><u>7,727,591,301</u></u>	<u><u>100.00%</u></u>	<u><u>7,784,580,704</u></u>	<u><u>100.00%</u></u>

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

The Company's equity fund raising exercise over the past 12-month period immediately preceding the date of this announcement is set out below:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
11 August 2011	Rights issue of 6,268,834,396 new Shares on the basis of 22 rights shares for every Share held on the record date with bonus warrants on the basis of one bonus warrant for every five rights shares taken up	HK\$374 million	Approximately 80% of the net proceeds for expansion of existing business, development and/or acquisition of new businesses and assets where suitable opportunities arise and approximately 20% for general working capital of the Group	<ul style="list-style-type: none"> – HK\$180 million for the acquisition of a 2.5% unsecured note due 2014 issued by Mascotte Holdings Limited; – HK\$115 million for the acquisition of 400,000,000 shares in Hao Tian Resources Group Limited; – HK\$52 million for investment in other securities; and – HK\$27 million placed on deposit with banks

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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, money-lending businesses and Chinese medicine clinic operation.

The gross proceeds from the Subscription will be approximately HK\$6.84 million and the net proceeds from the Subscription of approximately HK\$6.70 million will be used for general working capital of the Group.

Given that (i) the Subscription will be completed within a relatively short period of time when compared with other methods of fund raising, such as rights issue, and (ii) the dilution effect to the shareholding of the existing Shareholders as a result of the Subscription is relatively minimal, the Directors consider that the Subscription is an appropriate means of raising additional capital for the Group without incurring interest costs and at the same time, broadening the capital base of the Company.

GRANT OF OPTIONS

This announcement is also made pursuant to Rule 17.06A of the Listing Rules.

On 20 April 2012, the Company granted, subject to acceptance of the grantee, share option to an eligible person under the Share Option Scheme to subscribe for 18,996,467 Shares. Details of the option granted are set out below:

Exercise price of option granted: HK\$0.137 per Share

Validity period of the option: From 20 April 2012 to 19 April 2022

As at 20 April 2012, being the date of grant of the aforesaid option, the closing market price of the Shares was HK\$0.137 per Share.

The Board confirms that the aforesaid grantee is not a director, chief executive or substantial shareholder of the Company or an associate of any of them.

DEFINITIONS

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

“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2004
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Liu On Bong, Peter
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 20 April 2012 entered into between the Company and the Subscriber in relation to the subscription of 56,989,403 Shares
“Subscription Price”	HK\$0.12 per Subscription Share

“Subscription Shares” 56,989,403 new Shares to be allotted and issued under the Subscription

“%” per cent.

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

Hong Kong, 20 April 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.