
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Heritage International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) PROPOSED CAPITAL REORGANISATION,

(2) REFRESHMENT OF GENERAL MANDATES

AND

(3) REFRESHMENT OF SCHEME MANDATE LIMIT

**Independent financial adviser to the independent board committee and
independent shareholders of Heritage International Holdings Limited**

 **Baron Capital Limited**

A letter from the independent board committee containing its recommendation to the independent shareholders of Heritage International Holdings Limited is set out on page 14 of this circular. A letter from Baron Capital Limited containing its advice to the independent board committee and independent shareholders of Heritage International Holdings Limited is set out on pages 15 to 19 of this circular.

A notice convening a special general meeting of the Company to be held at 30/F., China United Centre, No. 28 Marble Road, North Point, Hong Kong on 23 July 2007 at 9:00 a.m. is set out on pages 22 to 26 of this circular. If you are not able to attend the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 32/F., China United Centre, No. 28 Marble Road, North Point, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Authorised Share Capital Increase”	the proposed increase of the authorised share capital of the Company as referred to in the paragraph headed “Authorised Share Capital Increase” in this circular
“Baron”	Baron Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate. Baron is a licensed corporation to perform type 1 and type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Board”	the board of Directors
“Capital Reorganisation”	the proposed capital reorganisation of the Company comprising the Share Consolidation and the Authorised Share Capital Increase, as referred to in the section headed “Proposed Capital Reorganisation” in this circular
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consolidated Share(s)”	new ordinary share(s) of HK\$0.10 each in the share capital of the Company following the Capital Reorganisation
“Director(s)”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	a committee of independent non-executive Directors, comprising Messrs. Chan Sze Hung, To Shing Chuen, Ha Kee Choy, Eugene and Chung Yuk Lun to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate
“Independent Shareholders”	Shareholders other than the executive Directors and their respective associates
“Issue Mandate”	the mandate to allot and issue new shares as set out in resolutions numbered 2 and 4 of the Notice of SGM
“Latest Practicable Date”	4 July 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of SGM”	the notice convening the SGM as set out on pages 22 to 26 of this circular
“Placing”	the placing of 2,340,000,000 new Shares at the price of HK\$0.075 per Share to at least six (6) independent investors pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 13 June 2007 between the Company and Get Nice Investment Limited in respect of the Placing
“Repurchase Mandate”	the mandate to repurchase Shares as described in the explanatory statement set out in the Appendix to this circular
“Scheme Mandate Limit”	10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme/date of approval of the refreshment of the scheme mandate limit (as the case may be) 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 held at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 23 July 2007 at 9:00 a.m., notice of which is set out on pages 22 to 26 of this circular
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company

DEFINITIONS

“Share Consolidation”	the proposed consolidation of Shares as referred to in the paragraph headed “Share Consolidation” in this circular
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2004
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

2007

Latest time for lodging proxy form for the SGM	9:00 a.m. on 21 July
Date and time of the SGM	9:00 a.m. on 23 July
Effective date of the Capital Reorganisation	27 July
Consolidated Shares commence trading on the Stock Exchange	9:30 a.m. on 27 July
Original counter for trading in the Shares in board lots of 20,000 Shares closes	9:30 a.m. on 27 July
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m. on 27 July
First day of free exchange of share certificates for existing Shares for new share certificates for Consolidated Shares	27 July
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens	9:30 a.m. on 10 August
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:30 a.m. on 10 August
Designated broker starts to stand in the market to provide matching services	9:30 a.m. on 10 August
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on 31 August
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on 31 August
Designated broker ceases to stand in the market to provide matching services	4:00 p.m. on 31 August
Last day of free exchange of the share certificates for existing Shares for new share certificates for Consolidated Shares	4 September

Note: All references in this circular to time and dates are references to Hong Kong time and dates.

LETTER FROM THE BOARD



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

Executive Directors:

Kwong Kai Sing, Benny

Lo Ki Yan, Karen

Ong Peter

Poon Chi Wan

Chow Chi Wah, Vincent

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Chan Sze Hung

To Shing Chuen

Ha Kee Choy, Eugene

Chung Yuk Lun

Principal place of business in

Hong Kong:

32/F., China United Centre

No. 28 Marble Road

North Point

Hong Kong

6 July 2007

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED CAPITAL REORGANISATION,

(2) REFRESHMENT OF GENERAL MANDATES

AND

(3) REFRESHMENT OF SCHEME MANDATE LIMIT

A. INTRODUCTION

The Board announced on 14 June 2007 that a special general meeting of the Company would be convened to seek the approval of the Shareholders to (i) reorganise the capital structure of the Company; (ii) grant the General Mandates; and (iii) refresh the Scheme Mandate Limit. The main purpose of this circular is to provide you with further particulars of the above proposals and the Notice of SGM.

* For identification purposes only

LETTER FROM THE BOARD

An independent board committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate. Baron has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate.

B. PROPOSED CAPITAL REORGANISATION

The Company intends to put forward to the Shareholders the Capital Reorganisation comprising the Share Consolidation and the Authorised Share Capital Increase, the details of which are set out below.

1. Share Consolidation

Pursuant to the Share Consolidation, every five Shares of HK\$0.02 each will be consolidated into one Consolidated Share of HK\$0.10 each. Fractional Consolidated Shares will not be issued but will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

2. Authorised Share Capital Increase

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000,000.00 divided into 25,000,000,000 Shares. The Company will propose to the Shareholders at the SGM that, immediately following the Share Consolidation, the authorised share capital of the Company be increased from HK\$500,000,000.00 to HK\$5,000,000,000.00 divided into 50,000,000,000 Consolidated Shares of HK\$0.10 each.

3. Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) passing by the Shareholders of the relevant resolution at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be issued following completion of the Share Consolidation.

Subject to fulfillment of the above conditions, the Capital Reorganisation will take effect on the business day immediately after completion of the Placing Agreement or its earlier termination. Further announcement will be made by the Company to inform the Shareholders about the effective date of the Capital Reorganisation.

LETTER FROM THE BOARD

4. Effect of the Capital Reorganisation

The Consolidated Shares arising from the Capital Reorganisation will rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company. The following table sets out the effect of the Capital Reorganisation on the share capital of the Company:

	Before the Capital Reorganisation and the Placing	Immediately after the Capital Reorganisation and the Placing
Nominal value	HK\$0.02	HK\$0.10
Authorised share capital	HK\$500,000,000.00 divided into 25,000,000,000 Shares	HK\$5,000,000,000.00 divided into 50,000,000,000 Consolidated Shares
Issued and paid-up share capital	HK\$372,269,638.86 divided into 18,613,481,943 Shares	HK\$419,069,638.80 divided into 4,190,696,388 Consolidated Shares

Notes:

1. The above table is prepared on the assumption that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM.
2. As at the Latest Practicable Date, there were no outstanding derivatives or options granted under the Share Option Scheme.

After the Capital Reorganisation becoming effective, the board lot for trading in the Consolidated Shares will be changed from 20,000 Shares to 5,000 Consolidated Shares.

The implementation of the Capital Reorganisation will not, of itself, materially alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders.

5. Reasons for the Capital Reorganisation

The proposed Capital Reorganisation is expected to bring about an upward adjustment in the trading price of the shares of the Company on the Stock Exchange, ensuring that Rule 13.64 of the Listing Rules would be complied with. Besides, it would also reduce the overall transaction costs for dealings in the shares of the Company.

The Board also considers it desirable to propose the Authorised Share Capital Increase for approval by the Shareholders at the SGM. If approved, such proposal will provide the Company with sufficient share issuance limit under its bye-laws for immediate future use without the need to obtain further approval from the Shareholders at general meetings to revise it from time to time.

LETTER FROM THE BOARD

Therefore, the Directors consider the Capital Reorganisation to be in the interests of the Company and the Shareholders as a whole.

6. Trading arrangements and exchange of share certificates

The existing board lot size of the Shares is 20,000 Shares. The Consolidated Shares will be traded in board lots of 5,000 Consolidated Shares. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefits of the Company.

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares as a result of the Share Consolidation and change in board lot size, the Company has agreed to procure Chung Nam Securities Limited to stand in the market to provide matching services for the odd lots of the Consolidated Shares on a best effort basis, during the period from Friday, 10 August 2007 to Friday, 31 August 2007 (both dates inclusive). Holders of the Consolidated Shares in odd lots (i.e. lots which are not in integral multiples of 5,000 Consolidated Shares) who wish to take advantage of this matching facility either to dispose of their odd lots of Consolidated Shares or to top up to board lots of 5,000 Consolidated Shares, may contact Mr. Cecil Chan of Chung Nam Securities Limited at 31/F., China United Centre, No.28 Marble Road, North Point, Hong Kong at telephone number (852) 3198 0838 during office hours.

Holders of Consolidated Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above procedures.

Subject to the passing of the relevant resolution approving the Capital Reorganisation, dealings in the Consolidated Shares are expected to commence on 9:30 a.m. on Friday, 27 July 2007 and it is proposed that arrangements for trading in the Consolidated Shares will be as follows:

- (a) with effect from 9:30 a.m. on Friday, 27 July 2007, the existing counter for trading in Shares in board lots of 20,000 Shares in the form of existing share certificates (in yellow colour) will be temporarily closed;
- (b) with effect from 9:30 a.m. on Friday, 27 July 2007, a temporary counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares in the form of existing share certificates (in yellow colour) will be established and every five Shares of HK\$0.02 each will be deemed to represent one Consolidated Share. Existing share certificates (in yellow colour) can only be traded at this temporary counter;
- (c) with effect from 9:30 a.m. on Friday, 10 August 2007, the original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares in the form of new share certificates (in pink colour) will be re-opened;
- (d) during the period from 9:30 a.m. on Friday, 10 August 2007 to 4:00 p.m. on Friday, 31 August 2007 (both dates inclusive), there will be parallel trading at the above two counters; and

LETTER FROM THE BOARD

- (e) the temporary counter for trading in existing share certificates in board lots of 4,000 Consolidated Shares will be removed after the close of trading on Friday, 31 August 2007 and thereafter, trading will only be in Consolidated Shares in board lots of 5,000 Consolidated Shares (represented by new share certificates in pink colour). Existing yellow colour share certificates will only be valid for delivery and settlement in respect of dealings for the period up to and including Friday, 31 August 2007 and thereafter will not be acceptable for trading and settlement purposes. However, existing certificates for Shares will continue to be good evidence of legal title to the Consolidated Shares on the basis of five Shares for one Consolidated Share and may be exchanged for new share certificates for Consolidated Shares at any time.

Shareholders may, during business hours from 27 July 2007 until 4 September 2007, submit their existing yellow colour certificates for the Shares to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in exchange for new pink colour certificates for the Consolidated Shares at the expenses of the Company. Thereafter, existing certificates for the 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 certificate issued for the Consolidated Shares or each old share certificate of the Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time.

7. Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be issued following the completion of the Share Consolidation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Consolidated Shares on the Stock Exchange or such other date as may be 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.

C. REFRESHMENT OF GENERAL MANDATES

At the annual general meeting of the Company held on 23 August 2006, general mandates ("Existing General Mandates") were granted to the Directors to exercise the powers of the Company to repurchase Shares and to allot, issue and deal with new Shares.

Subject to fulfillment of certain conditions precedent and the Placing Agreement not having been terminated by the placing agent in accordance with the terms thereof, an aggregate of 2,340,000,000 Shares would be issued by the Company pursuant to the Existing General Mandates, representing more than 99.99% of the Existing General Mandates in respect of issuance of new Shares.

LETTER FROM THE BOARD

If the Existing General Mandates are not renewed, only 16,388 new Shares may be further issued under the Existing General Mandates, and these represent less than 0.01% of the issued share capital of the Company as enlarged by the Placing.

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:

- (a) the Directors will be given the powers to allot, issue and deal with additional shares of the Company 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. On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the above mandate to issue a maximum of 3,722,696,388 new Shares (equivalent to 744,539,277 Consolidated Shares);
- (b) the Directors will be given the powers to repurchase shares of the Company 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. On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the above mandate to repurchase a maximum of 1,861,348,194 Shares (equivalent to 372,269,638 Consolidated Shares); and
- (c) 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. On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the above extension to issue a further of 1,861,348,194 new Shares (equivalent to 372,269,638 Consolidated Shares) if the Repurchase Mandate is exercised in full.

An explanatory statement, as required by the Listing Rules to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the Repurchase Mandate is set out in the Appendix to this circular.

D. REFRESHMENT OF SCHEME MANDATE LIMIT

The Board also wishes to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit.

The existing Scheme Mandate Limit was refreshed on 8 May 2006, which enables the Directors to grant options to eligible person(s) under the Share Option Scheme to subscribe for up to 713,408,194 Shares. Up to the Latest Practicable Date, the Company has granted options entitling the holders thereof to subscribe for in aggregate 713,400,000 Shares, representing approximately 99.99% of the existing

LETTER FROM THE BOARD

Scheme Mandate Limit. If the existing Scheme Mandate Limit is not refreshed, the Company would only be allowed to grant options to subscribe for up to 8,194 Shares, representing less than 0.01% of the issued share capital of the Company as at the Latest Practicable Date. In order to provide the Company with greater flexibility in granting options to eligible person(s) under the Share Option Scheme, the Board decides to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company shall not exceed 10% of the shares in issue as at the date of passing the relevant resolution at the SGM. Options previously granted under the Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

If the Scheme Mandate Limit is refreshed, on the basis of 18,613,481,943 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the SGM, the Board will be allowed to grant options to subscribe for up to 1,861,348,194 Shares (equivalent to 372,269,638 Consolidated Shares), which do not include options that are outstanding, cancelled or lapsed as at the date of the SGM. As at the Latest Practicable Date, there were no outstanding options granted under the Share Option Scheme or any other scheme(s) of the Company which remain unexercised.

Pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company at any time must not in aggregate exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the SGM approving the refreshment of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme and any other scheme(s) of the Company.

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 Shares (or Consolidated Shares) to be issued pursuant to the exercise of options to be granted under the Share Option Scheme and any other scheme(s) of the Company.

E. SGM

A notice convening the SGM to be held at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 23 July 2007 at 9:00 a.m. is set out on pages 22 to 26 of this circular. Pursuant to Rules 13.36(4)(a) and 13.39(4) of the Listing Rules, the granting of the Issue Mandate requires the approval of the Independent Shareholders at the SGM voting by way of poll. Directors (excluding the

LETTER FROM THE BOARD

independent non-executive Directors) and chief executive of the Company and their respective associates are required to abstain from voting on the relevant resolutions at the SGM. As regards the other resolutions relating to the Capital Reorganisation, refreshment of the Repurchase Mandate and the Scheme Mandate Limit, all Shareholders are entitled to vote.

If you are not able to attend the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 32/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

Pursuant to the bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) duly demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person or by proxy or representative for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy or representative and representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy or representative and holding Shares in the Company conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

F. RECOMMENDATION

For the reasons set out above, the Board considers the Capital Reorganisation and the refreshment of the General Mandates and the Scheme Mandate Limit to be in the interest of the Company and its Shareholders as a whole, and accordingly, recommends all Shareholders who are entitled to vote at the SGM to vote in favour of the resolutions set out in the Notice of the SGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 14 of this circular and the letter from Baron containing its advice and the principal factors which it has considered in arriving at its advice with regard to the refreshment of the Issue Mandate, as set out on pages 15 to 19 of this circular.

LETTER FROM THE BOARD

G. GENERAL

Baron has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

H. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Kwong Kai Sing, Benny
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

6 July 2007

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF ISSUE MANDATE

We refer to the circular from the Company to the Shareholders dated 6 July 2007 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the refreshment of the Issue Mandate, details of which are set out in the “Letter from the Board” set out on pages 5 to 13 of the Circular. We wish to draw your attention to the “Letter from Baron” set out on pages 15 to 19 of the Circular, which contains Baron’s advice regarding the refreshment of the Issue Mandate.

Having taken into account the advice of Baron, we consider the refreshment of the Issue Mandate to be fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM to approve the refreshment of the Issue Mandate.

Yours faithfully,

Chan Sze Hung	To Shing Chuen	Ha Kee Choy, Eugene	Chung Yuk Lun
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

* *For identification purposes only*

LETTER FROM BARON

The following is the full text of a letter of advice from Baron to the Independent Board Committee and the Independent Shareholders dated 6 July 2007 prepared for the purpose of incorporation in this circular:



4/F, Aon China Building
29 Queen's Road Central
Central, Hong Kong

6 July 2007

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

PROPOSED REFRESHMENT OF ISSUE MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, details of which are contained in the letter from the Board (the "Letter from the Board") set out on pages 5 to 13 of the circular of the Company dated 6 July 2007 (the "Circular"), of which this letter forms part. Terms defined in the Circular have the same meaning herein unless the context requires otherwise.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the refreshment of the Issue Mandate requires the approval of the Independent Shareholders at the SGM voting by way of poll. Any controlling shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates are required to abstain from voting on the relevant resolutions at the SGM. As at the Latest Practicable Date, the Company does not have any controlling shareholder and an aggregate of 410,380,000 Shares (representing approximately 2.20% of the existing issued share capital of the Company) were held by Mr. Kwong Kai Sing, Benny, Ms. Lo Ki Yan, Karen, Mr. Ong Peter and Ms. Poon Chi Wan, all being executive Directors. In this regard, all Directors and the chief executive and their respective associates will accordingly be required to abstain from voting on the relevant resolutions in relation to the refreshment of the Issue Mandate. The Independent Board Committee has been established to advise the Independent Shareholders as to whether the refreshment of the Issue Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information supplied and the opinion expressed by the Directors and the management of the Company. We have assumed that the information contained and

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representations made to us or referred to in the Circular are true, accurate and complete at the time they were made and continue to be so at the date of the Circular.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading.

Having made all reasonable enquiries, the Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and further confirmed that, to the best of their knowledge, they believe there are no other facts or representations, the omission of which would make any statement in the Circular, including this letter, misleading.

We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, nor have we considered the taxation implication on the Group or the Shareholders as a result of the refreshment of the Issue Mandate.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the refreshment of the Issue Mandate, we have taken the following principal factors and reasons into consideration:

A. Background of and reasons for the Issue Mandate

The Group is principally engaged in property related investments and investments in securities and money-lending business.

At the annual general meeting of the Company held on 23 August 2006 (“AGM”), general mandate (“Existing Issue Mandate”) was granted to the Directors to allot, issue and deal with up to 2,340,016,388 new Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. The Company has not refreshed the Existing Issue Mandate since the AGM.

On 14 June 2007, the Company announced, inter alia, (i) the Placing; (ii) the Capital Reorganisation; (iii) the refreshment of General Mandates; and (iv) the refreshment of the Scheme Mandate Limit. The Placing is expected to be completed in July 2007 after the passing of the relevant resolution at the SGM approving the Capital Reorganisation, with 2,340,000,000 new Shares to be issued under the Existing Issue Mandate. The net proceeds arising from the Placing of approximately HK\$171 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 materialize, for general working capital of the Group.

As stated in the Letter from the Board, after completion of the Placing, the Company will only be left with the balance of 16,388 Shares under the Existing Issue Mandate, representing less than 0.01% of the issued share capital of the Company as enlarged by the Placing. Given that more than 99.99% of the Existing Issue Mandate has been utilized, in order to maximize the financial flexibility of the Company for its business development in the future, the Directors proposed to seek the approval from the Independent

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Shareholders at the SGM for the refreshment of the Issue Mandate so that the Directors would be granted the powers to allot, issue and deal with additional shares of the Company 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 at the SGM.

The Directors propose to seek the approval of the Independent Shareholders at the SGM to refresh the Issue Mandate. The Issue Mandate will, if approved by the Independent Shareholders, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and (iii) the date on which the authority is revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting.

B. Financial flexibility

As mentioned in the announcement of the Company dated 27 March 2007, the Company was negotiating with a casino owner (the “Casino Owner”) in Macau for entering into a management arrangement with the Casino Owner. The Company planned to invest in Easywin Cotai Entertainment Limited (“Easywin”) (an indirect wholly-owned subsidiary of the Company) for development of gaming and entertainment related businesses, including but not limited to the provision of VIP/promoter services to the Casino Owner in Macau. On 1 June 2007, the Company announced that the Group entered into a junket representative and services agreement (the “Services Agreement”) with a casino operator (a foreign limited liability company and a third party independent of the Company and connected persons of the Company) on 11 April 2007, pursuant to which the Group had conditionally agreed to procure certain marketing and promotional services to a VIP area to be established by the casino operator in a Las Vegas style casino which will be opened within the next two years in Macau. However, the Company had also announced in that announcement that, to ensure the Services Agreement complies with all relevant requirements in Macau, the parties to the Services Agreement had entered into a termination agreement on 30 May 2007 (the “Termination Agreement”) in order to terminate the Services Agreement and release and discharge each other from their respective obligations under the Services Agreement with effect from the date of the Termination Agreement. As advised by the Directors, the negotiations with the related parties are still in progress for finalizing a new structure that is viable and acceptable to both parties and the regulatory authorities in Macau, the Company is considering provision of financial assistance to a connected person of the Company to facilitate the implementation of the structure.

As stated in the interim report of the Company for the six months ended 30 September 2006, the cash and bank balances of the Group was approximately HK\$44 million as at 30 September 2006 and the Group will receive approximately HK\$171 million from the Placing. Given the fact that the Company plans to invest in Easywin to develop the gaming and entertainment related businesses, including but not limited to the provision of the VIP/promoter services to the Casino Owner, we concur with the Directors’ view that the refreshment of the Issue Mandate will afford the Company with maximum flexibility to issue new Shares in the future. The Directors also considered that, in the event that the Group requires additional funding to further expand the business into the junket representative and services sector and the Group may or may not be able to obtain loans or raise funds from the market, which may cost the Group an opportunity to expand the business. Therefore, we consider that the refreshment of the Issue

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Mandate could provide the Company with the flexibility to fulfill any possible funding requirements of the Group's future business development and enhance the flexibility of the Company to manage its business. In this regard, we consider the refreshment of the Issue Mandate is in the interests of the Company and the Shareholders as a whole.

C. Other financing alternatives

As advised by the Directors, other than fund raising by way of issuing of equity capital, the Directors would also consider other viable financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future development of the Group, depending on the then financial position, capital structure and cost of funding to the Group and the then market conditions. The Directors believe that the refreshment of the Issue Mandate provides an alternative to the Group to finance the expansion of the Group's businesses. We concur with the Directors' view that the refreshment of the Issue Mandate serves as an alternative for the Company to raise capital to cope with any future expansion of the Group's business.

D. Potential dilution to shareholding of the Independent Shareholders

The following table illustrates the shareholding structure of the Company as at the Latest Practicable Date and the potential shareholding dilution effect of existing Independent Shareholders upon full utilization of the Issue Mandate (assuming no Shares are issued or repurchased by the Company):

	Shareholding structure as at the Latest Practicable Date		Shareholding structure after full utilization of the Issue Mandate and on the assumption that the Placing had been completed	
	<i>Number of Shares</i>	<i>% (Approximate)</i>	<i>Number of Shares</i>	<i>% (Approximate)</i>
Substantial Shareholder <i>(Note)</i>	2,554,740,000	13.73%	2,554,740,000	10.35%
<i>Directors</i>				
Kwong Kai Sing, Benny	214,500,000	1.15%	214,500,000	0.87%
Lo Ki Yan, Karen	60,000,000	0.32%	60,000,000	0.24%
Ong Peter	119,380,000	0.64%	119,380,000	0.48%
Poon Chi Wan	16,500,000	0.09%	16,500,000	0.07%
Public Shareholders	15,648,361,943	84.07%	15,648,361,943	63.42%
Places and/or Get Nice Investment Limited, the placing agent to the Placing	–	–	2,340,000,000	9.48%
Shares to be issued under the Issue Mandate	–	–	3,722,696,388	15.09%
Total	<u>18,613,481,943</u>	<u>100.00%</u>	<u>24,676,178,331</u>	<u>100.00%</u>

Note: These Shares are held by Pearl Decade Limited, a company wholly-owned by Willie International Holdings Limited, the shares of which are listed on the main board of the Stock Exchange. Therefore, Willie International Holdings Limited is deemed to be interested in these Shares.

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As shown in the above table, 3,722,696,388 Shares will be issued upon full utilization of the Issue Mandate, which represent approximately 20% of the existing issued share capital of the Company and approximately 15.09% of the enlarged issued share capital of the Company upon full utilization of the Issue Mandate and the completion of the Placing. We would like to draw the Independent Shareholders' attention to the fact that, the aggregate shareholding of the existing Independent Shareholders will decrease from approximately 84.07% to approximately 63.42% upon full utilization of the Issue Mandate and completion of the Placing.

Taken into consideration that the benefits of the refreshment of the Issue Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted to the same extent, we consider that the potential dilution effect to shareholding of the existing Independent Shareholders upon full utilization of the Issue Mandate is acceptable.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the refreshment of the Issue Mandate is in the interests of the Company and the Shareholders as a whole, and the refreshment of the Issue Mandate is also fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the refreshment of the Issue Mandate at the SGM.

Yours faithfully,
For and on behalf of
Baron Capital Limited
Sheron Yau
Director

This Appendix serves as an explanatory statement as required by the Listing Rules, to be included in this circular concerning the repurchase of shares by the Company.

Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 18,613,481,943 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate at the SGM and on the basis that no further Shares are issued or repurchased prior to the SGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,861,348,194 Shares (or 372,269,638 Consolidated Shares).

Reasons for the repurchase

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases as and when appropriate and beneficial to the Company. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

Funding of repurchases

In repurchasing the shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Hong Kong and Bermuda.

The Company is empowered by its memorandum of association and bye-laws to repurchase its securities.

There may be material adverse impact on the working capital or the gearing position of the Company (as compared with the position disclosed in the Company's audited accounts for the year ended 31 March 2006) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Undertaking of the Directors

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

Effect of the Takeovers Code

If, on the exercise of the power to repurchase shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become

obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Based on the shareholding structure of the Company as at the Latest Practicable Date, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

Directors, their associates and connected persons

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any associates of any of the Directors has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell shares to the Company.

No connected person of the Company has notified the Company that he/she has a present intention to sell shares to the Company nor has he/she undertaken not to sell any of the shares held by him/her to the Company in the event that the Company is authorised to make repurchases of shares.

Share repurchase made by the Company

No repurchases of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

Share prices

During each of the past twelve months preceding the Latest Practicable Date, the highest and lowest traded prices of the Shares on the Stock Exchange are as follows:

	Highest traded price <i>HK\$</i>	Lowest traded price <i>HK\$</i>
2006		
July	0.027	0.020
August	0.024	0.016
September	0.019	0.016
October	0.025	0.016
November	0.030	0.020
December	0.028	0.021
2007		
January	0.026	0.019
February	0.034	0.020
March	0.030	0.021
April	0.029	0.025
May	suspended	suspended
June	0.102	0.050
July (up to the Latest Practicable Date)	0.059	0.043

NOTICE OF SGM



HERITAGE INTERNATIONAL HOLDINGS LIMITED

漢基控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 412)

NOTICE IS HEREBY GIVEN that a special general meeting of Heritage International Holdings Limited (the “Company”) will be held at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 23 July 2007 at 9:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

1. **“THAT** subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidated Shares (as defined below), with effect from 9:30 a.m. on the business day (not being a Saturday, Sunday or public holiday in Hong Kong) (“Effective Date”) immediately after completion of the placing agreement entered into between the Company and Get Nice Investment Limited on 13 June 2007 or its earlier termination:
 - (a) every five shares of HK\$0.02 each in the issued and unissued share capital of the Company be consolidated into one share of HK\$0.10 (each a “Consolidated Share”) and the Consolidated Shares in issue shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of shares contained in the bye-laws of the Company;
 - (b) all fractional Consolidated Shares be aggregated and, if practicable, sold for the benefits of the Company; and
 - (c) the authorised share capital of the Company of HK\$500,000,000.00 divided into 5,000,000,000 Consolidated Shares immediately after the share consolidation in paragraph (a) above taking effect be increased to HK\$5,000,000,000.00 divided into 50,000,000,000 Consolidated Shares by creation of 45,000,000,000 new Consolidated Shares in the share capital of the Company,

and the directors of the Company be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and exercise any documents which in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this resolution.”

* *For identification purposes only*

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2. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company; or (iii) the exercise of options granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to eligible persons prescribed thereunder of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited according; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and

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- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares whose names appear in the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company or, where appropriate, such other securities (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

3. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase the shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and

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- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
4. “**THAT** subject to the passing of resolutions numbered 2 and 3 set out in the notice convening this meeting, the aggregate nominal amount of shares of the Company which are to be repurchased by the Company pursuant to the authority granted to the directors of the Company as mentioned in resolution numbered 3 shall be added to the aggregate nominal amount of share capital that may be allotted or agreed to be allotted by the directors of the Company pursuant to resolution numbered 2 set out in the notice of this meeting provided that the amount of share capital repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”
5. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the share option scheme of the Company adopted on 28 September 2004 (the “Share Option Scheme”) and any other scheme(s) of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed:
- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (the “Refreshed Scheme Mandate”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other scheme(s) of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Company be and are hereby authorised, at their absolute discretion (i) to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme; and (ii) to allot, issue and deal with shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

By order of the Board
Heritage International Holdings Limited
Chow Chi Wah, Vincent
Company Secretary

Hong Kong, 6 July 2007

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Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or more than one person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. Completion and return of the form of proxy will not preclude a member from attending and voting at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the principal place of business of the Company in Hong Kong at 32/F., China United Centre, No. 28 Marble Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.