

---

**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---

**HERITAGE INTERNATIONAL HOLDINGS LIMITED****漢基控股有限公司\****(Incorporated in Bermuda with limited liability)*

(Stock Code: 412)

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE****AND****NOTICE OF SPECIAL GENERAL MEETING**

---

A letter from the board of directors of Heritage International Holdings Limited is set out on pages 4 to 10 of this circular.

A notice convening a special general meeting of Heritage International Holdings Limited to be held at 30th Floor, China United Centre, No.28 Marble Road, North Point, Hong Kong on 20 November 2009 at 9:00 a.m. is set out at the end 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 Heritage International Holdings Limited in Hong Kong at 29th Floor, China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event not later 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

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1-3
<b>Letter from the Board</b> .....	4-10
<b>Notice of the SGM</b> .....	11-12

*Accompanying document: proxy form*

---

## DEFINITIONS

---

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

“Announcement”	the announcement of the Company dated 30 September 2009 in relation to, among other things, the Specific Mandate Placing;
“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong;
“Company”	Heritage International Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Convertible Note”	the zero coupon convertible note due 2012 in principal amount of HK\$90 million issued by the Company dated 12 October 2009;
“Directors”	directors of the Company;
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 31 August 2009 to issue and allot up to 61,353,749 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date thereof;
“General Mandate Placing”	the placing of 61,350,000 General Mandate Placing Shares;
“General Mandate Placing Shares”	61,350,000 Shares issued under the General Mandate;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	28 September 2009, being the last full trading day of the Shares before the signing of the Specific Mandate Placing Agreement;
“Latest Practicable Date”	16 October 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any independent institutional, professional and/or individual investors who are not concert parties with the controlling Shareholder(s) (as defined under the Takeovers Code issued by the SFC), and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules);
“Placing Agent”	Chung Nam Securities Limited, a corporation licensed to carry on type 1 (dealing in securities regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong));
“Placing Price”	HK\$0.44 per Placing Share;
“Placing Shares”	300,000,000 new Shares to be issued under the Specific Mandate Placing;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau and Taiwan;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SGM”	the special general meeting of the Company to be convened at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 20 November 2009 at 9:00 a.m. for the purpose of consideration and, if thought fit, approval of the Specific Mandate Placing Agreement and the transactions contemplated thereunder, the notice of which is set out at the end of this circular;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Specific Mandate Placing”	the placing of 300,000,000 Placing Shares;
“Specific Mandate Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 29 September 2009 in respect of the Specific Mandate Placing;

---

## DEFINITIONS

---

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“%”	per cent.

---

## 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

Wong Chun Hung

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

Lo Wong Fung

*Principal place of business in*

*Hong Kong:*

29/F., China United Centre

No. 28 Marble Road

North Point

Hong Kong

20 October 2009

*To the Shareholders,*

Dear Sir or Madam,

### PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 29 September 2009, the Company and the Placing Agent entered into (i) the Specific Mandate Placing Agreement in relation to the placing, on a best effort basis, of 300,000,000 Placing Shares at the Placing Price of HK\$0.44 per Share; and (ii) an agreement in relation to the placing, on a full underwritten basis, of 61,350,000 General Mandate Placing Shares at a price of HK\$0.44 per Share.

The main purpose of this circular is to provide you with further particulars of the Specific Mandate Placing Agreement and other information required under the Listing Rules and to give you notice of the SGM to be convened for the purpose of consideration and approval of the Specific Mandate Placing Agreement.

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

### THE SPECIFIC MANDATE PLACING AGREEMENT

The material terms of the Specific Mandate Placing Agreement are summarized below:

**Date** : 29 September 2009

**Issuer** : The Company

**Placing Agent** : Chung Nam Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

#### Placees

The Placing Shares will be placed to the Placees, who are independent institutional, professional and/or individual investors and not concert parties with the controlling Shareholder(s) (as defined under the Takeovers Code issued by the SFC), and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules).

#### Placing Shares

Pursuant to the Specific Mandate Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, the Placees to subscribe for 300,000,000 Placing Shares at the Placing Price. The 300,000,000 Placing Shares represent approximately (i) 81.50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 44.90% of the issued share capital of the Company as enlarged by the issue of 300,000,000 Placing Shares.

#### Ranking of Placing Shares

The Placing Shares will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

#### Placing Price

The Placing Price of HK\$0.44 represents:

- (i) a discount of approximately 8.33% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.91% to the average closing price of HK\$0.536 per Share in the last five consecutive trading days up to and including the Last Trading Day;

---

## LETTER FROM THE BOARD

---

- (iii) a discount of approximately 32.52% to the average closing price of HK\$0.652 per Share in the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 7.37% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Specific Mandate Placing Agreement with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable.

### **Conditions precedent to the Specific Mandate Placing Agreement**

Completion of the Specific Mandate Placing is conditional upon fulfillment of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Specific Mandate Placing at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares.

The Specific Mandate Placing Agreement shall automatically become null and void and of no effect if conditions set forth above remain unfulfilled on or before 28 February 2010 or such date mutually agreed by both the Company and the Placing Agent and in such event either party shall have no claim against each other and hold each other harmless, save for those expressly reserved and agreed in the Specific Mandate Placing Agreement.

### **Termination and force majeure**

The Specific Mandate Placing Agreement may be terminated by the Placing Agent if at any time at or before 4:00 p.m. on the date of completion of the Specific Mandate Placing Agreement, there occurs, among others,

- (i) any new law or regulation or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent will materially and adversely affect the business or the financial or trading position or prospects of the Group or any part thereof or the Specific Mandate Placing; or
- (ii) any event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Specific Mandate Placing Agreement) in local, national, international, financial, political, military, economic, or other nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which in the reasonable opinion of the Placing Agent will materially and adversely affect the business or the financial or trading position or prospects of the Company or any part thereof or the Specific Mandate Placing; or



---

## LETTER FROM THE BOARD

---

- (iii) any adverse change in market conditions reasonable (including without limitation suspension or material restriction on trading in securities) which reasonable opinion of the Placing Agent materially or in expedient the Specific Mandate Placing makes it inexpedient or inadvisable to proceed with the Specific Mandate Placing; or
- (iv) the declaration of a banking moratorium in Hong Kong which in the reasonable opinion of the Placing Agent materially and prejudicially affects the Specific Mandate Placing and makes it inadvisable or inexpedient to proceed therewith; or
- (v) any adverse announcement, determination or ruling of any governmental or other regulatory body (including but not limited to the absence of reasonable prospect for obtaining a clearance or approval of the Announcement from the Stock Exchange).

### **Completion**

Completion of the Specific Mandate Placing shall take place on the second Business Days after all the conditions as set out in the Specific Mandate Placing Agreement are fulfilled or such later date to be agreed between the Company and the Placing Agent.

### **Placing Commission**

The Placing Agent shall receive a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed together with a sum of HK\$200,000 being the documentation fee payable under the Specific Mandate Placing. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market rate of the placing commission and the size of the Specific Mandate Placing. The Directors (including the independent non-executive Directors) are of the view that the terms of the Specific Mandate Placing Agreement, the placing commission and the documentation fee are fair and reasonable.

### **Specific mandate**

The 300,000,000 Placing Shares will be issued under a specific mandate to be sought at the SGM.

### **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 Placing Shares.

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon completion of the Specific Mandate Placing.

	As at the Latest Practicable Date		Upon completion of the Specific Mandate Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Directors</b>				
Mr. Kwong Kai Sing, Benny	1,544,400	0.42%	1,544,400	0.23%
Mr. Ong Peter	859,536	0.23%	859,536	0.13%
Ms. Poon Chi Wan	118,800	0.03%	118,800	0.02%
<b>Public Shareholders</b>				
The Placees	–	–	300,000,000	44.90%
Other public Shareholders	365,596,009	99.32%	365,596,009	54.72%
Sub-total	365,596,009	99.32%	665,596,009	99.62%
Total	368,118,745	100%	668,118,745	100%

### EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As at the Latest Practicable Date	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
28 April 2009	Placing under general mandate of the Company	Approximately HK\$24.59 million	General working capital	Approximately HK\$24.59 was used as general working capital
29 September 2009	Placing under general mandate of the Company	Approximately HK\$26 million	General working capital	–

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the Latest Practicable Date.

### REASONS FOR THE SPECIFIC MANDATE PLACING

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.

---

## LETTER FROM THE BOARD

---

The Directors consider that the Specific Mandate Placing represent a good opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The Directors consider that the terms of the Specific Mandate Placing Agreement are fair and reasonable Specific Mandate Placing are in the interest of the Company and the Shareholders as a whole.

As stated in the announcement of the Company dated 22 September 2009, the Group had signed a letter of intent with a Tianjin company in relation to the possible establishment of a joint venture in the PRC for the production of copper foil. It was proposed that the Group's investment in the joint venture will be not more than RMB100 million. Assuming all the Placing Shares are successfully placed by the Placing Agent under the Specific Mandate Placing, the gross proceeds from (a) the General Mandate Placing will be HK\$26,994,000 and (b) the Specific Mandate Placing will be HK\$132,000,000. After taking into account the estimated expenses of approximately HK\$4,600,000 in relation to the General Mandate Placing and the Specific Mandate, the net proceeds from the General Mandate Placing of approximately HK\$26 million will be used as general working capital of the Group and the net proceeds from the Specific Mandate Placing of approximately HK\$128,500,000, the Directors may consider applying (i) not more than HK\$100,000,000 to invest in the joint venture and (ii) approximately HK\$28,500,000 as general working capital of the Group.

As the possible establishment of joint venture is subject to negotiation and formal agreement, Shareholders and/or potential investors should note that the possible establishment of joint venture may or may not proceed and should therefore exercise caution when dealing in the Shares. In the event that the said possible establishment of joint venture does not proceed, the Company intends to apply the net proceeds from the Specific Placing Mandate of approximately (i) HK\$127,400,000 as general working capital of the Group to replenish the loss in capital of the Company caused by the recent financial tsunami and for future strategic investments; and (ii) HK\$26,994,000 for general working capital of the Group.

The General Mandate Placing had been completed on 15 October 2009.

### **ADJUSTMENTS TO CONVERSION PRICE OF THE CONVERTIBLE NOTE**

Adjustments to the conversion price of the Convertible Note may be required under the relevant terms of the instrument constituting the Convertible Notes. Further announcement, if required, will be made by the Company in this regards.

### **THE SGM**

A notice convening the SGM to be held at 30/F., China United Centre, No.28 Marble Road, North Point, Hong Kong on 20 November 2009 at 9:00 a.m. is set out at the end of this circular. A form of proxy for use at the SGM is also enclosed. 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 29/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event not later 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.

---

## LETTER FROM THE BOARD

---

In accordance with Rule 13.39(4) of the Listing Rules, the vote of the Shareholders will be taken by poll at the SGM.

To the best knowledge of the Directors, no Shareholder has a material interest in the transactions contemplated under the Specific Mandate Placing Agreement. Accordingly, no Shareholder will be required to abstain from voting at the SGM in respect of the resolution relating to the Specific Mandate Placing.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts not contained herein the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Specific Mandate Placing Agreement are fair and reasonable and the Specific Mandate Placing is in the interests of the Company and the Shareholders as a whole. They recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Specific Mandate Placing Agreement and the transactions contemplated thereunder.

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

---

## NOTICE OF THE 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 30th Floor, China United Centre, No.28 Marble Road, North Point, Hong Kong on 20 November 2009 at 9:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution of the Company which will be proposed as an ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT**

- (i) the execution of the placing agreement (“Placing Agreement”, a copy of which having been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purposes) dated 29 September 2009 between the Company and Chung Nam Securities Limited in respect of the best effort placing of 300,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company (“Shares”) be and is hereby confirmed, approved and ratified;
- (ii) the directors of the Company be and are hereby authorized to exercise all the powers of the Company and take all steps as might in their opinion be desirable or necessary in connection with the Placing Agreement including without limitation:
  - (a) the issue and allotment of Shares pursuant to the Placing Agreement;
  - (b) the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements in relation to the issue and allotment of Shares pursuant to the Placing Agreement; and
  - (c) the taking of actions to implement the transactions contemplated under the Placing Agreement.”

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

Hong Kong, 20 October 2009

\* *For identification purposes only*

---

## NOTICE OF THE SGM

---

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person 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 29/F., China United Centre, No.28 Marble Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.