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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)

**DISCLOSEABLE TRANSACTION
– ACQUISITION OF PROPERTY INTEREST**

The Board wishes to announce that on 10 June 2005, the Purchaser entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Share and the Loan for a cash consideration of HK\$14 million.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing further particulars of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

S&P AGREEMENT

Date:

10 June 2005

Parties:

1. Sunderland Properties Limited, being the vendor. The Vendor is an investment holding company incorporated in the Cayman Islands with limited liability. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are not connected with any of the directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or their respective associate(s).
2. Super Sharp Investments Limited, a wholly-owned subsidiary of the Company, being the purchaser.

Asset to be acquired:

The entire issued share capital of FW and all the Vendor's title, rights, interests and benefits of and in the Loan.

FW is a company incorporated under the laws of the British Virgin Islands and is the beneficial owner of the entire issued share capital of GG. Other than GG, FW has no other assets or business. The principal business of FW is investment holding.

GG, a wholly-owned subsidiary of FW, is the registered owner of the Properties. The Properties comprise 2 retail shop units on the ground floor of a 4-storey commercial and car port podium over-mounted by a 24-storey office building situated in North Point, Hong Kong. The Properties occupy a total gross floor area of approximately 2,506 square feet and are valued at approximately HK\$30 million as at 31 May 2005 by RHL Appraisal Ltd., an independent property valuer appointed by the Company, taking into account the existing tenancies in respect of Property I. Property I is currently subject to two tenancies with monthly rentals determined in accordance with the market rates prevailing as at the time when the tenancy agreements were entered into by GG which was in about December 2004. Both tenancies will continue after Completion and expire in December 2005 unless terminated earlier by either party by giving to the other party not less than 3 months' prior written notice. Besides, the Properties are subject to the Mortgage with loan balance of approximately HK\$15 million as at 9 June 2005. Other than the Properties, GG has no other assets or business.

The unaudited consolidated net asset value of FW (excluding the Loan) was approximately HK\$14 million as at 9 June 2005 with net book value of the Properties at HK\$29 million and the unaudited consolidated net loss of FW (both before and after taxation and extraordinary items) for the two years ended 31 December 2003 and 2004 was approximately HK\$3 million and HK\$7 million. Save and except the Loan, the loan balance of approximately HK\$15 million under the Mortgage and the rental deposits of approximately HK\$70,000.00 received by GG in respect of the tenancy agreements subsisting under Property I (all of which will continue to remain in the accounts of FW and GG after Completion), FW and GG had no other liabilities.

Consideration:

The aggregate consideration payable by the Purchaser to the Vendor for the acquisition of the Sale Share and the Loan is HK\$14 million. A deposit of HK\$2 million has been paid by the Purchaser to the Vendor upon signing of the S&P Agreement and the remaining balance of HK\$12 million will be paid by the Purchaser to the Vendor in cash on Completion. The Directors intend to fund the entire consideration by internal resources of the Group.

The consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the unaudited consolidated net asset value of FW (excluding the Loan) of approximately HK\$14 million as at 9 June 2005 with net book value of the Properties at HK\$29 million and the value of the Properties of approximately HK\$30 million as at 31 May 2005.

Pursuant to the terms of the S&P Agreement, the Group is not required to provide any guarantee in respect of the Mortgage.

Completion:

Subject to the fulfillment of the following conditions, Completion shall take place on the day falling one calendar month after the date of the S&P Agreement or such other date as the Vendor and the Purchaser may agree in writing.

Completion shall be conditional upon:

- (a) the Purchaser being satisfied with its due diligence review of the legal and financial affairs of FW and GG;
- (b) the Vendor having shown and given a good title of GG to the Properties; and
- (c) the representations and warranties made or given by the Vendor under the S&P Agreement remaining true and accurate in all respects and not misleading in any respect as at the Completion Date.

If any of the conditions precedent set out above is not fulfilled (or waived (save and except condition (b) set out above) by the Purchaser) on or before the Completion Date, either party may rescind the S&P Agreement by giving written notice to the other party whereupon the S&P Agreement shall from such date have no further force and effect and the deposit shall be returned to the Purchaser within five business days from the Completion Date.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Directors believe that the Acquisition can enhance the property portfolio and future earnings of the Group and thus is in the interests of the Company and its shareholders as a whole. Taking into account the unaudited consolidated net asset value of FW (excluding the Loan) of approximately HK\$14 million as at 9 June 2005 with net book value of the Properties at HK\$29 million and the value of the Properties of approximately HK\$30 million as at 31 May 2005, the Directors consider the terms of the Acquisition to be fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing further particulars of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

DEFINITIONS

- “Acquisition” the acquisition of the Sale Share and the Loan
- “associate(s)” has the meaning ascribed thereto in the Listing Rules
- “Board” the board of Directors

“Company”	Heritage International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the S&P Agreement
“Completion Date”	the day falling one calendar month after the date of the S&P Agreement or such other date as the Vendor and the Purchaser may agree in writing
“Director(s)”	the director(s) of the Company
“FW”	Fei Wang Incorporated, a company incorporated in the British Virgin Islands with limited liability and the beneficial owner of the entire issued share capital of GG
“GG”	Great Gains International Limited, a company incorporated in Hong Kong with limited liability and the registered owner of the Properties
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	shareholder’s loan of approximately HK\$96 million owing by FW to the Vendor
“Mortgage”	the bank mortgage over the Properties
“Properties”	Property I and Property II
“Property I”	Unit 5 of Ground Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
“Property II”	Unit 6 of Ground Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
“Purchaser”	Super Sharp Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“S&P Agreement”	the sale and purchase agreement dated 10 June 2005 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share and the Loan
“Sale Share”	1 share of US\$1.00 in the issued share capital of FW, representing the entire issued share capital of FW
“Shareholders”	the shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Vendor”

Sunderland Properties Limited, a company incorporated in the Cayman Islands with limited liability

By order of the Board
Kwong Kai Sing, Benny
Chairman

Hong Kong, 13 June 2005

As at the date of this announcement, the Company has four executive Directors, being Mr. Kwong Kai Sing, Benny, Ms. Lo Ki Yan, Karen, Mr. Ong Peter and Ms. Poon Chi Wan, one non-executive Director, being Mr. Chung Yuk Lun and three independent non-executive Directors, being Mr. Chan Sze Hung, Mr. To Shing Chuen and Mr. Frank H. Miu.

** For identification purposes only*

Please also refer to the published version of this announcement in International Herald Tribune.