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新澤控股有限公司 New Heritage Holdings Ltd.

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 95)

ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT TO SHARE TRANSFER AGREEMENT

Reference is made to the Announcements with respect to the Share Transfer Agreement and the Supplemental Agreement I. The parties to the Share Transfer Agreement had on 26 March 2007 entered into the Supplemental Agreement II to amend certain provisions of the Share Transfer Agreement and cancel the Supplemental Agreement I.

Reference is made to the Announcements with respect to the Share Transfer Agreement and the Supplemental Agreement I. Terms used in this announcement shall have the same meaning as defined in the Announcements unless the context herein requires otherwise. The parties to the Share Transfer Agreement had on 26 March 2007 entered into the Supplemental Agreement II to amend certain provisions of the Share Transfer Agreement and cancel the Supplemental Agreement I.

SUPPLEMENTAL AGREEMENT I

To support and finance its development, on 22 January 2007, the board of directors of NH Wuzhong passed a resolution to, among others, increase its registered capital from US\$6,500,000 (equivalent to approximately HK\$50,700,000) to US\$8,350,000 (equivalent to approximately HK\$65,130,000). In view of the proposed change in the registered capital of NH Wuzhong, the parties to the Share Transfer Agreement entered into the Supplemental Agreement I to amend, among others, the consideration for the Share Transfer to US\$3,340,000 (equivalent to approximately HK\$26,052,000), based on the proposed new registered capital of NH Wuzhong.

Details of the Supplemental Agreement I are set out in the Company's announcement dated 22 January, 2007.

Owing to the reasons stated below, on 26 March, 2007, the parties to the Share Transfer Agreement entered into the Supplemental Agreement II to amend certain provisions of the Share Transfer Agreement and cancel the Supplemental Agreement I.

SUPPLEMENTAL AGREEMENT II

When attending to the application for the change in the registered capital of NH Wuzhong under the Supplemental Agreement I, NH Wuzhong was given to understand by the relevant PRC authority that the registered capital of NH Wuzhong must not be less than 50% of its total investment amount of US\$18,600,000 (equivalent to approximately HK\$145,080,000) and the registered capital of NH Wuzhong must be of a minimum amount of US\$9,300,000 (equivalent to approximately HK\$72,540,000). As a result of the comments raised by the PRC authority, the increase in registered capital in NH Wuzhong to US\$8,350,000 (equivalent to approximately HK\$65,130,000) was not proceeded. The Directors understand that under PRC laws, the shareholders' capital commitment to NH Wuzhong is the amount of its registered capital.

After receipt of the above comment from the relevant PRC authority that the registered capital of NH Wuzhong must be of a minimum amount of US\$9,300,000 (equivalent to approximately HK\$72,540,000) in late January 2007, the Directors had informed Spinnaker on such comment and that a supplemental share transfer agreement would be required to enter into by the parties.

Spinnaker requested detailed background information on and reasons why the original increase in registered capital of NH Wuzhong to US\$8,350,000 (equivalent to approximately HK\$65,130,000) was not proceeded before entering into a supplemental share transfer agreement. The Directors understand that Spinnaker had instructed its Hong Kong legal counsel to provide to it a report on the background and reasons.

NH Wuzhong was told by the relevant PRC authority that the increase in registered capital must be approved before the share transfer of 40% in NH Wuzhong to Spinnaker can be approved.

Given that (i) the obtaining of approval for the increase in registered capital in NH Wuzhong can be time-consuming; (ii) the request for background information and reasons by Spinnaker; (iii) the need of Spinnaker's Hong Kong legal counsel to submit to Spinnaker a report on the background and reasons; (iv) the terms and conditions of the Supplemental Agreement II and other related documents are to be finalised by the parties; and (v) the requirement to meet the long-stop date of 31 March 2007 in the original Share Transfer Agreement, the Directors decided to proceed with the increase in registered capital of NH Wuzhong before the entering into a supplemental share transfer agreement with Spinnaker.

On 8 February, 2007, the board of directors of NH Wuzhong passed a resolution to increase its registered capital from US\$6,500,000 (equivalent to approximately HK\$50,700,000) to US\$9,300,000 (equivalent to approximately HK\$72,540,000). The increased portion of the registered capital of US\$2,800,000 (equivalent to approximately HK\$21,840,000) is satisfied by capitalising US\$2,800,000 (equivalent to approximately HK\$21,840,000) out of an existing outstanding shareholder's loan of US\$3,000,000 (equivalent to approximately HK\$23,400,000) provided by NHDL. The increase in the registered capital of NH Wuzhong to US\$9,300,000 (equivalent to approximately HK\$72,540,000) was approved by relevant PRC authority on 28 February, 2007.

Under the Share Transfer Agreement, NHDL agreed to transfer 40% equity interests in NH Wuzhong to Spinnaker at a consideration of US\$2,600,000 (equivalent to approximately HK\$20,280,000). The consideration represents 40% of the then total registered capital of NH Wuzhong.

In view of the change in the registered capital of NH Wuzhong, comments of the relevant PRC approving authority and the finalisation of the terms and conditions of the Supplemental Agreement II, the parties to the Share Transfer Agreement entered into the Supplemental Agreement II on 26 March 2007. Pursuant to the Supplemental Agreement II, the Supplemental Agreement I was cancelled from the date of the Supplemental Agreement II.

Under the Supplemental Agreement II, the following provisions of the Share Transfer Agreement are amended:

- the consideration for the Share Transfer is US\$3,720,000 (equivalent to approximately HK\$29,016,000), based on the new registered capital;
- the definition of "Long-stop Date" be changed to 30 June 2007 (or other date as agreed by the parties);
- the obtaining of the approval from the relevant approving authorities with respect to the increase in the registered capital of NH Wuzhong be added as a condition precedent to the Share Transfer Agreement; and
- the existing shareholder loan of US\$3,000,000 (equivalent to approximately HK\$23,400,000) will be changed to US\$200,000 (equivalent to approximately HK\$1,560,000), and its expiry date is extended to 15 January 2008.

Since the increased portion of the registered capital of US\$2,800,000 (equivalent to approximately HK\$21,840,000) is satisfied by capitalising same amount of the existing shareholder loan of US\$3,000,000 (equivalent to approximately HK\$23,400,000) provided by NHDL to NH Wuzhong, and such shareholder loan will be reduced accordingly under paragraph (d) above, the total commitment of Spinnaker in the share transfer under the Share Transfer Agreement remained unchanged, and the Supplemental Agreement II constitutes a discloseable transaction of the Company under the Listing Rules.

The Supplemental Agreement II is part of the Share Transfer Agreement. The Directors considered that the terms of the Supplemental Agreement II to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

As disclosed in the Announcements, the Share Transfer Agreement is conditional upon fulfilment of certain conditions on or before 31 March 2007, which date was extended to 30 June 2007 by the Supplemental Agreement II. The Directors confirmed that as at the date of this announcement, the outstanding condition precedent under the Share Transfer Agreement and the Supplemental Agreement II is the obtaining of the approval from the relevant PRC authority for the transfer of 40% interests in NH Wuzhong and it is expected that the approval will be obtained on or before the end of June 2007.

As at the date of this announcement, Spinnaker was not a connected person of the Company.

DEFINITIONS

"Announcements"	the Company's announcements dated 30 August 2006 and 22 January 2007 with respect to, among others, the Share Transfer Agreement and the Supplemental Agreement I respectively
"Company"	New Heritage Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
"Directors"	directors of the Company
"Supplemental Agreement I"	the supplemental agreement dated 22 January 2007 and entered into between the Company, NHDL and Spinnaker in respect of the Share Transfer Agreement
"Supplemental Agreement II"	the supplemental agreement dated 26 March 2007 and entered into between the Company, NHDL and Spinnaker in respect of the Share Transfer Agreement and the Supplemental Agreement I

For the purpose of this announcement, unless otherwise indicated, the exchange rate at HK\$7.8 = US\$1.00 has been used, where applicable, for the purpose of illustration only and not constitute a representation that any amount has been, could have been or maybe exchanged.

By Order of the Board
New Heritage Holdings Ltd.
TAOCHAIFU Choojuang
Chairman

Hong Kong, 27 March 2007

As at the date of this announcement, the board of directors of the Company comprises Mr. TAOCHAIFU Choojuang (Chairman), Mr. TAO Richard (Vice Chairman), Mr. TAO Paul (Managing Director), Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung as Executive Directors; The Hon. CHAN Bernard Charnwut as Non-executive Director; and Mr. WONG Gary Ka Wai, Mr. SUN Leland Li Hsun and Mr. CHAN Norman Enrique as Independent Non-executive Directors.

Company's website: www.nh-holdings.com. The contents of the Company's website will not form part of this announcement.