

NH 新澤控股有限公司 New Heritage Holdings Ltd.

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

ANNOUNCEMENT AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 13 February 2007, NHDL had successfully won the bid for the acquisition of land use right of the Land at the Auction. The site area of the Land is approximately 131,445.2 square metres and is designated for residential property purpose. The consideration for acquiring the Land is RMB198 million (equivalent to approximately HK\$198 million). As at the date of this announcement, the Group has paid a deposit of RMB13 million (equivalent to approximately HK\$13 million). Upon the successful bidding in respect of the Land, NHDL entered into an Auction Confirmation Letter with the Suzhou City Land Bureau on 13 February 2007 pursuant to which the Assignment of the Right to Use State Land Contract shall be entered into between NHDL or its subsidiaries and the Suzhou City Land Bureau on or before 28 February 2007, being 15 days from the date of the Auction Confirmation Letter.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 14 February 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for trading in the Shares to resume from 9:30 a.m. on 15 February 2007.

THE AUCTION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 13 February 2007, NHDL had successfully won the bid for the acquisition of land use right of the Land at the Auction. The Auction was held in public and conducted by way of show of hands.

To the best of the knowledge, information and belief of the Directors and after making all reasonable enquiries, the Suzhou City Land Bureau is a third party independent of the Company and its connected persons (as defined in the Listing Rules) and is not a connected person of the Company.

The consideration for the Acquisition is RMB198 million (equivalent to approximately HK\$198 million) as the consideration for the Acquisition of the Land. Upon the successful bidding in respect of the Land, NHDL entered into an Auction Confirmation Letter with the Suzhou City Land Bureau on 13 February 2007 pursuant to which an Assignment of the Right to Use State Land Contract shall be entered into between NHDL or its subsidiaries and the Suzhou City Land Bureau on or before 28 February 2007, being 15 days from the date of the Auction Confirmation Letter. The Group has paid a deposit of RMB13 million (equivalent to approximately HK\$13 million) before the Auction Confirmation Letter. The consideration for the Acquisition will be paid in the following manner:—

- (a) RMB66.2 million (equivalent to approximately HK\$66.2 million) of the consideration for the Acquisition to be paid upon signing of the Assignment of the Right to Use State Land Contract on or before 28 February 2007; and
- (b) RMB118.8 million (equivalent to approximately HK\$118.8 million), being the balance of the consideration to be paid on or before 25 April 2007.

NHDL will also be responsible for paying to the relevant governmental authorities the transaction levy of approximately RMB7.92 million (equivalent to approximately HK\$7.92 million) in relation to the grant of the Land.

The site area of the Land is approximately 131,445.2 square metres situated at Guangfu town of Wuzhong District, Suzhou, the PRC (吳中區光福鎮) designated for residential property purpose. Pursuant to the Auction Confirmation Letter, the duration of the land use right of the Land is 70 years commencing from the assignment of the Land to NHDL or its subsidiary.

REASONS FOR THE ACQUISITION

The Group is principally engaged in property development and property investment businesses in Suzhou, the PRC. As at 31 December 2005, the Group had an attributable gross floor area of approximately 102,428 square metres in its land bank in Suzhou, the PRC. Most of the Group's land reserves are designated for residential purposes. During the year ended 31 December 2005, proceeds from the sale of properties held for sale amounts to approximately HK\$141.7 million, representing approximately 95% of the total revenue generated by the Group for the year.

The Group intends to use the Land solely for self-development into residential properties for sale. The restriction to unit sizes of 90 square metres per residential unit does not apply to the Land according to the regulations governing housing planning in the Suzhou City 2006-2010. The Acquisition therefore is on favourable terms to the Group. The Directors consider the Acquisition is transaction of a revenue nature in the ordinary and usual course of business of the Group, on normal commercial terms and in the interest of the Company and its Shareholders as a whole.

Save as disclosed herein, the Company confirms that there are no negotiations or agreements relating to the Acquisition which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 14 February 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for trading in the Shares to resume from 9:30 a.m. on 15 February 2007.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Acquisition”	the acquisition of land use right in respect of the Land through an open bidding at the Auction
“Assignment of the Right to Use State Land Contract”	the contract (國有土地使用權出讓合同) to be entered into between the Suzhou City Land Bureau and NHDL or its subsidiaries before 28 February 2007 for the assignment of land use right in respect of the Land pursuant to the Auction Confirmation Letter
“Auction”	the public auction held by the Suzhou City Land Bureau on 13 February 2007 on which the Land was offered for sale
“Auction Confirmation Letter”	a letter dated 13 February 2007 entered into between the Suzhou City Land Bureau and NHDL confirming the terms of the successful bidding at the Auction
“Board”	the board of Directors
“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”	the directors of the Company
“NHDL”	New Heritage Development Limited (新繼發展有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	a plot of land with a site area of approximately 131,445.2 square metres situated at Guangfu town of Wuzhong District, Suzhou, the PRC (吳中區光福鎮)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China
“PRC Governmental Body”	has the meaning defined in Chapter 19A of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Suzhou City Land Bureau”	Suzhou Bureau of Land and Resources, the PRC (中華人民共和國蘇州市國土資源局), a PRC Governmental Body

For the purpose of this announcement, unless otherwise indicated, the exchange rate at HK\$1.00 = RMB1.00 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged.

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

Hong Kong, 14 February 2007

As at the date of this announcement, the Board comprises Mr. TAOCHAIFU Choofuang (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.