



新澤控股有限公司
New Heritage Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

(Stock code: 95)

DISCLOSEABLE TRANSACTION
AND
CONNECTED TRANSACTION



亞洲金融集團（控股）有限公司*
ASIA FINANCIAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

(Stock code: 662)

ANNOUNCEMENT

On 11 April 2007, NH Corporation entered into the Sale and Purchase Agreement with Onsite Investment. Pursuant to the Sale and Purchase Agreement, (a) NH Corporation agreed to sell to Onsite Investment the Sale Shares at a cash consideration of HK\$45,000,000; and (b) Onsite Investment agreed to provide an interest-free loan in the principal sum of HK\$12,000,000 to NHDL.

Since all of the percentage ratios under Chapter 14 of the Listing Rules for the Transfer and the Loan exceed 5% or more but less than 25%, the Transfer and the Loan constitute a discloseable transaction of NHHL under the Listing Rules. As Onsite Investment is a connected person of NHHL and the consideration under each of the Transfer and the Loan is more than HK\$10,000,000, the Transfer and the Loan also constitute a connected transaction of NHHL under the Listing Rules. In light of all of the above, the Transfer and the Loan are subject to the reporting, announcement and Independent Shareholders' approval requirements, by way of poll at the EGM, as set out in the relevant provisions of Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on the Transfer and the Loan. An independent financial adviser will be appointed to advise the Independent Board Committee who will make recommendation to the Independent Shareholders as to how to vote on the ordinary resolution in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) a letter from an independent financial adviser containing its advice to the Independent Board Committee on the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the Sale and Purchase Agreement and the transactions contemplated thereunder to the Independent Shareholders; and (iv) a notice of the EGM will be despatched to the NH Shareholders as soon as practicable.

The Sale and Purchase Agreement and the transactions contemplated thereunder do not constitute notifiable transactions of AFHL under Chapter 14 of the Listing Rules.

Shareholders and potential investors of NHHL and AFHL should note that the sale and purchase of the Sale Shares, which are subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors of NHHL and AFHL are reminded to exercise caution when dealing in the NH Shares and the AFH Shares.

THE SALE AND PURCHASE AGREEMENT

Date : 11 April 2007

Parties : (a) NH Corporation, being a wholly-owned subsidiary of NHHL; and
(b) Onsite Investment, a company incorporated in the BVI and is indirectly owned as to 70% by AFHL. The remaining 30% shareholding interest in Onsite Investment is held by a BVI company called Ultra Plan Limited. Both AFHL and Ultra Plan Limited are deemed to be controlled by associates of Mr. Bernard C. Chan pursuant to the Listing Rules.

Pursuant to the Sale and Purchase Agreement, NH Corporation agreed to sell, and Onsite Investment agreed to purchase, the Sale Shares.

Conditions precedent

Completion of the sale and purchase of the Sale Shares is conditional upon, where applicable, all consents or approvals, including but not limited to consents or approvals from the NH Shareholders, any relevant governmental authorities, regulatory bodies, banks or creditors, which are required and necessary in respect of NH Corporation's entry into the Sale and Purchase Agreement and the sale and purchase of the Sale Shares having been obtained.

Should the conditions not be fulfilled within six months from the date of the Sale and Purchase Agreement (or such later date as agreed by the parties in writing), either party, subject to the right to waive or amend the conditions, may elect to terminate the Sale and Purchase Agreement, and in which case, the parties' obligations and rights under the Sale and Purchase Agreement shall cease.

Consideration

The consideration for the Sale Shares is HK\$45,000,000 in cash, which will be paid on the completion date of the Transfer. The consideration of the Transfer is determined by NH Corporation and Onsite Investment with reference to the unaudited net assets value of NHDL as at 31 December, 2006 and the terms and conditions of the Sale and Purchase Agreement were reached by the parties by arms length negotiation and on normal commercial terms.

Shareholder loan

Pursuant to the Sale and Purchase Agreement, Onsite Investment agreed to advance to NHDL an interest-free loan in the principal sum of HK\$12,000,000 upon completion of the Transfer.

Completion

Completion of the Transfer will take place on the third Business Day after all conditions precedent have been fulfilled, or waived (or such later date as the parties may agree in writing). The parties will enter into a shareholder's agreement in respect of the management and operation of NHDL.

USE OF THE PROCEEDS FOR THE TRANSFER AND THE LOAN

Based on the unaudited financial figures of NHDL for the year ended 31 December 2006, the Transfer is expected to generate a gain of approximately HK\$21,700,000, which is subject to adjustment upon finalisation of the audited financial figures of NHDL. The net proceeds from the Transfer after deduction of all related expenses are of approximately HK\$44,000,000, which will be used to finance future business development and as general working capital of NH Group.

The NH Directors confirmed that the Loan is intended to be used as to finance future business development and as general working capital of NH Group and no securities have been pledged by NHHL with respect to the Loan.

REASONS FOR THE TRANSFER

The NH Directors consider that the Transfer and the Loan will enable NH Group to raise further working capital for NH Group and its future property projects, if any. Further, AFHL will become a strategic partner of NH Group, which in turn will benefit both the NH Group, the AFH Group, NH Shareholders and AFH Shareholders as a whole.

The NH Directors consider that the terms of the Sale and Purchase Agreement were entered into on normal commercial terms after arm's length negotiations. Given that the consideration of the Transfer is higher than the unaudited net asset value of the Sale Shares, the NH Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of NHHL and the NH Shareholders as a whole.

The AFH Directors consider that the terms of the Sale and Purchase Agreement were entered into on normal commercial terms after arm's length negotiations and that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of AFHL and the AFH Shareholders as a whole.

INFORMATION ON THE PARTIES AND NHDL

NH Group is principally engaged in property development and property investment businesses in Suzhou, the PRC. NH Corporation is a company incorporated in the BVI and is wholly-owned by NHHL.

AFH Group is principally engaged in the provision of insurance and investment services. Onsite Investment is a company incorporated in the BVI and is an indirect non-wholly owned subsidiary of AFHL. As at the date of this announcement, Onsite Investment is controlled by the associates of Mr. Bernard C. Chan, who is the non-executive director and the executive director of NHHL and AFHL respectively. Accordingly, Onsite Investment, being an associate of Mr. Bernard C. Chan, is a connected person of NHHL pursuant to Chapter 14A of the Listing Rules.

NHDL is a company incorporated in Hong Kong on 4 April 1991. As at the date of this announcement, it is an indirect wholly-owned subsidiary of NHHL. Upon completion of the Transfer, NHDL will become an indirect non-wholly owned subsidiary of NHHL and held by NHHL as to approximately 90.385% and Onsite Investment as to approximately 9.615%. The principal business activity of NHDL is investment holding. For the two years ended 31 December 2006, the unaudited profit before tax of NHDL is approximately HK\$83,390,000 and HK\$105,330,000 respectively, and the unaudited profit after tax of NHDL is approximately HK\$54,320,000 and HK\$68,670,000 respectively. The unaudited net asset value of NHDL as at 31 December 2006 is approximately HK\$231,940,000.

LISTING RULES REQUIREMENTS

Since all of the percentage ratios under Chapter 14 of the Listing Rules for the Transfer and the Loan exceed 5% or more but less than 25%, the Transfer and the Loan constitute a discloseable transaction of NHHL under the Listing Rules. As Onsite Investment is a connected person of NHHL and the consideration under each of the Transfer and the Loan is more than HK\$10,000,000, the Transfer and the Loan also constitute a connected transaction of NHHL under the Listing Rules. In light of all of the above, the Transfer and the Loan are subject to the reporting, announcement and Independent Shareholders' approval requirements, by way of poll at the EGM, as set out in the relevant provisions of Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on the Transfer and the Loan. An independent financial adviser will be appointed to advise the Independent Board Committee who will make recommendation to the Independent Shareholders as to how to vote on the ordinary resolution in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) a letter from an independent financial adviser containing its advice to the Independent Board Committee on the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the Sale and Purchase Agreement and the transactions contemplated thereunder to the Independent Shareholders; and (iv) a notice of the EGM will be despatched to the NH Shareholders as soon as practicable.

The Sale and Purchase Agreement and the transactions contemplated thereunder do not constitute notifiable transactions of AFHL under Chapter 14 of the Listing Rules.

Shareholders and potential investors of NHHL and AFHL should note that the sale and purchase of the Sale Shares, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors of NHHL and AFHL are reminded to exercise caution when dealing in the NH Shares and the AFH Shares.

DEFINITIONS

“AFH Directors”	directors of AFHL
“AFH Group”	AFHL and its subsidiaries
“AFHL”	Asia Financial Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Stock Exchange
“AFH Shares”	shares of HK\$1.00 in AFHL
“AFH Shareholders”	holders of AFH Shares
“associates”	has the meaning ascribed to it under the Listing Rules
“Business Day”	a day (other than Saturday, Sunday or a public holiday) on which banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“EGM”	the extraordinary general meeting of NHHL to be convened for the purpose of approving the Transfer, the Loan and all other related transactions, the notice of which will be contained in a circular to be despatched to NH Shareholders as soon as possible
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the board of directors of NHHL, comprising Mr. WONG Gary Ka Wai, Mr. SUN Leland Li Hsun and Mr. CHAN Norman Enrique, all being the independent non-executive directors of NHHL
“Independent Shareholders”	NH Shareholders who are not involved in or interested in the Transfer and the Loan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an interest-free loan in the principal sum of HK\$12,000,000 to be advanced by Onsite Investment to NHDL pursuant to the terms and conditions of the Sale and Purchase Agreement
“NH Corporation”	New Heritage Corporation Limited, a company incorporated in the BVI and is a direct wholly-owned subsidiary of NHHL
“NH Directors”	directors of NHHL
“NHDL”	New Heritage Development Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of NHHL at the date of this announcement and will be indirectly held by NHHL as to approximately 90.385% and Onsite Investment as to approximately 9.615% upon completion of the Transfer
“NH Group”	NHHL and its subsidiaries
“NHHL”	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
“NH Shareholders”	holders of the NH Shares
“NH Shares”	the ordinary shares of HK\$0.01 each in the capital of NHHL
“Onsite Investment”	Onsite Investment Limited, a company incorporated in the BVI and is an indirect non-wholly owned subsidiary of AFHL
“PRC”	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 April 2007 and entered into between NH Corporation and Onsite Investment with respect to the sale and purchase of the Sale Shares and the Loan
“Sale Shares”	15 shares of HK\$1.00 each in NHDL, representing approximately 9.615% of the issued share capital of NHDL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited or, as the case may be, the main board operated by the Stock Exchange
“Transfer”	the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“%”	per cent

By order of the board New Heritage Holdings Ltd. TAO Richard Vice Chairman	By order of the board Asia Financial Holdings Limited Bernard Charnwut Chan President
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Hong Kong, 16 April 2007

As at the date of this announcement, the executive directors of New Heritage Holdings Ltd. are Mr. TAOCHAIFU Choojuang (Chairman), Mr. TAO Richard (Vice Chairman), Mr. TAO Paul (Managing Director), Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung; the non-executive director of New Heritage Holdings Ltd. is Mr. Bernard C. CHAN; and the independent non-executive directors of New Heritage Holdings Ltd. are Mr. WONG Gary Ka Wai, Mr. SUN Leland Li Hsun and Mr. CHAN Norman Enrique.

As at the date of this announcement, the executive directors of Asia Financial Holdings Limited are Mr. Robin Y.H. Chan (Chairman), Mr. Bernard C. Chan (President), Mr. Stephen Tan; the non-executive directors of Asia Financial Holdings Limited are Mr. Lau Ki Chit, Tan Sri Frank W.K. Tsao (Ms. Chan Yeow Toh as his alternate director), Mr. Choedchu Sophonpanich, Mr. Ng Song Hin, Mr. Tan Eng Heng, Mr. Daiji Goto, Mr. Na Wu Beng, Dr. The Hon. Philip Y.H. Wong, Dr. The Hon. Leo Tung Hai Lee, Mr. Kenneth Chi Lam Siao and the independent non-executive directors of Asia Financial Holdings Limited are Ms. Anna Suk Han Chow, Mr. Andrew Chiu Cheung Ma and Dr. Ko Wing Man.

* for identification purpose only