

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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 95)

CONNECTED TRANSACTION

On 22 December 2005, SGVDM, a non-wholly owned subsidiary of the Company, entered into with the Purchaser the Sale & Purchase Contract, pursuant to which SGVDM agreed to sell and the Purchaser agreed to purchase the Property at a consideration of RMB5,500,000 (equivalent to approximately HK\$5,288,461). The entering into the Sale & Purchase Contract was in the ordinary and usual course of business of the Group. The terms of the Sale & Purchase Contract were determined on an arm's length basis and were on normal commercial terms.

The Purchaser is the daughter of the Chairman and sister of two executive Directors and is therefore a connected person of the Company within the meaning of the Listing Rules. The Sale & Purchase Contract constitutes a connected transaction for the Company under the Listing Rules. As the applicable ratios are either (i) less than 2.5% or (ii) more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000, the transaction contemplated by the Sale & Purchase Contract is only subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under the Listing Rules.

SALE & PURCHASE CONTRACT

Date: 22 December 2005

Parties:

Vendor: SGVDM
Purchaser: Ms. TAO Miriam

Ms. TAO Miriam is the daughter of the Chairman and sister of two executive Directors and is therefore a connected person of the Company within the meaning of the Listing Rules.

Property:

Villa no.J501, Suzhou Garden Court, 1333 Bin He Road, New District, Suzhou, the PRC.

Consideration:

RMB5,500,000 (equivalent to approximately HK\$5,288,461), which shall be paid and settled in cash to SGVDM by the Purchaser in one single lump sum on or before 28 December 2005.

The consideration was determined on an arm's length basis between SGVDM and the Purchaser with reference to the valuation of the Property by DTZ Debenham Tie Leung Limited, which assessed that the market price of the Property as at 22 December 2005 was RMB5,500,000 (equivalent to approximately HK\$5,288,461). DTZ Debenham Tie Leung Limited is independent of and not connected with the Company within the meaning of Rule 5.08(1) of the Listing Rules.

Other major terms of the Sale & Purchase Contract

The transaction contemplated by the Sale & Purchase Contract shall be completed before 31 December 2005.

The terms of the Sale & Purchase Contract were determined on an arm's length basis and were on normal commercial terms.

REASON FOR THE TRANSACTION

SGVDM is principally engaged in the business of property development and property investment in Suzhou, the PRC. The Property is one of the properties developed by SGVDM for the purpose of sale. The consideration for the Sale & Purchase Contract is fair and reasonable and in line with market price. The transaction contemplated by the Sale & Purchase Contract is one of the transactions in the ordinary and usual course of business of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Sale & Purchase Contract are fair and reasonable and the transaction is in the interest of the Group and the shareholders of the Company as a whole.

GENERAL INFORMATION

The Group is principally engaged in the property development and property investment businesses in Suzhou, the PRC and through investment in an associated company, in property investment business in Beijing, the PRC.

The Purchaser is the daughter of the Chairman and sister of two executive Directors and is therefore a connected person of the Company within the meaning of the Listing Rules. The Sale & Purchase Contract constitutes a connected transaction for the Company under the Listing Rules. As the applicable ratios are either (i) less than 2.5% or (ii) more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000, the transaction contemplated by the Sale & Purchase Contract is only subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

"Chairman"	Mr. TAOCHAIFU Choojuang, the chairman of the Company and one of the controlling shareholders (as defined in the Listing Rules) of the Company
"Company"	New Heritage Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China
"Property"	Villa no.J501, Suzhou Garden Court, 1333 Bin He Road, New District, Suzhou, the PRC
"Purchaser"	Ms. TAO Miriam, the daughter of the Chairman and sister of Mr. TAO Richard and Mr. TAOCHAIFU Porn, being two executive Directors
"RMB"	Renminbi, the lawful currency of the PRC
"Sale & Purchase Contract"	商品房買賣合同 (Contract for Sale and Purchase of Commodity Property) entered into between SGVDM and the Purchaser on 22 December 2005 in respect of the sale and purchase of the Property
"SGVDM"	Suzhou Garden Villa Development & Management Co., Ltd. (蘇州錦華苑建設發展管理有限公司), a Sino-foreign co-operative joint venture enterprise in the PRC, which is indirectly owned as to 95% by the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 23 December 2005

Throughout this announcement, unless otherwise stated, the rate of HK\$1.00 = RMB1.04 has been used to translate RMB to HK\$ for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate.

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. TAOCHAIFU Porn (Managing Director), Mr. KONG Mui Sun Lawrence and Mr. YIM Chun Leung as executive Directors; Mr. CHAN Bernard Charmut 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.