



新澤控股有限公司 New Heritage Holdings Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 95)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

RESULTS

The board of directors (the “Directors” or the “Board”) of New Heritage Holdings Ltd. (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008 together with the comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2008

	Notes	Six months ended 30 June	
		2008 HK\$'000 (Unaudited)	2007 HK\$'000 (restated) (Unaudited)
Revenue	3	8,570	12,775
Cost of sales		(3,467)	(6,847)
Gross profit		5,103	5,928
Other income	3	2,282	24,071
Selling expenses		(2,930)	(2,777)
Administrative expenses		(21,087)	(15,859)
Finance costs	5	(11,968)	(3,361)
Share of results of associates		11,169	9,584
(Loss)/profit before taxation	6	(17,431)	17,586
Taxation	7	72	(343)
(Loss)/profit for the period		(17,359)	17,243
Attributable to:			
Equity holders of the Company		(11,659)	18,352
Minority interests		(5,700)	(1,109)
		(17,359)	17,243
Dividend	8	–	–
(Losses)/earnings per share	9		
– Basic		(HK\$0.01)	HK\$0.02
– Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
as at 30 June 2008

	<i>Notes</i>	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill		37,048	37,048
Property, plant and equipment		18,703	17,602
Investment properties		332,545	310,867
Interests in associates		102,549	112,459
Available-for-sale financial asset		43,318	–
Deferred tax assets		1,898	1,766
		<hr/>	<hr/>
		536,061	479,742
Current assets			
Properties held under development		658,659	330,001
Properties held for sale		20,699	19,284
Inventories		140	136
Accounts receivable	<i>10</i>	493	514
Deposits paid, prepayments and other receivables		44,271	262,835
Pledged bank deposits		64,979	61,430
Cash at banks and in hand		81,084	175,701
		<hr/>	<hr/>
		870,325	849,901
Current liabilities			
Accounts payable	<i>11</i>	38,218	31,081
Accruals, deposits received and other payables		47,940	28,717
Provision for tax		7,888	21,323
Borrowings		158,689	113,727
		<hr/>	<hr/>
		252,735	194,848
Net current assets		<hr/> 617,590 <hr/>	<hr/> 655,053 <hr/>
Total assets less current liabilities		1,153,651	1,134,795
Non-current liabilities			
Borrowings		188,778	185,547
Convertible notes		71,857	71,482
Deferred tax liabilities		32,714	30,583
		<hr/>	<hr/>
		293,349	287,612
Net assets		<hr/> 860,302 <hr/>	<hr/> 847,183 <hr/>

	<i>Notes</i>	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		11,372	11,283
Reserves		768,296	733,760
Proposed final dividend		–	11,283
		<hr/>	<hr/>
		779,668	756,326
Minority interests		80,634	90,857
		<hr/>	<hr/>
Total equity		860,302	847,183
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2008 (the “period”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 12 September 2008.

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007 (the “2007 Annual Report”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for the revaluation of investment properties, hotel properties and certain financial assets and liabilities which are measured at fair value. The accounting policies adopted are consistent with those used in the preparation of the 2007 Annual Report.

During the period, an amount classified under deposits paid, prepayments and other receivables in the balance sheet as at 31 December 2007 was converted into 10% equity interest in and a loan to Key Apex Limited, a company of which Mr. Chan Bernard Charnwut, a non-executive director of the Company, is a director. The equity interest in together with the loan made to that company are classified as available-for-sale financial asset in accordance with HKAS 39 “Financial Instruments: Recognition and Measurement”.

Available-for-sale financial asset include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category is subsequently measured at fair value. Gain or loss arising from a change in the fair value is recognised directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in the income statement. Interest calculated using the effective interest method is recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.

The Group designated the loan relating to this investment as available-for-sale financial asset as the Group intends to capitalise the loan as further investment in this company.

Available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in the income statement as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Reversals of impairment losses in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of investment in debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment losses were recognised. Reversal of impairment losses in such circumstances are recognised in the income statement.

From 1 January 2008, the Group has adopted all of the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA which are first effective on 1 January 2008 and relevant to the Group.

The adoption of these new and amended HKFRSs did not result in significant changes to the Group's accounting policies.

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of such HKFRSs will not result in material financial impact on the Group's financial statements.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 (Amendment)	Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations – Comprehensive Revision on Applying the Acquisition Method ²
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁴

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 October 2008

3. REVENUE AND OTHER INCOME

Revenue, which includes the Group's turnover and other income recognised during the period are as follows:

	Six months ended 30 June	
	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)
Revenue		
Turnover		
Proceeds from sale of properties held for sale	37	10,150
Proceeds from sale of investment property	944	–
Rental income	7,589	2,394
Management fee income	–	231
	<u>8,570</u>	<u>12,775</u>
Other income		
Gain on partial disposal of interests in subsidiaries	–	22,204
Interest income	1,758	1,749
Others	524	118
	<u>2,282</u>	<u>24,071</u>

4. SEGMENT INFORMATION

(a) Primary reporting format – business segments

The Group is organised into two main business segments:

Property development : Property development and sale of properties held for sale

Property investment and leasing : Property rental and sale of investment property and leasing

Inter-segment sales are charged at prevailing market prices.

The segment results for the six months ended 30 June 2008 are as follows:

	Property development HK\$'000 (Unaudited)	Property investment and leasing HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue:				
External customers	37	8,533	–	8,570
Inter-segment sales	–	37	(37)	–
	<u>37</u>	<u>8,570</u>	<u>(37)</u>	<u>8,570</u>
Total segment revenue	<u>37</u>	<u>8,570</u>	<u>(37)</u>	<u>8,570</u>
Segment results	<u>9</u>	<u>5,094</u>	<u>–</u>	<u>5,103</u>
Other corporate income				2,282
Unallocated expenses				(24,017)
Finance costs				(11,968)
Share of results of associates				<u>11,169</u>
Loss before taxation				(17,431)
Taxation				<u>72</u>
Loss for the period				<u>(17,359)</u>

The segment results for the six months ended 30 June 2007 are as follows:

	Property development <i>HK\$'000</i> (unaudited)	Property investment and leasing <i>HK\$'000</i> (unaudited)	Other operations <i>HK\$'000</i> (unaudited)	Elimination <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue:					
External customers	10,150	2,394	231	–	12,775
Inter-segment sales	–	17	–	(17)	–
Total segment revenue	<u>10,150</u>	<u>2,411</u>	<u>231</u>	<u>(17)</u>	<u>12,775</u>
Segment results	<u>3,908</u>	<u>1,894</u>	<u>126</u>	<u>–</u>	<u>5,928</u>
Other corporate income					24,071
Unallocated expenses					(18,636)
Finance costs					(3,361)
Share of results of associates					<u>9,584</u>
Profit before taxation					17,586
Taxation					<u>(343)</u>
Profit for the period					<u><u>17,243</u></u>

(b) Secondary reporting format – geographical segments

No geographical segments information is presented as the operations and major customers of the Group are substantially located in the People's Republic of China ("PRC").

5. FINANCE COSTS

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest charges on borrowing which is wholly repayable within five years:		
Bank loans	6,032	2,050
Bank overdrafts	20	465
Other loan	435	–
Imputed interest expense on loans from minority shareholders	3,241	846
Interest charge on convertible notes	<u>2,240</u>	–
	<u>11,968</u>	<u>3,361</u>

6. (LOSS)/PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit before taxation is arrived at after charging:		
Cost of properties held for sale recognised as expense	25	5,718
Depreciation of property, plant and equipment	1,773	1,071
Less: amount capitalised in properties held under development	(27)	(18)
	1,746	1,053
Outgoings in respect of investment properties that generated rental income during the period	1,923	395
Operating lease charges in respect of land and buildings	1,168	986
Loss on disposal of property, plant and equipment	–	2
Staff costs, including directors' emoluments and retirement benefits cost	13,317	17,395
Employee share-based payment expense	1,610	–
Less: amount capitalised in properties held under development	(3,229)	(4,105)
	11,698	13,290
Amount recognised as expense for retirement benefits cost	887	845
Exchange loss, net	161	10
Loss on disposal of investment property included in gross profit	573	–
and crediting:		
Rental income from investment properties less outgoings	5,666	1,999

7. TAXATION

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(restated) (Unaudited)
Current tax – PRC		
– Corporate income tax	37	293
– Land appreciation tax (“LAT”)	1	50
	38	343
Deferred taxation	(110)	–
Total tax charge for the period	(72)	343

LAT which included in “Cost of sales” for the period ended 30 June 2007 was restated to “Taxation” as the directors of the Company decided that it is more appropriate to account for and present LAT as income tax under HKAS 12 “Income Taxes” in light of the discussion of the Financial Reporting Standards Committee of the HKICPA on the scope of HKAS 12. The directors of the Company considered that the cumulative effect of changes would not have result in material impact to the presentation to the condensed consolidated financial statements of the Group for the period ended 30 June 2008 and 2007.

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate was 25% for the period (six months ended 30 June 2007: 33%).

No Hong Kong profits tax has been provided as the Group had no estimated assessable profit for the period (six months ended 30 June 2007: Nil).

Deferred taxation is calculated under the balance sheet liability method using the applicable tax rates at balance sheet date.

8. DIVIDEND

(a) Dividend attributable to the period

No dividend has been paid or declared by the Company in respect of the period (six months ended 30 June 2007: Nil).

(b) Dividend attributable to the previous financial year, approved and paid during the period

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Final dividend for the year ended 31 December 2007	11,372	–
Final dividend for the year ended 31 December 2006	–	7,135
	<u>11,372</u>	<u>7,135</u>

9. (LOSSES)/EARNINGS PER SHARE

The calculation of basic losses/earnings per share is based on the loss attributable to equity holders of the Company of approximately HK\$11,659,000 (six months ended 30 June 2007: profit attributable to equity holders of the Company of approximately HK\$18,352,000) and on weighted average of 1,131,052,048 (six months ended 30 June 2007: 761,421,511, as adjusted for ordinary shares issued on rights issue) ordinary shares in issue during the period.

In the calculation of the diluted losses/earnings per share attributable to equity holders of the Company for the both period ended 30 June 2008 and 2007, the potential shares arising from the conversion of the Company’s convertible notes would decrease/increase the losses/earnings per share attributable to equity holders of the Company and was not taken into account as they had an anti-dilutive effect. In addition, there were no potential shares arising from exercise of the Company’s share options as the exercise prices of the options were higher than the average market price for the periods.

No diluted losses/earnings per share for the period ended 30 June 2008 and 2007 have presented as there were no dilutive potential shares.

10. ACCOUNTS RECEIVABLE

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
Accounts receivable	493	514
Less: Provision for impairment loss	—	—
	<u>493</u>	<u>514</u>

Accounts receivable generally have 30 to 60 days' credit terms and no interest is charged. All accounts receivable are denominated in Renminbi. The ageing analysis of the Group's accounts receivable is as follows:

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
Below 30 days	316	249
30 – 60 days	95	129
61 – 90 days	32	50
91 – 365 days	50	86
	<u>493</u>	<u>514</u>

11. ACCOUNTS PAYABLE

The ageing analysis of the Group's accounts payable is as follows:

	Notes	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
Below 30 days		607	1,110
30 – 60 days		517	196
61 – 90 days		637	160
91 – 365 days		1,014	433
Over 365 days		69	826
Rent received on behalf of landlords	(a)	2,844	2,725
Accrued construction cost and other project-related expenses	(b)	35,374	28,356
		<u>38,218</u>	<u>31,081</u>

Notes:

- (a) Rent received on behalf of landlords comprised net rental received from tenants after netting off fee charged to them provided by external services providers.
- (b) Included in the above amounts are construction cost and other project-related expense payable amounted to approximately HK\$35,374,000 at 30 June 2008 which was accrued based on the terms of the relevant agreements and project progress and were not due for payment at 30 June 2008 (31 December 2007: HK\$28,356,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operation

During the period under review, the Group continued to engage in property development and investment businesses in the cities of Suzhou, Beijing, Shanghai and Jiangsu Province with the aim of providing the best value and quality of properties to its customers. Our focus in these regions enables us to utilise best our local market knowledge and expertise built up over more than 15 years in Jiangsu Province and to keep costs as low as possible with a concentration of a management team and resources in the region.

The Group strives to maintain a balance between development as well as investment properties with the former providing the majority of our profits and turnover and the latter providing a steady flow of ongoing and long-term income.

As it is difficult to predict the precise time when certain property sites will be brought to market by the local government, our biggest challenge since our initial public offering in 2005 has been to maintain a smooth and consistent pipeline of development products to the market. Our major land acquisition programme occurred throughout 2007 resulting in most of our output expected to be in 2009 and beyond. Over time, this pipeline is expected to become more consistent as site acquisition and production becomes overlapping.

Investment in an associate (Beijing Landmark Towers Co., Ltd.)

Beijing Landmark Towers Co., Ltd., an associate of the Group, continues to enjoy high occupancy rates in its two grade A office towers, hotel and serviced apartments. The new conference centre which was completed last year continues to bring in healthy revenues to the rest of the property and is the choice venue for many high quality functions.

The investment is expected to make again a good cash contribution to the Group as in the previous year.

Financial Review

Overall Performance

For the first six months of 2008, the Group launched pre-sale bookings of its development projects and 22 units were successfully sold. The corresponding bookings of these property sales are followed by the revenue recognition policy adopted by the Group which only allows recognition of revenue arising from property sales when such properties are actually transferred to customers and handover confirmations have been executed. Once the sold units have been delivered to buyers this year, the income will be reflected in the accounts for the full year 2008. Meanwhile, the Group's gross profit margin stood at around 60%, mainly arising from leasing rental of Group's investment properties.

Operating Results

During the period under review, the Group's turnover amounted to approximately HK\$8.6 million (first half of 2007: HK\$12.8 million). Consolidated loss attributable to equity holders of the Company was approximately HK\$11.7 million, as compared with the net profit attributable to equity holders of HK\$18.4 million for the same period in the previous year. The major reason of the decrease is due to a special item of gain on partial disposal of subsidiaries, of HK\$22.2 million in first half of 2007, and an increase in finance costs in 2008 mainly attributable to the interest expense on a convertible notes and imputed interest on minority shareholder loan, as well as project financing. Basic losses per share amounted to HK\$0.01, compared to earnings per share of HK\$0.02 in the first half of 2007.

Liquidity, Financial Resources and Gearing

Cash and cash equivalents as at 30 June 2008 amounted to HK\$81.1 million (first half of 2007: HK\$102.4 million).

As at 30 June 2008, the Group had total borrowings of approximately HK\$347.5 million (as at 31 December 2007: HK\$299.3 million). Of these borrowings, bank borrowings amounted to approximately HK\$246.5 million, and loans from minority shareholders of the Group's subsidiaries amounted to approximately HK\$100.9 million. Borrowings repayable within one year amounted to approximately HK\$158.7 million (as at 31 December 2007: HK\$113.7 million), and the Group's gearing ratio as at 30 June 2008 was 31.9% (as at 31 December 2007: 28.5%), calculated based on the ratio of interest-bearing borrowings to total shareholders' fund.

As at 30 June 2008, the Group had current assets of approximately HK\$870.3 million (as at 31 December 2007: HK\$849.9 million) and current liabilities of approximately HK\$252.7 million (as at 31 December 2007: HK\$194.8 million). The Group had total assets and total liabilities of approximately HK\$1,406.4 million and HK\$546.1 million respectively, representing a debt ratio (total liabilities over total assets) of 38.8% (as at 31 December 2007: 36.3%).

Charges on Assets

As at 30 June 2008, a bank loan of approximately HK\$153.5 million was secured by the Group's bank deposits, investment properties and leasehold interests in land included in properties held under development of approximately HK\$57.9 million, HK\$139.2 million and HK\$45.7 million respectively.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the period under review, there was no significant fluctuation in the exchange rates of the Hong Kong dollar and the US dollar. The appreciation in the currency value of the Renminbi has no significant influence on the Group's bottom line. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure in the first half of 2008.

Contingent Liabilities

As at 30 June 2008, the Group had no material contingent liabilities.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on prudent risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 30 June 2008, the Group had a staff roster of 127, of which 99 employees were based in the China mainland and 28 employees in Hong Kong. The remuneration of employees was in line with market trends and commensurate to the levels of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives. Share options have also been granted to certain directors and employees of the Company and its subsidiary.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

In the opinion of the Board, the Group has complied with the code provisions set out in Appendix 14, Code on Corporate Governance Practices, of the Rules Governing the Listing of Securities on the Stock Exchange for the six months ended 30 June 2008.

REVIEW OF INTERIM FINANCIAL REPORT

The auditors of the Company, Grant Thornton have performed an independent review on the interim financial report for the six months ended 30 June 2008 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA. On the basis of their review, which does not constitute an audit, Grant Thornton confirmed in writing that they are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2008. The interim results of the Group for the period ended 30 June 2008 have also been reviewed by the members of the Audit Committee before submission to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Other than the issue of 8,900,000 shares by the Company during the period, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the websites of the Company (www.nh-holdings.com) and the Stock Exchange (www.hkex.com.hk). The 2008 Interim Report will be dispatched to shareholders in due course.

GENERAL INFORMATION

As at the date of this announcement, the Directors of the Company 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 and Mr. 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.

This interim results announcement only gives a summary of the information and particulars of the Interim Report 2008 from which the contents of this announcement are derived.

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

Hong Kong, 12 September 2008