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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 95)

PROFIT WARNING

The Board wishes to inform shareholders of the Company and investors that its results for the year ended 31 December 2008 are expected to record a loss because of a delay in the tight construction schedule and consequently the expected delivery date and launching of one of the Group's projects, and because of the lower selling prices of some of the properties sold.

The Group would also like to take this opportunity to advise that the Group has never entered into any derivative contracts, whether related to currencies or securities, and the expected loss for the year ending 31 December 2008 is not a result thereof. The Board further confirms that the Group has no financial derivative instruments which have contributed any loss to the Group's 2008 final results.

The Board also wishes to inform shareholders and investors that discussions are still taking place in relation to the possibility of the Conversion. The Conversion may or may not proceed and there is no committed timetable by shareholders of BLTCL.

This announcement is made by the Company pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

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The board of Directors (the "Board") of New Heritage Holdings Ltd. (the "Company") and its subsidiaries (together with the Company, the "Group") wishes to inform shareholders of the Company and investors that its results for the year ended 31 December 2008 are expected to record a loss due to a delay in the tight construction schedule and consequently the expected delivery date and launching of Phase 1 of the Group's project, "Taihu Garden Court" (the "Project"). The delay in the construction schedule was due to exceptionally adverse weather in Suzhou throughout 2008 which hampered and affected the construction works of the Project. Phase 1 of the Project was originally expected to be delivered by the end of 2008 and it is now expected to be delivered in the first half of 2009. The pre-sale permit for Phase 1 of the Project was obtained on 27 November 2008 which allows the Group to sell a total gross floor area of approximately 58,582 sq.m., and revenue from such sales is expected to be recognised in the year ending 31 December 2009.

The austerity measures implemented in the People's Republic of China earlier this year and the subsequent outbreak of the global financial crisis have adversely impacted market sentiment and selling prices. However, with the relaxation of the austerity measures since November 2008, the Board anticipates a possible recovery in general PRC property selling prices in 2009.

Even though the economic environment in 2009 remain challenging for the Group, the Board considers that the overall operations of the Group remain sound and ongoing, the financial position of the Group remains solid and the Group is well-positioned to capture potential opportunities that may arise in future.

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As the Company's audited consolidated results for the year ending 31 December 2008 will be finalised in March 2009, the Board is not in a position to quantify the extent of the loss for the time being. This profit warning announcement is only based on the preliminary estimation by the management of the Company and the information currently available. The Company expects to announce its audited consolidated results for the year ending 31 December 2008 around April 2009.

The Board also wishes to inform shareholders and investors that discussions are still taking place in relation to the possibility of converting Beijing Landmark Towers Co., Ltd. ("BLTCL"), an associated company of which the Company effectively holds 30.05% equity interest, from an equity joint venture company into a joint stock company (the "Conversion"). The Board wishes to advise that despite all the shareholders of BLTCL are understood to have the intention to proceed with the Conversion, terms of the Conversion have still not been finalised and there is no commitment by the Group to proceed with the Conversion. The Conversion may or may not proceed and there is no committed timetable by shareholders of BLTCL.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 December 2008

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; 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.