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

*(Incorporated in the Cayman Islands with limited liability)*

*(HKSE Stock Code: 95)*

**MAJOR TRANSACTION  
CONNECTED TRANSACTION  
DISPOSAL OF INVESTMENT  
AND  
RESUMPTION OF TRADING**

Reference is made to the Company's announcement dated 18 November 2009. On 2 December 2009, Healthy Castle entered into the Agreement to dispose of the Sale Shares and assign the Assigned Loan to the Purchasers at a total consideration of US\$11,185,000 (equivalent to approximately HK\$87,243,000). Upon completion of the Agreement, the Group is expected to realize an estimated gain of approximately HK\$34 million (before expenses).

As the applicable percentage ratio(s) as defined in the Listing Rules exceed(s) 25% but is less than 75%, the Agreement and the transaction contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules subject to announcement and Shareholders' approval. Since Ultra Plan, Asia Investment, Fordham and Robinson of the Purchasers are connected persons of the Company under the Listing Rules and the Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company. As the applicable percentage ratio(s) exceeds 2.5%, the Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Agreement and the transaction contemplated thereunder. A closely allied group of Shareholders, namely Belbroughton Limited, Mr. TAOCHAIFU Choofuang, Mr. TAO Richard and Mr. TAO Paul who, in aggregate, currently hold 599,600,792 Shares, representing approximately 51.27% of the issued share capital of the Company and have the right to attend and vote at a general meeting of the Company to approve the Agreement and the transaction contemplated thereunder have provided to the Company written approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 and 14A.43 of the Listing Rules.

A circular containing, amongst other things, further details of the Agreement and the transactions contemplated thereunder will be dispatched to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 3 December 2009 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 4 December 2009.

Reference is made to the Company's announcement dated 18 November 2009. The Board announces that on 2 December 2009 Healthy Castle entered into the Agreement with the Purchasers.

## THE AGREEMENT

Date of the Agreement	:	2 December 2009
Seller	:	Healthy Castle
Purchasers	:	Ultra Plan, Asia Investment, Fordham, Robinson and Newlink
Sale Shares	:	100 shares of US\$1.00 each in Key Apex, representing 10% of the issued share capital of Key Apex
Assigned Loan	:	the principal amount of US\$6,784,900 (equivalent to approximately HK\$52,922,220) due from Key Apex to Healthy Castle, representing approximately 10% of the total shareholders' loan of Key Apex as at 31 October 2009
Consideration	:	US\$11,185,000 (equivalent to approximately HK\$87,243,000). The consideration of the Sale Shares and the Assigned Loan shall be settled in cash upon Completion and was determined after arm's length negotiations between Healthy Castle and the Purchasers by reference to the total shareholders' fund and total shareholders' loan of Key Apex Group of approximately US\$770,400 (equivalent to approximately HK\$6,009,000) and US\$67,845,000 (equivalent to approximately HK\$529,191,000) respectively as at 31 October 2009.
Conditions	:	<p>Completion of the sale and purchase of the Sale Shares and the assignment of the Assigned Loan is subject to and conditional upon the fulfillment of the following conditions:</p> <ul style="list-style-type: none"><li>(i) resolutions passed by the shareholders of Key Apex (the parties shall assist passing of such resolutions where necessary) approving the transfer of the Sale Shares and the assignment of the Assigned Loan to the Purchasers; and</li><li>(ii) if required under the Listing Rules, the publication of the necessary announcement and circular by the Company and passing of resolutions at an extraordinary general meeting of the Company approving the sale and purchase of the Sale Shares and the assignment of the Assigned Loan</li></ul> <p>If the conditions have not been satisfied by 5:00 p.m. on or before 28 February 2010 (or such other time and date as agreed by the parties), the Agreement shall lapse and have no further effect and the parties shall be released from all obligations thereunder, unless stated otherwise.</p>
Completion	:	Completion of the sale and purchase of the Sale Shares and the assignment of the Assigned Loan shall take place on the third business day immediately after the conditions have been fulfilled

The Sale Shares and the Assigned Loan will be transferred and assigned to the Purchasers in the following proportion:

<u>Purchaser</u>	<u>Number of Sale Shares</u>	<u>Amount of Assigned Loan</u>	<u>Total consideration</u>
Ultra Plan	40	US\$2,713,960	US\$4,474,000
Asia Investment	25	US\$1,696,225	US\$2,796,250
Fordham	20	US\$1,356,980	US\$2,237,000
Robinson	12.5	US\$848,112.5	US\$1,398,125
Newlink	2.5	US\$169,622.5	US\$279,625
Total:	<u>100</u>	<u>US\$6,784,900</u>	<u>US\$11,185,000</u>

### **GAIN ATTRIBUTABLE TO THE GROUP**

The Group becomes interested in the Sale Shares and the Assigned Loan pursuant to the exercise of the conversion right attached to the convertible note issued on 18 July 2007. Details of the convertible note were set out in the circular of the Company dated 20 June 2007 and the 2008 annual report. After deducting the Group's investment cost in Key Apex of approximately HK\$52,923,000 by the total consideration for the Disposal, a gain of approximately HK\$34 million (before expenses) will be attributable to the Group as a result of the Disposal.

### **INFORMATION ON THE GROUP**

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

### **INFORMATION ON KEY APEX AND THE PURCHASERS**

Key Apex is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, 10% equity interest of Key Apex was directly held by Healthy Castle and the remaining 90% was held as to 42.5% by Ultra Plan, 25% by Asia Investment, 20% by Fordham and 2.5% by Newlink (an independent third party). To the Directors' knowledge, the principal underlying asset of Key Apex is the 100% equity interest in the PRC company which is currently the project company for the residential and commercial property development project in Jiading, Shanghai, the PRC. Based on the draft valuation report (which will be included in the Company's circular to be dispatched to its shareholders) prepared by an independent qualified valuer, the total valuation of such property development project as at 30 September 2009 was approximately RMB905,000,000 and accordingly approximately RMB90,500,000, being 10%, of the value was attributable to the Group. Based on the information available to the Directors, the profits before and after tax of Key Apex Group for the year ended 31 December 2007 was approximately US\$ 367,000 (equivalent to approximately HK\$2,826,000) and the loss of Key Apex Group for the year ended 31 December 2008 was approximately US\$404,000 (equivalent to approximately HK\$3,151,200). As at 31 October 2009, the net asset value of Key Apex Group was approximately US\$770,400 (equivalent to approximately HK\$6,009,000).

The principal business of Ultra Plan, Asia Investment, Fordham, Robinson and Newlink is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, among the Purchasers, Ultra Plan, Asia Investment, Fordham and Robinson are deemed to be controlled by associates of a non-executive Director (who and his associates did not hold any interest in the Shares of the Company as at the date of this announcement), and therefore connected persons of the Company under the Listing Rules, and the ultimate beneficial owners of Newlink are third parties independent of the Company and its connected persons. As at the date of this announcement, none of the Purchasers and their respective associates held any interest in the Shares of the Company.

Upon Completion, the Company will cease to have any shareholding in Key Apex Group.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

As the Disposal could provide satisfactory return to the Group and help to strengthen the financial position of the Group, therefore it is in the interests of the Company and its Shareholders as a whole to proceed with the Disposal.

The Directors (including all independent non-executive Directors) believe that the terms, including the consideration, of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

## USE OF PROCEEDS

The Group intends to retain the sale proceeds resulting from the Disposal as general working capital of the Group and for repayment of bank loans.

## LISTING RULES AND WRITTEN APPROVAL

As the applicable percentage ratio(s) as defined in the Listing Rules exceed(s) 25% but is less than 75%, the Agreement and the transaction contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules subject to announcement and Shareholders' approval. Since Ultra Plan, Asia Investment, Fordham and Robinson of the Purchasers are connected persons of the Company under the Listing Rules and the Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company. As the applicable percentage ratio(s) exceeds 2.5%, the Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Agreement and the transactions contemplated thereunder. A closely allied group of Shareholders, namely Belbroughton Limited, Mr. TAOCHAIFU Choofuang, Mr. TAO Richard and Mr. TAO Paul, in aggregate, currently hold 599,600,792 Shares, representing approximately 51.27% of the issued share capital of the Company as follows:

<u>Shareholder</u>	<u>Number of Shares directly held and percentage to the issued share capital of the Company as at the date of this announcement</u>
Belbroughton Limited	542,682,278 (46.41%)
Mr. TAOCHAIFU Choofuang	11,515,000 (0.98%)
Mr. TAO Richard	22,701,757 (1.94%)
Mr. TAO Paul	22,701,757 (1.94%)
Total:	<u>599,600,792 (51.72%)</u>

Belbroughton Limited is owned as to 20% by Seal United Investments Limited and 80% by United Islands Group Limited. Seal United Investments Limited is owned by Mr. TAOCHAIFU Choofuang and his spouse, Mrs. TAO POON Lai Yew Nancy in equal proportions. United Islands Group Limited is owned by Mr. TAOCHAIFU Choofuang, Mrs. TAO POON Lai Yew Nancy, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam in equal proportions. Ms. TAO Miriam is the daughter of Mr. TAOCHAIFU Choofuang. Mr. TAO Richard and Mr. TAO Paul are the sons of Mr. TAOCHAIFU Choofuang.

Such closely allied group of Shareholders have the right to attend and vote at a general meeting of the Company to approve the Agreement and the transactions contemplated thereunder and have provided to the Company written approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 and 14A.43 of the Listing Rules.

A circular containing, amongst other things, further details of the Agreement and the transactions contemplated thereunder will be dispatched to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 3 December 2009 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 4 December 2009.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings:

“Agreement”	the agreement dated 2 December 2009 entered into between Healthy Castle and the Purchasers in respect of the Disposal
“Asia Investment”	Asia Investment Services Limited, a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an associate of the non-executive Director controls over 30% of its voting rights
“Assigned Loan”	the principal amount of US\$6,784,900 due from Key Apex to Healthy Castle
“Board”	the board of directors of the Company
“Company”	New Heritage Holdings Ltd., a company incorporated in Cayman Islands and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal and the assignment of the Assigned Loan pursuant to the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the sale of the Sale Shares and the assignment of the Assigned Loan by Healthy Castle to the Purchasers pursuant to the Agreement
“Fordham”	Fordham Essential Limited, a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an associate of the non-executive Director controls over 30% of its voting rights

“Key Apex”	Key Apex Limited, a company incorporated in the British Virgin Islands with limited liability
“Key Apex Group”	Key Apex and its subsidiaries
“Group”	the Company and its subsidiaries
“Healthy Castle”	Healthy Castle Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newlink”	Newlink Developments Limited, a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the ultimate beneficial owner(s) of which is/are third parties independent of the Company and its connected persons
“percentage ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“PRC company”	上海盤谷房地產有限公司 (Shanghai Pangu Co., Ltd.), indirectly held by Key Apex
“Purchasers”	Ultra Plan, Asia Investment, Fordham, Robinson and Newlink
“RMB”	Renminbi, the lawful currency of the PRC
“Robinson”	Robinson Enterprise Limited, a company incorporated in Jersey, Channel Islands with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an associate of the non-executive Director controls over 30% of its voting rights
“Sale Shares”	the 100 shares of Key Apex, representing 10% of the issued share capital of Key Apex
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules

“Ultra Plan”	Ultra Plan Ltd., a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an associate of the non-executive Director controls over 30% of its voting rights
“US\$”	United States dollars
“%”	per cent

*In this announcement, unless the context herein requires otherwise, amounts denominated in US\$ have been converted into HK\$, for the purpose of illustration only, using the exchange rate of US\$1 = HK\$7.8.*

By order of the Board  
**New Heritage Holdings Ltd.**  
**TAO RICHARD**  
*Vice Chairman*

Hong Kong, 3 December 2009

*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.*