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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)

CONNECTED TRANSACTION
ISSUE OF HK\$75 MILLION 6 PER CENT.
UNLISTED AND UNSECURED
CONVERTIBLE NOTES

ISSUE OF 2011 CONVERTIBLE NOTES

On 5 July 2011, the Company entered into the Subscription Agreement with the CN Subscribers in relation to the issue of the 2011 Convertible Notes in an aggregate principal amount of HK\$75 million.

Under the Subscription Agreement, the Company will issue the 68,181,818 Conversion Shares to the CN Subscribers upon the exercise of the conversion rights attached to the 2011 Convertible Notes at a conversion price of HK\$1.10 per Conversion Share.

The Conversion Shares upon issue and allotment will rank pari passu with all the then existing issued Shares. The Company will seek the grant of a Specific Mandate from the Shareholders at the EGM to allot and issue the Conversion Shares.

The gross proceeds to be raised under the issue of 2011 Convertible Notes will be HK\$75 million. After deduction of the legal and professional cost for the transaction contemplated under the issue of 2011 Convertible Notes, the net proceeds is expected to be approximately HK\$74 million. Pursuant to the Subscription Agreement, the subscription price of the 2011 Convertible Notes would be applied directly to setoff part of the Redemption Amount for redemption of the 2007 Convertible Notes.

Since the CN Subscribers are connected persons of the Company for the purpose of the Listing Rules (see the section headed “Implications under the Listing Rules and the Share Repurchase Code for the Subscription Agreement” in this announcement), accordingly, the Subscription Agreement and the transactions contemplated thereunder, including the creation and issue of the 2011 Convertible Notes and grant of the Specific Mandate to satisfy the allotment and issue of the Conversion Shares, are subject to, among other matters, the approval of the Independent Shareholders by way of a poll at the EGM. As at the date of this announcement, the CN Subscribers do not hold any Shares, thus no Shareholder is required to abstain from voting at the EGM to approve the Subscription Agreement.

The 2007 Redemption will constitute an off-market share repurchase under rule 1 of the Share Repurchase Code. The Company will consult the Executive if the 2007 Redemption will be an exempt share repurchase of the Company for the purpose of the Share Repurchase Code. Should the 2007 Redemption do not fall within an exempt share repurchase, it is to be approved by the Executive and the Disinterested Shareholders on a poll in the EGM.

GENERAL

An Independent Board Committee comprises the independent non-executive Directors, namely Mr. WONG Gary Ka Wai, Mr. SUN Leland Li Hsun and Mr. CHAN Norman Enrique, has been established to advise the Independent Shareholders and the Disinterested Shareholders on terms of the Subscription Agreement. In connection therewith, Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee on terms of the Subscription Agreement. The appointment of the independent financial adviser has been approved by the Independent Board Committee.

A circular containing, among others, (i) details of the Subscription Agreement and the 2011 Convertible Notes; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Subscription Agreement; and (iv) a notice convening the EGM will be dispatched to the Shareholders on or around 26 July 2011.

ISSUE OF THE 2011 CONVERTIBLE NOTES

On 5 July 2011, the Company and the CN Subscribers entered into the Subscription Agreement, pursuant to which the Company agreed to issue and the CN Subscribers agreed to subscribe for the 2011 Convertible Notes at an aggregate principal amount of HK\$75 million on the terms and subject to the conditions set out in the Subscription Agreement.

The principal terms of the 2011 Convertible Notes are summarised below:

Parties to the Subscription Agreement

CN Subscribers	:	AFH and AICL
Issuer	:	the Company
Date	:	5 July 2011

Principal terms of the 2011 Convertible Notes

Aggregate principal amount	:	HK\$75 million (HK\$50 million by AFH and HK\$25 million by AICL)
Maturity	:	36 months from the date of issue of the 2011 Convertible Notes
Status and Transfer	:	<ul style="list-style-type: none">• The obligations of the Company arising under the 2011 Convertible Notes constitute general, unconditional, unsecured, unsubordinated obligations of the Company and rank, and shall rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. No application shall be made for a listing of the 2011 Convertible Notes.• None of the 2011 Convertible Notes is assignable or transferable.• The CN Subscribers shall be treated as the absolute owners of the 2011 Convertible Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the 2011 Convertible Notes) and no person shall be liable for so treating the holder of the 2011 Convertible Notes.

- The Company shall maintain and give a full and complete register of the holders of the 2011 Convertible Notes, the conversion, cancellation and destruction of the 2011 Convertible Notes, any replacement certificate issued in substitution for any defaced, lost, stolen or destroyed certificate and of details of all holders of the 2011 Convertible Notes from time to time.
- Any change in the beneficial ownership of the 2011 Convertible Notes (whether or not the registered holder of the 2011 Convertible Notes is changed) or the ultimate control of the holders of the 2011 Convertible Notes shall be deemed a transfer or an assignment of the 2011 Convertible Notes and is not permitted.

Interest : 6% per annum, payable in arrear on a quarterly basis on 31 March, 30 June, 30 September and 31 December of each year between the date of issue of the 2011 Convertible Notes and the Maturity Date. The first payment of the interest shall be made on 31 December 2011.

Redemption : No redemption of the 2011 Convertible Notes before the Maturity Date is permitted.

Unless previously converted, the Company will redeem the 2011 Convertible Notes on the Maturity Date at the redemption price of 110% of the principal amount of the 2011 Convertible Notes outstanding together with accrued interest thereon up to and including the Maturity Date.

Conversion : *Voluntary conversion*

The holder of the 2011 Convertible Notes shall have the right to convert, any part of the principal amount of the 2011 Convertible Notes in the multiple of HK\$25,000,000 at the Conversion Price unless the outstanding principal amount of the 2011 Convertible Notes is less than HK\$25,000,000, in which event, to convert the whole (but not part) of the outstanding principal amount of the 2011 Convertible Notes at the Conversion Price.

Compulsory conversion

The whole (but not part) of the principal amount of HK\$35,000,000 (HK\$25,000,000 for AFH and HK\$10,000,000 for AICL) of the 2011 Convertible Notes shall be compulsorily converted at the Conversion Price within seven business days if the closing price per Share is HK\$1.10 or higher for ten consecutive trading days during the period from the issue date of the 2011 Convertible Notes up to the five business days prior to the Maturity Date provided always that the Shares in issue shall be not more than 1,705,000,000 Shares.

No fraction of a Share will be issued on conversion of the 2011 Convertible Notes. Fractional entitlements shall be ignored and any sum paid shall be retained by the Company for its own benefit.

The holders of the 2011 Convertible Notes shall only exercise the right of conversion and the Company will issue any Conversion Shares to the extent that the public float of the Company will not be less than 25% immediately after such conversion.

Maximum number of Conversion Share	:	45,454,545 Conversion Shares for AFH and 22,727,273 Conversion Shares for AICL
Conversion Price	:	<p>The conversion price is fixed at HK\$1.10 per Conversion Share.</p> <p>The conversion price of HK\$1.10 per Share represents:</p> <ul style="list-style-type: none"> – a premium of approximately 345.34% over the closing price of HK\$0.247 per Share as quoted on the Stock Exchange on the date of this announcement; – a premium of approximately 352.67% over the average closing price of approximately HK\$0.243 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the date of this announcement; and – a premium of approximately 362.18% over the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the date of this announcement. <p>The Conversion Price was determined after arm's length negotiation between the Company and the CN Subscribers with reference to the performance of the Share price.</p>
Exercise Period	:	The CN Subscribers shall have the right to convert at any time on and after the issue date of the 2011 Convertible Notes up to the close of business on the date which is five business days immediately prior to the Maturity Date.
Conversion Shares	:	The Conversion Shares shall, when issued, rank pari passu in all aspects with all the Shares then in issue and be entitled to all dividends and other distributions, the record date of which falls on a date on or after the date of the conversion notice.
Protection of the CN Subscribers	:	<p>So long as the 2011 Convertible Notes is outstanding, unless with prior written approval of the CN Subscribers:</p> <ul style="list-style-type: none"> • the Company shall from time to time keep available for issue, free from preemptive rights, out of its authorised but un-issued capital, sufficient Shares to satisfy in full the conversion rights at the Conversion Price and all other rights for the time being outstanding of subscription for and conversion into Shares; • the Company shall not in any way modify the rights attached to the Shares as a class or attach any special restrictions thereto; • the Company shall procure that at no time shall there be in issue Shares of different nominal values;

- other than as a result of, or in circumstances where, an offer made to holders of Shares to acquire all or any proportion of the Shares becoming unconditional the Company shall use its best endeavours to:
 - (i) maintain a listing for all the issued Shares on the Stock Exchange; and
 - (ii) obtain and maintain a listing on the Stock Exchange for all the Conversion Shares issued on the exercise of the conversion rights;
- the Company shall provide the CN Subscribers with a copy of its annual reports, annual financial statements and interim reports and all other statements and circulars sent by the Company to its shareholders within three business days after the Company sends the same to its shareholders;
- the Company shall ensure that all Conversion Shares issued upon conversion of the 2011 Convertible Notes shall be duly and validly issued fully paid and registered; and
- the Company shall comply with and procure the compliance of all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval for the issue of the 2011 Convertible Notes or for the listing of and permission to deal in Shares issued or to be issued on the exercise of the conversion rights and ensure the continued compliance thereof (provided in each case that the CN Subscribers complies with and satisfies all such conditions).

If an offer is made to all Shareholders (or such holders other than the offeror and/or any company controlled by the offeror and/or persons associated or acting in concert with the offeror) to acquire all or a portion of the Shares and such offer comes to the knowledge of the Company, the Company shall forthwith give notice of such offer to the CN Subscribers and shall use all its reasonable endeavours to procure that the same offer is extended in respect of the 2011 Convertible Notes or in respect of any Shares issued on conversion of the 2011 Convertible Notes during the period of the offer.

The Company shall procure that no security issued by the Company shall be converted into Shares or exchanged for Shares except in accordance with the terms of issue thereof and that no security issued by the Company without the right to convert into Shares or to be exchanged for shares shall subsequently be granted such rights.

The Company shall not close its register of shareholders for more than 60 business days each year (in addition to any period required by law or regulation including the Listing Rules) or take any other action which prevents the transfer of its Shares generally unless, under the laws of Hong Kong and the Cayman Islands and the articles of association of the Company as then in effect, the 2011 Convertible Notes may be converted legally into Shares and the Shares so converted may be transferred at all time during the period of such closure.

Voting : The holder of the 2011 Convertible Notes shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being the holder of the 2011 Convertible Notes.

- Listing : The 2011 Convertible Notes will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attached to the 2011 Convertible Notes.
- Adjustment on Conversion Price or number of Conversion Shares : No provision on any adjustment to the Conversion Price or the number of Conversion Shares.
- Pre-emptive undertaking : The CN Subscribers shall undertake to Belbroughton Limited that in an event that the CN Subscribers dispose of the Conversion Shares attached by the 2011 Convertible Notes, Belbroughton Limited shall have the pre-emptive rights to acquire such Conversion Shares from the CN Subscribers.

The terms of the 2011 Convertible Notes were determined after arm's length negotiations between the Company and the CN Subscribers and of normal commercial terms. The Directors (excluding Mr. CHAN Bernard Charnwut who has material interest in the Subscription Agreement and has abstained from voting to approve the Subscription Agreement and the independent non-executive Directors who will form their views after considering the advice of the independent financial adviser) are of the view that the overall terms under the Subscription Agreement are in the interests of the Company and the Shareholders as a whole. The Directors are also of the view that the Company has no intention to do any capital restructuring at the present moment.

Conditions of the 2011 Convertible Notes

Completion of the Subscription Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted an approval for the listing of and permission to deal in the Conversion Shares to be issued pursuant to the 2011 Convertible Notes;
- (ii) the Shareholders approving the issue of the 2011 Convertible Notes and the issue of the Shares upon exercise of the conversion rights attached to the 2011 Convertible Notes; and
- (iii) all necessary consents, approvals, permits and authority in relation to and in connection with the Subscription Agreement and any transaction contemplated therein having been obtained and not been revoked.

If the conditions precedent are not fulfilled on or before 31 December 2011 or such later date as may be agreed between the CN Subscribers and the Company, the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

Completion of the issue and subscription of 2011 Convertible Notes

Completion of the issue and subscription of 2011 Convertible Notes is to take place on the tenth business day following the date on which all the conditions precedent have been fulfilled or such other date as the Company and the CN Subscribers may agree.

Early redemption of 2007 Convertible Notes

Pursuant to the terms of the 2007 Convertible Notes, no redemption of the 2007 Convertible Notes before the maturity date of the 2007 Convertible Notes is permitted. Pursuant to the Subscription Agreement, the Company and the CN Subscribers acknowledge and confirm that it is the intention of the parties that the proceeds to be obtained from the issue of the 2011 Convertible Notes shall be applied towards the redemption of the 2007 Convertible Notes on the date of completion. Accordingly, notwithstanding that the 2007 Convertible Notes do not provide for any early redemption thereof, the Company and the CN Subscribers agree that, subject to the presentation of the original of the certificates for the 2007 Convertible Notes to the Company, all the 2007 Convertible Notes shall be redeemed by the Company on the date of completion at the Redemption Amount. Accordingly, pursuant to the Subscription Agreement, the subscription price of the 2011 Convertible Notes payable by the CN Subscribers shall immediately be applied by the Company to setoff part of the Redemption Amount for redemption of the 2007 Convertible Notes. Upon redemption, the 2007 Convertible Notes shall be cancelled, and the existing certificates relating to the 2007 Convertible Notes shall be surrendered to the Company and cease to be evidence of legal title to the 2007 Convertible Notes with effect from the date of completion.

For the avoidance of doubt, the 2007 Convertible Notes will continue to be valid and binding on the Company and the CN Subscribers in accordance with its terms and conditions should the Subscription Agreement lapse.

REASONS FOR THE ISSUE OF 2011 CONVERTIBLE NOTES AND USE OF PROCEEDS

The Group is principally engaged in property development and property investment in the People's Republic of China. The gross proceeds to be raised under the issue of 2011 Convertible Notes will be HK\$75 million. After deduction of the legal and professional cost for the transaction contemplated under the issue of 2011 Convertible Notes, the net proceeds is expected to be approximately HK\$74 million. Pursuant to the Subscription Agreement, the subscription price of the 2011 Convertible Notes would be applied directly to setoff part of the Redemption Amount for redemption of the 2007 Convertible Notes, the maturity date of which is in October 2012.

Having considered that the issue of the 2011 Convertible Notes would allow the Group to refinance the debts under the 2007 Convertible Notes on substantially the same financial terms (save for the increase in interest rate from 5% per annum to 6% per annum) for a further two-year period from 2012 to 2014, the Board (excluding Mr. CHAN Bernard Charnwut who has material interest in the Subscription Agreement and has abstained from voting to approve the Subscription Agreement, and the independent non-executive Directors who will form their views after considering the advice of the independent financial adviser) considers that the terms and conditions of the Subscription Agreement are fair and reasonable. The 2011 Convertible Notes will be treated as long term loan of the Group. The issue of the 2011 Convertible Notes will further strengthen the Group's financial position as it in substance extends the term of the debt under 2007 Convertible Notes, which will mature in 2012 to 2014. In addition, the Directors consider that the issue of the 2011 Convertible Notes is an appropriate means of raising capital for the Company since it will not have any dilution effect on the shareholding of the existing Shareholders at the time of issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrating the effect of the full conversion of the 2011 Convertible Notes on the shareholding of the Company:

	Shareholding as at the date of this announcement		Enlarged shareholding upon full conversion of the 2011 Convertible Notes	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Belbroughton Limited (<i>Note 1</i>)	651,882,278	50.98	651,882,278	48.40
TAOCHAIFU Choofuang (<i>Note 2</i>)	11,515,000	0.90	11,515,000	0.85
TAO Richard (<i>Note 2</i>)	22,701,757	1.78	22,701,757	1.69
TAO Paul (<i>Note 2</i>)	22,701,757	1.78	22,701,757	1.69
KONG Mui Sum Lawrence (<i>Note 2</i>)	2,500,220	0.20	2,500,220	0.19
YIM Chun Leung (<i>Note 2</i>)	1,232,605	0.09	1,232,605	0.09
Public	566,106,068	44.27	566,106,068	42.03
CN Subscribers	–	–	68,181,818	5.06
Total	<u>1,278,639,685</u>	<u>100.00%</u>	<u>1,346,821,503</u>	<u>100.00%</u>

Notes:

1. 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.
2. Messrs. TAOCHAIFU Choofuang, TAO Richard, TAO Paul, KONG Mui Sum Lawrence and YIM Chun Leung are executive Directors.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE THE CONVERSION SHARES

Under the Subscription Agreement, the Company will issue the Conversion Shares to CN Subscribers upon the exercise of the conversion rights attached to the 2011 Convertible Notes. The Conversion Shares will rank pari passu with all the then existing issued Shares. The Company will seek the grant of a Specific Mandate from the Shareholders at the EGM by way of a poll to allot and issue the Shares to satisfy the allotment and issue of the Conversion Shares.

IMPLICATIONS UNDER THE LISTING RULES AND THE SHARE REPURCHASE CODE FOR THE SUBSCRIPTION AGREEMENT

As at the date of this announcement, Mr. CHAN Bernard Charnwut is a non-executive Director of the Company and an executive director of AFH. Accordingly, the Subscription Agreement entered into between the Company and the CN Subscribers constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, therefore the transactions contemplated thereunder, including the creation and issue of the 2011 Convertible Notes and the grant of the Specific Mandate to satisfy the allotment and issue of the Conversion Shares, are subject to the approval of the Independent Shareholders by way of a poll at the EGM. Save as disclosed below (see section headed “Information on AFH, AICL and Mr. CHAN Bernard Charnwut”), to the best knowledge of the Directors, the CN Subscribers and their respective associates do not hold any Shares as at the date of this announcement, thus no Shareholders will be required to abstain from voting at the EGM to approve the Subscription Agreement if the situation remains the same as at the date of EGM.

The 2007 Redemption will constitute an off-market share repurchase under rule 1 of the Share Repurchase Code. The Company will consult the Executive if the 2007 Redemption will be an exempt share repurchase of the Company for the purpose of the Share Repurchase Code. Should the 2007 Redemption do not fall within an exempt share repurchase, it is to be approved by the Executive and the Disinterested Shareholders on a poll in the EGM.

INFORMATION ON AFH, AICL AND MR. CHAN BERNARD CHARNWUT

AFH is a company listed on the Stock Exchange, principally engaged in the provision of insurance and investment securities. AICL is a wholly owned subsidiary of AFH which principally engaged in the provision of underwriting of general and life insurance. Onsite Investment Limited, an indirect non-wholly owned subsidiary of AFH currently holds 9.615% interests in New Heritage Development Limited, a subsidiary of the Company. Save as disclosed, to the knowledge of the Directors, Mr. CHAN Bernard Charnwut, AFH and AICL and their respective associates do not hold any Shares of the Company as at the date of this announcement.

AFH is controlled by the associate of Mr. CHAN Bernard Charnwut. To the best knowledge of the Directors, save and except for Mr. CHAN Bernard Charnwut being an executive director of AFH and a non-executive Director, Mr. CHAN Bernard Charnwut and AFH are independent to the Company and its connected persons.

GENERAL

An Independent Board Committee comprises the independent non-executive Directors, namely Mr. WONG Gary Ka Wai, Mr. SUN Leland Li Hsun and Mr. CHAN Norman Enrique, has been established to advise the Independent Shareholders and the Disinterested Shareholders on the terms of the Subscription Agreement. In connection therewith, Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee on the terms of the Subscription Agreement. The appointment of the independent financial adviser has been approved by the Independent Board Committee.

A circular containing, among others, (i) details of Subscription Agreement and the 2011 Convertible Notes; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Subscription Agreement; and (iv) a notice convening the EGM will be dispatched to the Shareholders on or around 26 July 2011.

DEFINITIONS

“2007 Convertible Notes”	the convertible notes with an aggregate principal amount of HK\$75 million issued by the Company to the CN Subscribers in 2007
“2011 Convertible Notes”	the convertible notes with an aggregate principal amount of HK\$75 million, bearing interest at 6% per annum on the principal amount outstanding from time to time, to be issued by the Company in accordance with the provisions of the Subscription Agreement
“2007 Redemption”	the early redemption of the 2007 Convertible Notes upon completion of the Subscription Agreement
“AFH”	Asia Financial Holdings Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“AICL”	Asia Insurance Company, Limited, a limited liability company incorporated in Hong Kong and is a wholly owned subsidiary of AFH
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“CN Subscribers”	AFH and AICL
“Company”	New Heritage Holdings Ltd., a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Conversion Price”	the price of HK\$1.10 per Share, being the price at which each Conversion Share will be issued upon conversion of all or part of the 2011 Convertible Notes
“Conversion Shares”	Shares to be allotted and issued by the Company upon exercise of the conversion rights attached to the 2011 Convertible Notes
“Director(s)”	director(s) of the Company
“Disinterested Shareholders”	Shareholders other than (i) the CN Subscribers, their respective associates and parties acting in concert with them; and (ii) Shareholders who have any interest in the 2007 Redemption
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Subscription Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board consisting of three independent non-executive Directors to advise the Independent Shareholders in respect of the Subscription Agreement
“Independent Shareholders”	Shareholders other than the CN Subscribers and their associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling 36 months after the issue date of the 2011 Convertible Notes
“Redemption Amount”	the aggregate of (i) the outstanding principal amount of 2007 Convertible Notes; (ii) the 10% premium, adjusted on a pro rata basis upon the actual holding period over the original period of the 2007 Convertible Notes of five (5) years; and (iii) the interest accrued thereon up to and including the date of completion of the Subscription Agreement
“SFC”	the Securities and Futures Commission
“Share Repurchase Code”	the Code on Share Repurchases of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate in relation to the issue and allotment of the Conversion Shares to be granted by the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a subscription agreement dated 5 July 2011 entered into between the Company and the CN Subscribers in relation to the issue of 2011 Convertible Notes
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 5 July 2011

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 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.