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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the following meanings:*

“Accordcity”	Accordcity Limited, an indirect wholly-owned subsidiary of the Company, incorporated in BVI with limited liability on 3 November 2004
“Altus Capital”	Altus Capital Limited, a licensed corporation permitted to engage in regulated activity types 4, 6 and 9 as stipulated in the SFO, appointed as one of the joint sponsors to the Share Offer
“Articles”	the amended and restated articles of association of the Company, adopted by the Company on 14 November 2005
“associates”	has the meaning ascribed to it under the Listing Rules
“associated company”	any entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights
“Belbroughton”	Belbroughton Limited, a company incorporated in BVI wholly-owned by Seal United, which will hold approximately 39.78% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised
“Bestvision”	Bestvision Properties Limited, a limited liability company incorporated in BVI and beneficially owned by Dr. Koo Chia Gee George and Mrs. Koo Cheong Ian Chon, Doris (where Dr. Koo Chia Gee George was a former director of NH Development), which will hold approximately 1.77% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised
“Board”	the board of Directors
“BLTCL”	北京亮馬河大廈有限公司 (Beijing Landmark Towers Co., Ltd.), a sino-foreign equity joint venture enterprise established in Beijing, the PRC with limited liability on 31 January 1986, which is owned as to 50% by BTG, 30.05% by NH Investments and 19.95% by RMSL, an Independent Third Party, respectively
“BTG”	北京首都旅遊集團有限責任公司 (Beijing Tourism Group Co., Ltd.), a limited liability company established in Beijing, the PRC, which is an Independent Third Party and owns 50% equity interest in BLTCL

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“business day”	a day that is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sum standing to the credit of the share premium account of the Company referred to in the paragraph headed “Written resolutions of all the Shareholders passed on 14 November 2005” in Appendix VII to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“chief executive”	the chief executive (as defined in the SFO) of the Company
“Choice Win”	Choice Win International Corporation, a limited liability company incorporated in BVI and owned by Ms. Miriam Tao in trust for Mr. CF Tao, which was a party to the step of the Reorganisation as set out in item (e) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Classical Courtyard House (四合院)”	traditionally designed single storey villa featured with a square shaped living space with an open area as an “enclosed” garden in the middle of the villa, surrounded by complexes or thick walls from the four sides
“CLCL”	Chong Lai Company Limited, a limited liability company incorporated in Hong Kong and ultimately and beneficially owned by Mr. CF Tao, Mrs. Nancy Tao, Mr. Richard Tao, Mr. Paul Tao and Ms. Miriam Tao, which was a party to the steps of the Reorganisation as set out in items (r) and (s) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Companies Law”	the Companies Law (2004 Revision) of the Cayman Islands and any amendments or other statutory modifications thereof
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company” or “NH Holdings”	New Heritage Holdings Ltd. 新澤控股有限公司 (previously known as New Heritage Holdings Limited 新繼控股有限公司), a company incorporated in the Cayman Islands with limited liability on 23 December 2004

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“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the case of the Company, means Mr. CF Tao and Mrs. Nancy Tao as well as Seal United and Belbroughton
“Director(s)”	the director(s) of the Company
“GDP”	gross domestic product
“GFA”	gross floor area of properties
“Group”	the Company and its subsidiaries, or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the business operated by such subsidiaries
“Hallam”	Hallam Investment Limited, a company incorporated in Liberia and beneficially owned by Dr. Koo Chia Gee George and Mrs. Koo Cheong Ian Chon, Doris (where Dr. Koo Chia Gee, George was a former director of NH Development), which was a party to the steps of the Reorganisation as set out in items (e) and (f) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“HKAS”	Hong Kong Accounting Standards issued by the HKICPA
“HKFRS”	Hong Kong Financial Reporting Standards issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	persons or companies which are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders and the chief executive of the Company or its subsidiaries and their respective associates, and “Independent Third Party” means any of them
“Joint Book-runners”	Tanrich Capital and Oriental Patron, being the joint book-runners and joint lead managers of the Share Offer
“Joint Sponsors”	Tanrich Capital and Altus Capital, being the joint sponsors of the Share Offer
“Latest Practicable Date”	17 November 2005, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein

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“LCI”	Le Chateau Inc., a company incorporated in BVI and ultimately and beneficially owned by Mr. CF Tao, Mrs. Nancy Tao, Mr. Richard Tao, Mr. Paul Tao, Ms. Miriam Tao, Mr. SY Hsu, Mr. Wong Philip Kin Hang, Mrs. Wong Cheng Gertrude Kwok Cheung, Dr. Koo Chia Gee George, Mrs. Koo Cheong Ian Chon, Doris, Mr. James Hajime Kinoshita and Mrs. Kinoshita Cheung Yuen Shiu Lana, which was a party to the steps of the Reorganisation as set out in items (e) and (f) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	the date, expected to be on or about 2 December 2005, on which the Shares are listed and from which dealings in the Shares commence on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LVAT”	土地增值稅 (Land Value-Added Tax)
“Main Board”	the stock exchange (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“MLR”	國土資源部 (Ministry of Land and Resources) of the PRC
“Mr. CF Tao”	Mr. TAOCHAIFU Choofuang (also known as Tao Chieh Fu, Tao Chong Fu and CF Tao), the chairman and one of the Controlling Shareholders
“Mr. Paul Tao”	Mr. TAOCHAIFU Porn (also known as Paul TAO), an executive Director and the managing director of the Company and the son of Mr. CF Tao and Mrs. Nancy Tao and brother of Ms. Miriam Tao and Mr. Richard Tao
“Mr. Richard Tao”	Mr. TAO Richard, an executive Director and the Vice Chairman of the Company and the son of Mr. CF Tao and Mrs. Nancy Tao and brother of Ms. Miriam Tao and Mr. Paul Tao
“Mr. SP Tao”	Mr. TAO Shing Pee, brother of Mr. CF Tao and who will hold approximately 17.83% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised

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“Mr. SY Hsu”	Mr. HSU Shu Yen, a Shareholder who will hold approximately 1.02% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised
“Mrs. Nancy Tao”	Mrs. TAO POON Lai Yew, Nancy, the spouse of Mr. CF Tao and one of the Controlling Shareholders
“Ms. Miriam Tao”	Ms. TAO Miriam, the daughter of Mr. CF Tao and Mrs. Nancy Tao and sister of Mr. Richard Tao and Mr. Paul Tao
“NH Corporation”	New Heritage Corporation Limited (新澤企業有限公司) (previously known as “Metrologic Limited”), a direct wholly-owned subsidiary of the Company incorporated in BVI on 11 February 2005
“NH Development”	New Heritage Development Limited (新繼發展有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 4 April 1991
“NH Group”	New Heritage Group Limited (新澤集團有限公司) (previously known as “New Heritage Group Limited (新繼集團有限公司)”), an indirect wholly-owned subsidiary of the Company incorporated in BVI on 8 July 2004
“NH Investments”	New Heritage Investments Limited (新繼企業有限公司) (previously known as “Famous Heritage Investments Limited”), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 20 July 1984
“NHIP”	New Heritage (IP) Limited (新澤(產業)有限公司), an indirect wholly-owned subsidiary of the Company incorporated in BVI on 21 January 2005
“NH Land”	New Heritage Land Limited (新澤地產有限公司) (previously known as “New Heritage Land Limited (新繼置地有限公司)”), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 24 November 2004
“NH Management”	New Heritage Management Limited (新澤管理有限公司) (previously known as “New Heritage Management Limited (新繼管理有限公司)”), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 27 October 2004
“NH Properties”	New Heritage Properties Limited (新澤物業有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 22 February 2005

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“Oceanport Holdings”	Oceanport Holdings Limited, a limited liability company incorporated in BVI and beneficially owned by Mr. CF Tao and Mr. SP Tao, which was a party to the steps of the Reorganisation as set out in item (f) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Offer Price”	the price for each Offer Share of not more than HK\$0.88 per Share and is expected to be not less than HK\$0.56 per Share (exclusive of 0.005% Stock Exchange trading fee, 0.005% transaction levy imposed by the SFC, 0.002% investor compensation levy and 1% brokerage payable thereon) at which the Offer Shares are to be subscribed and issued with such price to be determined at or before the Price Determination Time
“Offer Shares”	the Placing Shares and the Public Offer Shares collectively
“OPII”	Oriental Pearl International Inc., a limited liability company incorporated in BVI and beneficially owned by Mr. James Hajime Kinoshita and Mrs. Kinoshita Cheung Yuen Shiu Lana (where Mr. James Hajime Kinoshita was a former director of NH Development and NH Investments), which will hold approximately 6.40% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised
“Oriental Patron”	Oriental Patron Asia Limited, a licensed corporation permitted to engage in regulated activity types 1, 6 and 9 as stipulated in the SFO, appointed as one of the joint book-runners and joint lead managers to the Share Offer
“OSE”	Ocean Shipping & Enterprises Private Limited, a limited liability company incorporated in Singapore and beneficially owned by, among others, Mr. CF Tao, Mr. Paul Tao, Ms. Miriam Tao and Mr. SP Tao, which was a party to the step of the Reorganisation as set out in item (e) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Over-allotment Option”	the conditional option granted by the Company to the Underwriters, exercisable by Oriental Patron (for itself and on behalf of the Underwriters) at any time from the date of the Underwriting Agreement until the date falling 30 days after the last day for the lodging of applications under the Public Offer, to require the Company to issue the Over-allotment Shares at the Offer Price to cover over-allocations in the Placing and/or the obligations of Oriental Patron to return securities borrowed under the Stock Borrowing Agreement, and such option is subject to the condition as set out in the paragraph headed “Over-allotment Option” in the section headed “Structure and conditions of the Share Offer” of this prospectus

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“Over-allotment Shares”	up to an aggregate of 25,200,000 additional Shares (representing 15% of the Offer Shares) to be issued pursuant to the exercise of the Over-allotment Option
“Peanma”	Peanma Investments (Singapore) Pte Ltd, a limited liability company incorporated in Singapore and beneficially owned by Mr. CF Tao and Mrs. Nancy Tao, which was a party to the step of the Reorganisation as set out in item (e) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters, acting on behalf of the Company, for cash at the Offer Price, particulars of which are set forth in the section headed “Structure and Conditions of the Share Offer” to this prospectus
“Placing Shares”	151,200,000 Offer Shares initially offered for subscription under the Placing, representing 90% of the initial number of the Offer Shares, subject to the Over-allotment Option and the re-allocation as described in the section headed “Structure and Conditions of the Share Offer” to this prospectus
“Placing Underwriters”	the underwriters of the Placing whose names are set out in the sub-section headed “Placing Underwriters” in the section headed “Underwriting Arrangements for the Share Offer” to this prospectus
“PRC” or “China”	People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Agreement”	the agreement to be entered into between the Company and the Joint Book-runners (for themselves and on behalf of the Underwriters) on or before the Price Determination Time to record and fix the Offer Price
“Price Determination Time”	the time, expected to be at or before 12:00 noon on or before Monday, 28 November 2005 (Hong Kong time) (or such later date as may be agreed between the Joint Book-runners (for themselves and on behalf of the Underwriters) and the Company), on which the Offer Price is fixed for the purpose of the Share Offer and in any event no later than 5:00 p.m. on Monday, 28 November 2005
“Public Offer”	the offer of the Public Offer Shares by the Company for subscription at the Offer Price, on and subject to the terms and conditions set forth in this prospectus and the related application forms

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“Public Offer Shares”	the 16,800,000 Offer Shares initially offered for subscription under the Public Offer, representing 10% of the initial number of the Offer Shares, subject to the re-allocation as described in the section headed “Structure and Conditions of the Share Offer” to this prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer whose names are set out in the sub-section headed “Public Offer Underwriters” under the section headed “Underwriting arrangement for the Share Offer” to this prospectus
“Reorganisation”	the corporate reorganisation of the Group in preparation for the Listing, particulars of which are set out in the sub-paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“RMSL”	Realty Management Services (Pte) Ltd., a company incorporated in Singapore and an Independent Third Party
“SAFE”	the PRC State Administration of Foreign Exchange (中國國家外匯管理局)
“SARS”	Severe Acute Respiratory Syndrome
“Seal United”	Seal United Investments Limited, a company incorporated in BVI on 2 July 2004 in which Mr. CF Tao and Mrs. Nancy Tao hold 50% and 50% equity interests respectively
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 established in Suzhou, the PRC on 19 September 1991 with limited liability, which is owned as to 95% and 5% by NH Development and SNDDC respectively
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Offer”	the Placing and the Public Offer
“Share Option Scheme”	the share option scheme conditionally adopted by the Company, the principal terms of which are set out in the section headed “Summary of the Share Option Scheme” in Appendix VII to this prospectus



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## DEFINITIONS

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“SNDDC”	蘇州高新區經濟發展集團總公司 (Suzhou New District Development Company), an Independent Third Party, which is a State-owned enterprise established in Suzhou, the PRC on 8 February 1988
“SNHPDC”	蘇州新繼規劃設計諮詢顧問有限公司 (Suzhou New Heritage Planning and Design Consultancy Company Limited), an indirect wholly-owned subsidiary of the Company incorporated in Suzhou, the PRC on 29 March 2004 with limited liability
“Staff Shareholders”	a group of staff of the Group who will hold in aggregate of approximately 0.12% of the issued share capital of the Company immediately following completion of the Share Offer, assuming the Over-allotment Option is not exercised
“Stock Borrowing Agreement”	the stock borrowing agreement dated 21 November 2005 entered into between Belbroughton and Oriental Patron
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stockwatch”	Stockwatch Holdings Ltd., a company incorporated in BVI and beneficially owned by Mr. Wong Philip Kin Hang and Mrs. Wong Cheng Gertrude Kwok Cheung, which will hold approximately 4.40% of the issued share capital of the Company immediately after completion of the Share Offer, assuming the Over-allotment Option is not exercised
“subsidiary(ies)”	has the meaning ascribed to it under section 2 of the Companies Ordinance
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Suzhou New District”	蘇州國家高新技術產業開發區 (Suzhou National New & Hi-Tech Industrial Development Zone)
“Tanrich Capital”	Tanrich Capital Limited, a licensed corporation permitted to engage in regulated activity types 1 and 6 as stipulated in the SFO, appointed as one of the joint sponsors, joint book-runners and joint lead managers to the Share Offer
“Thinksmart”	Thinksmart Limited, a limited liability company incorporated in BVI, which is beneficially owned by Mr. CF Tao and Mrs. Nancy Tao in equal proportion, which was a party to the steps of the Recorganisation as set out in item (f) under the paragraph headed “Corporate reorganisation” in Appendix VII to this prospectus
“Track Record Period”	the three financial years ended 31 December 2004 and the six months ended 30 June 2005

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“Underwriters”	the Placing Underwriters and the Public Offer Underwriters
“Underwriting Agreement”	the conditional underwriting and placing agreement dated 21 November 2005 entered into between, among others, the Company, the Covenantors (as defined therein), the Joint Sponsors and the Underwriters, particulars of which are set forth in the section headed “Underwriting Arrangements for the Share Offer” in this prospectus
“U.S.”	the United States of America
“WML”	World Margin Limited (世謙有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong on 6 March 1987
“WTO”	World Trade Organisation
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“RMB” or “RMB yuan”	Renminbi, the lawful currency of the PRC
“sq.ft.”	square feet
“sq.m.”	square metres
“US\$” and “US cents”	United States dollars and cents, respectively, the lawful currency of the U.S.
“%”	per cent.

*Unless the context requires otherwise, translation of US\$, HK\$ and RMB is made in this prospectus, for illustration purpose only, at the rates of US\$1.00 = HK\$7.80; and HK\$1.00 = RMB1.06, respectively.*

***No representation is made that any amount in HK\$, US\$ or RMB could have been or could be converted at the above rates or at any other rates or at all.***

*For ease of reference, the English translation of a Chinese company name, or vice versa, has been provided, for identification purpose only.*