



## **New Heritage Announces 2010 Annual Results**

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### **Achieves Highest Revenue since Listing**

#### ***Financial Highlights***

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- Revenue surged 45% to approximately HK\$375.5 million – a new record high since listing
  - Gross profit rose 81% to HK\$77.6 million, with gross profit margin up by 4 percentage points to approximately 21%
  - Profit attributable to the owners of the Company increased by 14% to HK\$18.1 million
  - Proposed payment of a final dividend of 0.5 HK cents per share
  - Continues to focus on primary and secondary districts of Suzhou wherever relatively cheaper land is available and residents enjoy rising incomes
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(Hong Kong, 16 March 2011) — **New Heritage Holdings Ltd.** (“New Heritage” or “the Group”) (Stock code: 95), a Hong Kong based developer of middle to high-end property projects in Suzhou, Jiangsu Province and an investor in commercial properties in Beijing, the PRC, announced its annual results for the year ended 31 December 2010.

During the year under review, the Group achieved its highest revenue since listing at approximately HK\$375.5 million (2009: HK\$258.9 million), which also caused the gross profit to grow by 81% to approximately HK\$77.6 million (2009: HK\$42.9 million). The growth in revenue and gross profit was mainly due to the sales of its property development projects in Suzhou that generally exceeded the Group’s targets. After a business turnaround in the first half of 2010, profit attributable to the owners of the Company for the year recorded HK\$18.1 million (2009: HK\$15.9 million). Basic earnings per share were 1.5 HK cents (2009: 1.4 HK cents). The Board of Directors has recommended the payment of a final dividend of 0.5 HK cents (2009: 0.4 HK cents) per share in cash for the year ended 31 December 2010.

**Mr. Richard Tao, Vice Chairman of New Heritage**, said, “Our focus on developing property projects in secondary cities with great growth potential such as Suzhou has proven to be successful. Despite the Central Government implementing various measures to dampen the overheated property market during the course of 2010, a significant portion of the Group’s sales occurred before such measures came into effect. Indeed, the markets and districts where we focus are relatively less affected by these measures as the property prices are generally considered to be affordable for local residents.”

During the year under review, the Group continued its focus on property development and investment business in Suzhou and Beijing. The property development business recorded a revenue of approximately HK\$364.7 million from recognised property development sales, including the selling of 55 low-density townhouses in Taihu Garden Court Phase 1, 197

commercial apartment units in Wuzhong Garden Court Phase 3 and 365 residential apartment units in Lakeside Garden Court Phase 1. The Group's total gross floor area of development properties sold for the year was approximately 52,300 sq. m. (2009: 33,400 sq. m.). The remaining retail areas of approximately 1,753 sq. m. of Wuzhong Garden Court Phase 3 and 110 low-density townhouses of Taihu Garden Court Phase 2 will be sold in 2011, while 4 blocks of high-rise apartment towers of Lakeside Garden Court Phase 2 are scheduled for delivery before the end of 2011 after pre-sales started at the end of 2010.

The Group's investment properties in Suzhou are situated in the centre of Suzhou New District. During the year, leasing revenue from the Group's three investment properties, namely SGV Plaza, Garden Court Plaza and several units in hi-rise apartments in Suzhou Garden Villa, amounted to approximately HK\$10.8 million (2009: HK\$13.7 million), with the former two commercial plazas having an occupancy rate of 94% and 100% respectively. Meanwhile, the Group's associated company Beijing Landmark Towers recorded profitable recovery and posted strong income contribution thanks to a tourism market revival in Beijing. With almost 100% occupancy rates in the office towers, the Group received from Beijing Landmark Towers HK\$13.4 million (2009: HK\$6.1 million) for the year.

The PRC property market in the coming few years will be even more challenging under the pressure of inflation, rise in interest rate as well as appreciation of the Renminbi. However, the Group expects property demand from consumers will continue to be strong as a hedge against inflation and preserver of personal asset values. Also, the continued urbanisation trend and the rejuvenation of old dilapidated city areas encourage growth and capital flow into the property sector. Secondary and tertiary cities, as well as primary and secondary districts within these cities, are all areas that provide supplies of land and good development potential.

**Mr. Paul Tao, Managing Director of New Heritage**, said, "We will position ourselves to take advantage of the increase of rising property prices by bringing to market even more appealing properties. We have traditionally focussed our development in secondary cities with great growth potential such as Suzhou within its primary and secondary districts which offer sound fundamentals to attract and establish business operations and social communities. We shall continue to focus on these and other cities and districts both coastal and inland, where we believe the combination of relatively cheaper land in these areas and rising incomes of residents will bode well for our business."

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**About New Heritage Holdings Ltd.**

New Heritage is principally engaged in developing and investing in premium property projects in the PRC – primarily focusing on Jiangsu Province and Beijing. Renowned as a reputable Hong Kong-owned developer operating in Suzhou, its major property development projects include Suzhou Garden Villa, Suzhou Garden Court, Suzhou Garden Place, Suzhou Garden Towers, SGV Plaza, Garden Court Plaza, Wuzhong Garden Court, Taihu Garden Court and Lakeside Garden Court, most of which have earned the Group numerous awards and industry recognition. New Heritage is a major investor in the Beijing Landmark Towers complex in the prime Chaoyang District in the nation's capital.

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