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NEO-CHINA LAND GROUP (HOLDINGS) LIMITED

中新地產集團(控股)有限公司*

(the “Company”)

(incorporated in Bermuda with limited liability)

(Shares – Stock Code: 563; Convertible bonds due 2011 – Stock Code: 2528)

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Two separate Independent Board Committees have been established, one to advise Independent Neo-China Shareholders in respect of the Subscription and the Qi Ao Agreement for the purposes of Chapter 14A of the Listing Rules and the other to advise Independent Neo-China Shareholders in respect of the Share Offer and the Qi Ao Agreement for the purposes of the Takeovers Code.

Anglo-Chinese Corporate Finance, Limited has been appointed independent financial adviser to advise the Ch. 14A IBC and the Independent Neo-China Shareholders regarding the Subscription and the Qi Ao Agreement and to advise the Code IBC regarding the Share Offer and the Qi Ao Agreement. Each of the Ch. 14A IBC and the Code IBC has approved the appointment of Anglo-Chinese Corporate Finance, Limited as the independent financial adviser to give advice to it (and, in the case of the Ch. 14A IBC only, the Independent Neo-China Shareholders).

WARNING

The Offers will only be made if Completion takes place. Completion is subject to, as applicable, satisfaction and/or waiver of the conditions, including subjective conditions, contained in the Sale and Purchase Agreement and the Subscription Agreement, and on the receipt of certain consents, as further detailed below. Accordingly, the Offers may or may not be made or implemented. The issue of this announcement does not in any way imply that the Offers will be made. The SIH Shareholders, the Neo-China Shareholders, the CB Holders, the Warrant Holders, the Option Holders and potential investors should exercise extreme caution when dealing in the relevant securities. A further announcement will be issued if the Offers are made or implemented.

SUSPENSION OF TRADING IN NEO-CHINA SHARES AND CONVERTIBLE BONDS

Trading in the Neo-China Shares and the Convertible Bonds on the Main Board of the Stock Exchange was suspended with effect from 10:10 a.m. on 22 January 2008 at the request of Neo-China pending the release of an announcement in respect of certain price sensitive information.

Trading in the Neo-China Shares and the Convertible Bonds will continue to be suspended until further notice.

The Directors of Neo-China Land Group (Holdings) Limited (“Neo-China”) refer to the joint announcement of 19 January 2010 (the “Joint Announcement”) made by Neo-China, Shanghai Industrial Holdings Limited and Novel Good Limited, a wholly-owned subsidiary of Shanghai Industrial Holdings Limited, relating to, amongst other things:

- a possible acquisition of shares in Neo-China by Novel Good Limited,
- a possible disposal of its interest in the Qi Ao Island Project by Neo-China, and
- a possible mandatory conditional cash offer on behalf of Novel Good Limited for all of the issued shares in, and all of the outstanding convertible bonds and warrants of, Neo-China (other than those already owned by or agreed to be acquired or subscribed by Novel Good Limited and parties acting in concert with it) and for the cancellation of outstanding share options of Neo-China.

Terms defined in the Joint Announcement are used in this announcement with those defined meanings.

Under Chapter 14A of the Listing Rules, the Independent Board Committee which is required to be formed under those rules to advise Independent Neo-China Shareholders on the Qi Ao Agreement and the Subscription Agreement (being connected transactions falling within Chapter 14A of the Listing Rules) is required to consist of only the independent non-executive directors of Neo-China.

Under Rule 2.8 of the Takeovers Code, members of the Independent Board Committee of Neo-China in respect of the Offers and the Qi Ao Agreement and the Subscription Agreement (the Qi Ao Agreement being a “special deal” for Mr. Li falling within Rule 25 of the Takeovers Code) should comprise all non-executive directors of Neo-China who have no direct or indirect interest in the Transactions.

Mr. Lai Leong (“Mr. Lai”) is a non-executive director of Neo-China but is not an independent non-executive director of Neo-China. Accordingly, to comply strictly with the requirements of Rule 2.8 of the Takeovers Code as well as the requirements of Chapter 14A of the Listing Rules, Neo-China has established two separate independent board committees, one including Mr. Lai and one not including Mr. Lai.

An Independent Board Committee (the “Ch. 14A IBC”) has been established to advise Independent Neo-China Shareholders in respect of the Subscription and the Qi Ao Agreement for the purposes of Chapter 14A of the Listing Rules. Its members comprise all the independent non-executive Directors of Neo-China, namely Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ling.

A second Independent Board Board Committee (the “Code IBC”) has been established to advise Independent Neo-China Shareholders in respect of the Share Offer and the Qi Ao Agreement for the purpose of the Takeovers Code. Its members comprise Mr. Lai Leong a non-executive Director of Neo-China, and all the independent non-executive Directors of Neo-China, Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ling.

Anglo-Chinese Corporate Finance, Limited has been appointed independent financial adviser to advise the Ch. 14A IBC and the Independent Neo-China Shareholders regarding the Subscription and the Qi Ao Agreement and to advise the Code IBC regarding the Share Offer and the Qi Ao Agreement. Each of the Ch. 14A IBC and the Code IBC has approved the appointment of Anglo-Chinese Corporate Finance, Limited as the independent financial adviser to give advice to it (and, in the case of the Ch. 14A IBC only, the Independent Neo-China Shareholders).

A letter from the Ch. 14A IBC to the Independent Neo-China Shareholders about the Subscription and the Qi Ao Agreement and a letter from the Code IBC to the Independent Neo-China Shareholders about the Qi Ao Agreement will be included in the circular to be despatched to all Neo-China Shareholders convening the special general meeting of Neo-China to seek the Independent Neo-China Shareholders’ approval of the Subscription and the Qi Ao Agreement for the purposes of the Listing Rules and of the Qi Ao Agreement for the purposes of the Takeovers Code, in compliance with the Listing Rules and the Takeovers Code.

A letter from the Code IBC to the Independent Neo-China Shareholders about the Share Offer and the Qi Ao Agreement will be included in the response document to be despatched to all Neo-China Shareholders in compliance with the Takeovers Code, if and when the Offers are made.

WARNING

The Offers will only be made if Completion takes place. Completion is subject to, as applicable, satisfaction and/or waiver of the conditions, including subjective conditions, contained in the Sale and Purchase Agreement and the Subscription Agreement, and on the receipt of certain consents, as further detailed below. Accordingly, the Offers may or may not be made or implemented. The issue of this announcement does not in any way imply that the Offers will be made. The SIH Shareholders, the Neo-China Shareholders, the CB Holders, the Warrant Holders, the Option Holders and potential investors should exercise extreme caution when dealing in the relevant securities. A further announcement will be issued if the Offers are made or implemented.

SUSPENSION OF TRADING IN NEO-CHINA SHARES AND CONVERTIBLE BONDS

Trading in the Neo-China Shares and the Convertible Bonds on the Main Board of the Stock Exchange was suspended with effect from 10:10 a.m. on 22 January 2008 at the request of Neo-China pending the release of an announcement in respect of certain price sensitive information.

Trading in the Neo-China Shares and the Convertible Bonds will continue to be suspended until further notice.

* *for identification only*

By order of the Board
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Liu Yi
Chairman

Hong Kong, 29th January 2010

At the date hereof, the Board comprises Mr. Liu Yi, Ms. Niu Xiao Rong, Mr. Yuan Kun, Ms. Liu Yan, Mr. Jia Bo Wei, Ms. Bao Jing Tao and Mr. Lam Kwan Sing as executive Directors; Mr. Lai Leong as non-executive Director and Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ling as independent non-executive Directors.

The directors of Neo-China Land Group (Holdings) Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.