

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中新地產
NEO CHINA LAND

NEO-CHINA LAND GROUP (HOLDINGS) LIMITED

中新地產集團(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 563)

ANNOUNCEMENT

The Board would like to inform Shareholders that on or about 23 April 2009, the Middle People's Court issued an order confirming the full and final settlement of all disputes between Zhongzhi and Chengdu Zhongtai in relation to the transfer of 30% of the equity interest in the Project Company.

Reference is made to the Company's announcements of 27 June 2008 ("Announcement 1") and 21 April 2009 ("Announcement 2") and circular of 18 July 2008 ("Circular") respectively.

As stated in the Announcement 1 and the Circular, Zhongzhi and Chengdu Zhongtai entered into the January 2007 Agreement pursuant to which Zhongzhi and Chengdu Zhongtai agreed to form the Project Company to jointly develop the Land. On 1 June 2008, Zhongzhi, in exercising the rights vested in it in that behalf under the January 2007 Agreement entered into the June 2008 Agreement whereby Zhongzhi agreed to purchase from Chengdu Zhongtai its entire equity interest in the Project Company, i.e. 30% of the equity interest of the Project Company, and the related shareholder's loan in the Project Company at a total consideration of approximately RMB486 million (comprising an aggregate consideration of RMB160 million for 30% of the equity interest in the Project Company and RMB326 million for the balance of the Chengdu Zhongtai's shareholder's loan to the Project Company).

The Project Company is a company incorporated and existing under the laws of the PRC with limited liability, with total registered capital of RMB200,000,000 and owned as to 70% by China Express and 30% by Chengdu Zhongtai. It was formed for the purpose of developing the Land into high quality residential units and ancillary facilities with total gross floor area of approximately 625,670 square meters by two phases. The Group has commenced the construction of the first phase.

As stated in Announcement 2, on 28 August 2008, relying on the legal opinion given to the Group by its legal advisers in the PRC, Zhongzhi instituted legal proceedings in the PRC against Chengdu Zhongtai for the purpose of obtaining a confirming order from the Middle People's Court that the June 2008 Agreement has become null and void and has no further effect.

The Board would like to inform Shareholders that on or about 23 April 2009, through the mediation of the Middle People's Court, Zhongzhi and Chengdu Zhongtai, under the auspices of the Middle People's Court, have entered into a civil mediation agreement dated 23 April 2009 in full and final settlement of all disputes between them on, inter alia, the following terms:

1. the consideration for transferring 30% of the equity interest in the Project Company shall be revised downward from RMB160 million to RMB120 million and the consideration for the related shareholder's loan shall be unchanged;
2. upon signing of the settlement agreement by both parties to the legal proceedings (note 1), Zhongzhi shall, in full and final discharge of its obligations to pay to Chengdu Zhongtai the said sum of RMB120 million, by way of paying into the Middle People's Court the above agreed consideration of RMB120 million by the following installment payments:
 - (a) RMB60 million shall be paid on 24 April 2009 (note 2); and
 - (b) the remaining balance of RMB60 million shall be paid within one year from the date of entering into the settlement agreement by way of the following two equal half yearly installment payments:–
 - (i) RMB30 million shall be paid into court as aforesaid before 23 October 2009; and
 - (ii) RMB30 million shall be paid into court as aforesaid before 22 April 2010.

(Notes:

1. *The settlement agreement was signed by Zhongzhi and Chengdu Zhongtai on 24 April 2009;*
2. *RMB60 million was paid to the Middle People's Court on 24 April 2009.)*
3. the Project Company shall guarantee the payment of the second installment of RMB60 million by Zhongzhi to the Middle People's Court;
4. in the event that Zhongzhi shall fail to pay any of the installments set out above, Chengdu Zhongtai has the right to apply for an order to mandatorily enforce the payment of the outstanding balance remaining unpaid;

5. Zhongzhi, the Project Company and Chengdu Zhongtai shall cooperate and coordinate with each other with a view to completing all such necessary preparations and other works by 26 April 2009 for fulfillment of all the necessary procedures and legal documentation so as to enable Chengdu Zhongtai to make all such applications at the latest by 27 April 2009 for obtaining all the necessary consents and approvals with respect to the said share transfer (note). Chengdu Zhongtai shall only be entitled to apply to the Middle People's Court for the release of the payment of the first installment of RMB60 million upon successful completion of the transfer of the 30% shares as aforesaid in the light of all the requirements and laws applicable thereto and thereof.

Notes: The necessary consents and approvals with respect to the said share transfer were obtained on 4 May 2009.

6. each party shall be responsible for its own costs of and incidental to the legal proceedings herein, including the institution of any counterclaim and the withdrawal thereof; and
7. settlement of the court fee shall be the responsibility of Chengdu Zhongtai.

TERMS USED IN THIS ANNOUNCEMENT

“Board”	the board of directors of the Company
“Chengdu Zhongtai”	成都中泰交通建設發展有限公司 (Chengdu Zhongtai Communication Construction Development Company Limited*), a company which holds 30% equity interest in the Project Company
“Company”	Neo-China Land Group (Holdings) Limited, a company incorporated in Bermuda and the issued shares of which are listed on the main board of the Stock Exchange
“China Express”	China Express Asia Limited, a company incorporated in Hong Kong and is wholly owned by the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“January 2007 Agreement”	the agreement dated 3 January 2007 entered into between the Company and Chengdu Zhongtai pursuant to which the Company and Chengdu Zhongtai agreed to form the Project Company
“June 2008 Agreement”	the agreement dated 1 June 2008 entered into between the Company and Chengdu Zhongtai pursuant to which the Company exercised its right under the January 2007 Agreement and purchased from Chengdu Zhongtai its 30% equity interest in the Project Company for the Consideration

“Land	2 pieces of land situated at 溫江新城區 (Wen Jiang Xin Cheng District*) in Chengdu City, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Company”	成都中新錦泰房地產開發有限公司 (Zhong Xin Jin Tai Property Development Company Limited*), a company which was duly incorporated and is existing under the laws of the PRC with limited liability and owned as to 70% by the Company and 30% by Chengdu Zhongtai, formed for the purpose of developing the Land into a composite development including commercial and residential buildings and ancillary facilities with total gross floor area of approximately 625,670 square meters
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongzhi”	Zhongzhi (Beijing) Enterprise Management Company Limited* (中置(北京)企業管理有限公司), a wholly-owned subsidiary of the Company

By order of the Board
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Li Song Xiao
Chairman

Hong Kong, 4 May 2009

As at the date hereof, the Board comprises Mr. Li Song Xiao, 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, Mr. Gao Ling and Mr. Lai Man Leung as independent non-executive Directors.

This announcement is made by the order of the Board, of which the Directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

* *for identification purposes only*