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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)

**DISCLOSEABLE TRANSACTIONS
DISPOSAL OF 20% EQUITY INTEREST IN**

天津市億嘉合置業有限公司

(Tianjin City Yi Jia He Zhi Ye Company Limited)

The Board is pleased to announce that on 28 April 2008, the Company entered into the Cooperation Agreements with 五礦置業公司 (Wukuang Zhiye Company) and others for cooperation in property development of the Project in Tianjin, the PRC and the disposal of 20% equity interest in the Project Company.

The transactions contemplated under the Cooperation Agreements including the Disposal constituted discloseable transactions of the Company under the Listing Rules. A circular containing details of such transactions will be sent to the Shareholders as soon as possible.

At the request of the Company, trading in the shares and the convertible bonds (stock code: 2528) of the Company was suspended with effect from 10:10 a.m. on 22 January 2008 pending the release of an announcement in respect of certain price-sensitive information. Trading in the shares and convertible bonds of the Company will remain suspended pending the release of further announcement(s) in relation to certain further price-sensitive information.

THE COOPERATION AGREEMENTS

Introduction

The Company, Wukuang, Zhongzhi, Lixing and the Project Company entered into the Cooperation Agreements which are consisted of the Master Agreement as amended by the First Supplemental Agreement and the Second Supplemental Agreement. The Master Agreement dated 27 November 2007 provided for the cooperation arrangements in relation to the development of the Project and the First Supplemental Agreement on 29 November 2007 made the Master Agreement effective only upon the signing of a further supplemental agreement and/or upon the setting up of a new project company with the land use right relating to the Project Land transferred thereto and planning approvals obtained before 30 June 2008.

Upon entering into the Second Supplemental Agreement dated 28 April 2008 among the Company, Wukuang, the Project Company, Lixing and Zhongzhi which also provided for the transfer of 20% equity interests in the Project Company from Zhongzhi to Wukuang, the Master Agreement as amended by the First Supplemental Agreement became effective on 28 April 2008.

Date and Parties

Master Agreement:	Date of agreement:	27 November 2007
	Effective Date:	28 April 2008
	Parties:	the Company, Wukuang and the Project Company
First Supplemental Agreement:	Date of agreement:	29 November 2007
	Effective Date:	28 April 2008
	Parties:	the Company, Wukuang and the Project Company
Second Supplemental Agreement:	Date of agreement:	28 April 2008
	Effective Date:	28 April 2008
	Parties:	the Company, Zhongzhi, Lixing, the Project Company and Wukuang

The Company is an investment holding company and the principal activities of its subsidiaries are investment holding and/or investment in, or development of, land and real estate in PRC.

Each of Zhongzhi and Lixing is a wholly owned subsidiary of the Company. The principal activities of Zhongzhi and Lixing are investment holding.

Wukuang is a property development company in the PRC, the principal activities of which include the development and the management of property in the PRC.

The Project Company is a wholly-owned subsidiary of the Company established in the PRC with a registered capital of RMB38,000,000 (approximately HK\$43 million) . The Project Company is currently engaged in property development in Tianjin, the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Wukuang and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

MATERIAL TERMS OF THE MASTER AGREEMENT

The Project Company currently owns the land use right of the Land situated at 天津北辰區宜興埠舊村 (Tianjin Beichen Qu Yi Xing Bu Jiu Chun), the PRC with a gross construction area of approximately 2,040,000 square metres.

Under the Master Agreement, the Company, the Project Company and Wukuang shall cooperate in property development in respect of the Project Land with a gross construction area of 800,000 square metres comprised in the Land. The Company is responsible for undertaking the preliminary development works of the Project including demolition and re-settlement and obtaining planning approval, land clearance and setting up a new project company to hold the land use right of the Project Land. It is expected that such preliminary work will be completed in or about June 2008. Wukuang is only responsible for contributing funds of RMB2,384,000,000 (approximately HK\$2,670 million) for the Project by stages according to progress and is legally obliged to do so in accordance with the Master Agreement. Such fund

should cover all land premium, necessary government charges, demolition and resettlement expenses and cost of land clearance relating to the Project as well as all tax arising from the transfer of the relevant land use right of the Project Land to a new project company. Out of the funds to be contributed by Wukuang, as to RMB800,000,000 (approximately HK\$896 million) being the Consideration of the Disposal will be treated as an extraordinary income of the Company and as to the balance of RMB1,584,000,000 (approximately HK\$1,774 million) will be accounted for as current account at the level of the Project Company and as an amount due to a related company at the Group Level.

The Project is intended to be a commercial/residential development and detailed development plan is yet to be finalized. It is expected that buildings will be constructed on the Project Land for sale in the future. There is currently no arrangement for roles and responsibilities of the Group and Wukuang after completion of the preliminary work to be carried out by the Group under the Master Agreement.

Sale of 85% equity interests in the new project company to Wukuang

According to the Master Agreement, the Project Company shall establish, and transfer the land use right relating to the Project Land to, a new project company with a registered capital of RMB100,000,000 (approximately HK\$112 million) by 30 June 2008. The new project company shall be established as a PRC domestic enterprise owned as to 85% by the Project Company and 15% by a third party designated by the Company. The Company intends to designate a wholly-owned subsidiary of the Company as the third party to hold such 15% interests. Wukuang shall purchase 85% of the registered capital of such new project company at a consideration of RMB85,000,000 (approximately HK\$95 million) provided that Wukuang shall have contributed RMB2,000,000,000 (approximately HK\$2,240 million) for the Project (“**85% Purchase**”). The consideration is to be satisfied out of the total funds of RMB2,384,000,000 (approximately HK\$2,670 million) to be contributed by Wukuang under the Master Agreement.

After completion of such 85% Purchase, Wukuang and the other shareholder (which is expected to be a subsidiary of the Company) will share profit from the new project company in proportion to their shareholdings of 85% and 15% respectively provided that if the average sale price of property units relating to the Project Land is less than the agreed benchmark, the other shareholder will waive its share of the profit and transfer the 15% equity interests in the new project company to Wukuang at RMB15,000,000 (approximately HK\$16.8 million) plus interest.

As Wukuang will become a connected person of the Company (as defined in the Listing Rules) upon completion of the Disposal, the transfer of 15% registered capital of the new project company by its holder, which is expected to be a subsidiary of the Company, to Wukuang pursuant to such agreement will constitute a connected transaction for the Company and possibly other notifiable transaction under the Listing Rules. The Company will comply with the requirements under Chapter 14 and Chapter 14A of the Listing Rules including the disclosure and independent shareholders' approval requirements for such transfer.

The cooperation arrangement under the Cooperation Agreements is relating to the Project only and the Project Company will continue to own the other portion of the Land other than the Project Land. It is for the benefit of the Company to use a separate entity i.e. the new project company, to carry on the cooperation with Wukuang so that the right and liabilities relating to the Project and the remaining assets of the Project Company will be clear and separate.

The new project company will be a subsidiary of the Company upon establishment. In that event, the results and assets and liabilities of the new project company will be incorporated in the consolidated accounts of the Company using equity method of accounting. After completion of the 85% Purchase, the Company's shareholding interests in the new project company will be treated as an investment item using cost method of accounting in the financial statements of the Company.

The book value of land use right relating to the Project Land is approximately HK\$114,437,000 based on the book value of the Land amounting to approximately RMB260,233,000 (HK\$292 million) as shown in the unaudited management account of the Project Company as of 31 March 2008 and the pro-rata share i.e. approximately 40.0% of the Project Land to the entire Land.

Security

As security of the Company's performance of its obligations under the Cooperation Agreements before the new project company is established and completion of the 85% Purchase, an additional 20% of the registered capital of the Project Company owned by Lixing shall be placed with an independent escrow agent to hold in escrow pending release to Wukuang on the Company's default or return to the Company upon fulfilment of the Company's obligations. Such additional 20% registered capital of the Project Company will not be transferred to Wukuang unless and until the Company is in default and Wukuang elects to enforce and have such 20% registered capital transferred.

MATERIAL TERMS OF THE FIRST SUPPLEMENTAL AGREEMENT

The Master Agreement shall become effective upon the signing of a further supplemental agreement and/or upon the setting up of a new project company with the land use rights relating to the Project Land transferred thereto and planning approvals obtained before 30 June 2008.

MATERIAL TERMS OF THE SECOND SUPPLEMENTAL AGREEMENT

Disposal

As part of the arrangement under the Cooperation Agreements, Zhongzhi shall sell and transfer 20% of the registered capital of the Project Company to Wukuang at a consideration of RMB800,000,000 (approximately HK\$896 million). The Consideration has been paid in cash and shall be counted towards the funds that should be contributed for the Project by Wukuang under the Cooperation Agreements.

The value of the assets i.e. 20% of the registered capital of the Project Company subject to the Disposal is approximately RMB12,600,000 (approximately HK\$14.2 million) based on the unaudited net asset value of the entire Project Company as of 31 March 2008 being approximately RMB63,500,000 (approximately HK\$71 million).

The Consideration has been arrived at after arm's length negotiations between the parties to the Cooperation Agreements whereby although no independent valuation has been performed, the Board has made reference to the market situation in and the city development of Tianjin of the PRC and market value of similar properties in the relevant locations, and is of the view that the terms of the Cooperation Agreements including the Consideration of the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Completion of the Disposal took place on 30 April 2008. After completion of the Disposal, the Project Company will continue to be a subsidiary of the Company and Wukuang has become a connected person of the Company (as defined in the Listing Rules).

The gain expected to accrue to the Company from the Disposal is approximately HK\$747,000,000 (approximately RMB667 million) based on the cost of the Disposal amounting to approximately HK\$149,000,000 determined on the basis of 20% (being the shareholding percentage of the Project Company that is subject to the Disposal) of the total cost of acquisition of the Project Company incurred by the Group which is approximately HK\$744,000,000.

According to the Cooperation Agreements, the sale proceeds will be applied for the purpose of the Project as capital expenditure and general working capital by way of advancement of loan to the Project Company from the Group.

REASONS FOR THE TRANSACTIONS

The Group is principally engaged in property investment and development in the PRC. The cooperation arrangement with Wukuang under the Cooperation Agreements enables the Group to further its property investment and development business with relatively low capital commitment. The Disposal, being part of the terms of such cooperation arrangement, allows the Group to realise its investment in the Project immediately.

The Board (including the independent non-executive directors) considers that the terms and conditions of the Cooperation Agreements and the Disposal, including the consideration thereof, are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL

The transactions contemplated under the Cooperation Agreements including the Disposal constituted discloseable transactions of the Company under the Listing Rules. A circular containing details of such transactions will be sent to the Shareholders as soon as possible.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares and the convertible bonds (stock code: 2528) of the Company was suspended with effect from 10:10 a.m. on 22 January 2008 pending the release of an announcement in respect of certain price-sensitive information. Trading in the shares and convertible bonds of the Company will remain suspended pending the release of further announcement(s) in relation to certain further price-sensitive information.

TERMS USED IN THIS ANNOUNCEMENT

“85% Purchase”	the purchase of 85% of the registered capital of the new project company to be made by Wukuang under the Master Agreement as more particularly described under the sub-heading “Sale of 85% equity interests in the new project company to Wukuang” in this announcement;
“Board”	the board of directors of the 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;
“Consideration”	the consideration for the Disposal in the total amount of RMB800,000,000 (approximately HK\$896 million);
“Cooperation Agreements”	the Master Agreement as amended by the First Supplemental Agreement and the Second Supplemental Agreement;
“Directors”	directors of the Company for the time being;
“Disposal”	the disposal of 20% of the registered capital of the Project Company by the Company to Wukuang pursuant to the Second Supplemental Agreement;
“First Supplemental Agreement”	the first supplemental agreement dated 29 November 2007 entered into between the Company, Wukuang and the Project Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Land”	the piece of land situated at 天津北辰區宜興埠舊村 (Tianjin Beichen Qu Yi Xing Bu Jiu Chun) PRC with a gross construction area of approximately 2,040,000 square metres;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lixing”	上海雅閣麗星裝飾有限公司 (Shanghai Yage Lixing Zhangshi Company Limited) incorporated in PRC and wholly owned by the Company;
“Master Agreement”	a Project Cooperation Development Agreement for the Project dated 27 November 2007 entered into between the Company, Wukuang and the Project Company;
“PRC”	the People’s Republic of China;
“Project”	the property development project in respect of the Project Land;
“Project Company”	天津市億嘉合置業有限公司 (Tianjin City Yi Jia He Zhi Ye Company Limited) incorporated in PRC;
“Project Land”	the land nos.7 and 8 with a gross construction area of 800,000 square metres comprised in the Land;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Supplemental Agreement”	the second supplemental agreement dated 28 April 2008 entered into between the Company, Wukuang, the Project Company, Zhongzhi and Lixing;
“Shareholders”	the holders of the Shares;
“Shares”	Shares of HK\$0.04 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Wukuang” 五礦置業公司 (Wukuang Zhiye Company), a company incorporated in the PRC; and

“Zhongzhi” 中置(北京)企業管理有限公司 (Zhongzhi (Beijing) Enterprise Management Company Limited) incorporated in PRC and wholly owned by the Company.

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

Hong Kong, 30 May 2008

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, Mr. Lu Zhao Qun, Ms. Bao Jing Tao and Mr. Lam Kwan Sing as executive Directors; and Mr. Lai Leong as the 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 reference purpose only, the exchange rate of RMB to HK\$ used in this announcement is 1 to 1.12.