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.

NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
中 新 地 產 集 團(控 股)有 限 公 司*

(Incorporated in Bermuda with limited liability)

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The board of directors (the "Board") of Neo-China Land Group (Holdings) Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2010, together with the comparative figures for the six months ended 31 October 2009 were as follows:

FINANCIAL HIGHLIGHTS

	Six months ended		
HK$'000	**30 June 2010**	31 October 2009	Change %
Turnover	**2,417,334**	398,486	506.6
(Loss)/profit attributable to equity shareholders of the Company	**(645,597)**	126,679	
Basic (loss)/earnings per share *(HK cents)*	**(32.74)**	6.51	
	At 30 June 2010	At 31 December 2009	
Pre-sale receipts from customers	**8,487,039**	8,763,402	(3.2)
Total assets	**25,615,320**	25,991,780	(1.4)
Equity attributable to equity holders of the Company	**7,002,749**	6,073,429	15.3
Financial Ratios			
Net debt to shareholders' funds (%)	**39.9**	69.4	

* *For identification purpose only*

Condensed Consolidated Income Statement

For the six months ended 30 June 2010 – Unaudited

	NOTE	Six months ended 30 June 2010 HK$'000 (unaudited)	Six months ended 31 October 2009 HK$'000 (unaudited)
Turnover		**2,417,334**	398,486
Cost of sales		**(2,029,032)**	(313,597)
Gross profit		**388,302**	84,889
Other revenue and net income		**4,330**	3,209
Net valuation gain/(loss) on investment properties		**1,988**	(161,053)
Write-down of inventories		**(138,825)**	–
Distribution and selling expenses		**(216,136)**	(113,732)
General and administrative expenses		**(218,668)**	(161,067)
Loss from operations		**(179,009)**	(347,754)
Finance costs		**(343,595)**	(91,806)
Share of losses of associates		**(2,679)**	(1,466)
Gain on redemption of convertible notes		**–**	426,074
Gain on disposal of subsidiaries		**–**	266,186
Loss on disposal of an associate		**–**	(5,100)
(Loss)/profit before taxation	4	**(525,283)**	246,134
Income tax	5	**(159,326)**	(140,010)
(Loss)/profit for the period		**(684,609)**	106,124
Attributable to:			
Equity shareholders of the Company		**(645,597)**	126,679
Non-controlling interests		**(39,012)**	(20,555)
(Loss)/profit for the period		**(684,609)**	106,124
(Loss)/earnings per share	6		
– Basic		**HK(32.74) cents**	HK6.51 cents
– Diluted		**HK(32.74) cents**	HK(15.13) cents

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010 – Unaudited

	Six months ended	
	30 June	31 October
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
(Loss)/profit for the period	**(684,609)**	106,124
Other comprehensive (loss)/income for the period (after tax and reclassification adjustments):		
Exchange differences on translation into presentation currency, net of nil tax	**(18,929)**	(7,530)
Release of other revaluation reserve arising on sale of properties, net of nil tax	**(10)**	(396)
Reclassification adjustment upon disposals of interests in subsidiaries, net of nil tax	**–**	(73,610)
Reclassification adjustment upon disposals of interest in an associate, net of nil tax	**–**	(22,681)
Total comprehensive (loss)/income for the period	**(703,548)**	1,907
Attributable to:		
Equity shareholders of the Company	**(662,465)**	22,462
Non-controlling interests	**(41,083)**	(20,555)
Total comprehensive (loss)/income for the period	**(703,548)**	1,907

Condensed Consolidated Balance Sheet

At 30 June 2010 – Unaudited

	NOTE	**At 30 June 2010 HK$'000 (unaudited)**	At 31 December 2009 HK$'000 (audited)
NON-CURRENT ASSETS			
Investment properties		**2,872,625**	2,949,328
Other property, plant and equipment		**925,390**	827,900
Interests in associates		**324,510**	328,380
Restricted bank deposits		**97,918**	55,023
Derivative financial instrument – Redemption Right of the Issuer		**–**	600
Deferred tax assets		**23,625**	24,142
		4,244,068	4,185,373
CURRENT ASSETS			
Inventories		**16,966,920**	14,462,055
Loan receivables		**–**	412,626
Trade and other receivables	7	**1,367,571**	2,231,914
Derivative financial instrument-Redemption Right of the Issuer		**100**	–
Prepaid income tax		**271,721**	339,673
Cash and cash equivalents		**2,764,940**	1,627,196
		21,371,252	19,073,464
Assets of a disposal group classified as held for sale	10	**–**	2,732,943
		21,371,252	21,806,407
CURRENT LIABILITIES			
Trade and other payables	8	**2,000,791**	2,413,007
Pre-sale receipts from customers		**8,487,039**	8,763,402
Bank borrowings		**515,675**	702,240
Loan payables		**1,301,525**	1,402,200
Convertible notes		**64,979**	–
Derivative financial instrument – Warrants		**32,300**	29,600
Income tax payable		**1,015,935**	1,238,927
Dividend payable		**6,423**	6,473
		13,424,667	14,555,849
Liabilities of a disposal group classified as held for sale	10	**–**	835
		13,424,667	14,556,684
NET CURRENT ASSETS		**7,946,585**	7,249,723
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,190,653**	11,435,096
NON-CURRENT LIABILITIES			
Bank borrowings		**546,002**	768,064
Loan payables		**170,377**	–
Convertible notes		**–**	62,136
Senior notes		**2,957,959**	2,942,803
Deferred tax liabilities		**968,096**	1,002,111
		4,642,434	4,775,114
NET ASSETS		**7,548,219**	6,659,982
CAPITAL AND RESERVES			
Share capital	9(a)	**105,173**	77,826
Reserves		**6,897,576**	5,995,603
Total equity attributable to equity holders of the Company		**7,002,749**	6,073,429
Non-controlling interests		**545,470**	586,553
TOTAL EQUITY		**7,548,219**	6,659,982

SELECTED NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2010

1. Basis of Preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue by the Board of Directors (the "Board") on 23 August 2010.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the eight-month period ended 31 December 2009 (the "2009 Annual Financial Statements"), except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of the interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 2009 Annual Financial Statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by the independent auditor, Crowe Horwath (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The interim financial report has also been reviewed by the Company's Audit Committee.

The Company changed its financial year end date from 30 April to 31 December in the last financial period, details of which are set out in note 1 of the 2009 Annual Financial Statements. The comparative figures cover the Company's consolidated financial statements for the six months ended 31 October 2009. As a result of the change in the year end date of the Company, the comparative figures for the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement and related notes are therefore not entirely comparable with those of the period under review.

The financial information relating to the eight-month period ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. 2009 Annual Financial Statements are available from the Company's registered office. The independent auditor has expressed an unqualified opinion on those financial statements in its report dated 9 April 2010.

Items included in the financial statements of each of the Group's subsidiaries and associates are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currencies of the Company and its major subsidiaries are Renminbi ("RMB"). For the purposes of presenting the interim financial report, the Group adopted Hong Kong dollars ("HK$") as its presentation currency for the convenience of the readers.

2. Changes in Accounting Policies

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised) "Business Combinations"

- Amendments to HKAS 27 "Consolidated and Separate Financial Statements"

The developments resulted in changes in accounting policies but none of these changes in policies have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

Further details of these changes in accounting policy are as follows:

- As a result of the adoption of HKFRS 3 (revised), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised). These include the following changes in accounting policies:

  – Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

  – If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  – Contingent consideration will be measured at fair value at the acquisition date. Any subsequent changes in the measurement of that contingent consideration will be recognised in profit or loss, unless they arise from obtaining additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition (in which case they will be recognised as an adjustment to the cost of the business combination). Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably. All subsequent changes in the measurement of contingent consideration and from its settlement were previously recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

- If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

- In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

- As a result of the amendments to HKAS 27, the following changes in policies were applied as from 1 January 2010:

  - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group would have treated such transactions as step-up transactions and partial disposals, respectively.

  - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the end of reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions would have been treated as partial disposals.

  In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28 "Investments in Associates", the following policies were applied as from 1 January 2010:

- If the Group holds interests in the acquiree immediately prior to obtaining significant influence, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

- If the Group loses significant influence, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

Other changes in accounting policies which are relevant to the Group's financial statements are as follows:

- As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively.

The Group has not applied any standard or interpretation that is not yet effective for the current accounting period.

3. Segment Reporting

The Group manages its businesses by divisions, which are organized by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Property leasing: this segment leases office and residential premises to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's investment property portfolio is located in Mainland China.

- Property development: this segment develops and sells commercial and residential properties. Currently the Group's activities in this regard are carried out in Mainland China.

- Hotel operations: this segment is engaged in renting of hotel room accommodation, leasing of commercial shopping arcades, provision of food and beverage at restaurant outlets, and other minor departments such as telephone, guest transportation and laundry within hotel premises. Currently the Group's activities in this regard are carried out in Mainland China.

Segment Results, Assets and Liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of investments in financial assets, deferred tax assets, prepaid income tax and other corporate assets. Segment liabilities include trade and other payable attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted operating profit/(loss)". To arrive at "adjusted operating profit/(loss)", the Group's profit/(loss) are further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs. Taxation charge is not allocated to reporting segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

(a) Segment Results

	For the six months ended							
	Property development		Property leasing		Hotel operations		Total	
	30 June 2010 HK$'000	31 October 2009 HK$'000	**30 June 2010 HK$'000**	31 October 2009 HK$'000	**30 June 2010 HK$'000**	31 October 2009 HK$'000	**30 June 2010 HK$'000**	31 October 2009 HK$'000
Revenue from external customers	**2,387,884**	374,857	**9,469**	4,214	**19,981**	19,415	**2,417,334**	398,486
Inter-segment revenue	**163**	–	**–**	–	**5,326**	2,697	**5,489**	2,697
Reportable segment revenue	**2,388,047**	374,857	**9,469**	4,214	**25,307**	22,112	**2,422,823**	401,183
Reportable segment loss	**(325,094)**	(106,715)	**(45,040)**	(180,393)	**(22,158)**	(26,209)	**(392,292)**	(313,317)
Finance income	**1,936**	3,375	**147**	578	**14**	12	**2,097**	3,965
Finance costs	**(270,294)**	(1,749)	**(11,261)**	(12,848)	**–**	–	**(281,555)**	(14,597)
Net valuation gain/(loss) on investment properties	**–**	–	**1,988**	(161,053)	**–**	–	**1,988**	(161,053)
Depreciation	**(3,623)**	(3,791)	**(482)**	(485)	**(17,802)**	(19,121)	**(21,907)**	(23,397)
Share of losses of associates	**(2,679)**	(1,466)	**–**	–	**–**	–	**(2,679)**	(1,466)

(b) Reconciliation of reportable segment revenue and profit or loss

	For the six months ended	
	30 June 2010 HK$'000 (unaudited)	31 October 2009 HK$'000 (unaudited)
Revenue		
Reportable segment revenue	**2,422,823**	401,183
Elimination of inter-segment revenue	**(5,489)**	(2,697)
Consolidated turnover	**2,417,334**	398,486
Profit or loss		
Reportable segment loss	**(392,292)**	(313,317)
Elimination of inter-segment profits	**–**	–
Reportable segment loss derived from Group's external customers	**(392,292)**	(313,317)
Finance costs	**(62,040)**	(77,209)
Corporate finance income	**6,504**	2,408
Other revenue and net income	**(11,644)**	(756)
Unallocated head office and corporate expenses	**(61,938)**	(34,372)
Unallocated depreciation	**(673)**	(580)
Fair value changes on derivative financial instruments	**(3,200)**	(17,200)
Gain on redemption of convertible notes	**–**	426,074
Gain on disposal of subsidiaries	**–**	266,186
Loss on disposal of an associate	**–**	(5,100)
Consolidated (loss)/profit before taxation	**(525,283)**	246,134

(c) Segment Assets and Liabilities

	Property development HK$'000	Property leasing HK$'000	Hotel operations HK$'000	Total HK$'000
At 30 June 2010:				
Reportable segment assets	18,757,908	2,950,039	921,355	22,629,302
(including interests in associates)	324,510	–	–	324,510
Additions to non-current segment assets during the period	1,171	–	120,552	121,723
Reportable segment liabilities	11,886,655	396,041	28,478	12,311,174
At 31 December 2009:				
Reportable segment assets	19,386,601	3,066,882	815,331	23,268,814
(including interests in associates)	328,380	–	–	328,380
Additions to associates during the period	330,169	–	–	330,169
Additions to non-current segment assets during the period	3,516	–	217,639	221,155
Reportable segment liabilities	12,844,227	435,098	44,377	13,323,702

(d) Reconciliations of reportable segment assets and liabilities

	At 30 June 2010 HK$'000 (unaudited)	At 31 December 2009 HK$'000 (audited)
Reportable segment assets	**22,629,302**	23,268,814
Deferred tax assets	**23,625**	24,142
Prepaid income tax	**271,721**	339,673
Derivative financial instruments	**100**	600
Unallocated head office and corporate assets	**2,690,572**	2,358,551
Consolidated total assets	**25,615,320**	25,991,780

	At 30 June 2010 HK$'000 (unaudited)	At 31 December 2009 HK$'000 (audited)
Reportable segment liabilities	**12,311,174**	13,323,702
Convertible notes	**64,979**	62,136
Senior notes	**2,957,959**	2,942,803
Derivative financial instruments	**32,300**	29,600
Income tax payable	**1,015,935**	1,238,927
Deferred tax liabilities	**968,096**	1,002,111
Dividend payable	**6,423**	6,473
Unallocated head office and corporate liabilities	**710,235**	726,046
Consolidated total liabilities	**18,067,101**	19,331,798

4. (Loss)/Profit Before Taxation

		Six months ended	
		30 June	31 October
		2010	2009
		HK$'000	HK$'000
		(unaudited)	(unaudited)
(Loss)/profit before taxation is arrived at after charging/(crediting):			
(a)	**Finance costs**		
	Interest on convertible notes	**2,843**	13,085
	Interest on senior notes	**166,005**	167,339
	Interest on bank borrowings	**42,823**	67,633
	Interest on loan payables	**210,233**	203,666
	Less: interest expense capitalised into properties under development	**(78,309)**	(359,917)
		343,595	91,806
(b)	**Other items**		
	Interest income from bank deposits	**(8,601)**	(6,373)
	Gain on disposal of investment properties	**(9,965)**	(10,618)
	Changes in fair values of derivative financial instruments	**3,200**	17,200
	Exchange loss on convertible notes	**108**	–
	Exchange loss on senior notes	**5,590**	–
	Other net exchange loss	**5,940**	2,563
	Depreciation	**22,580**	23,977
	Equity-settled share-based payment expense	**5,620**	10,719
	Cost of properties sold	**2,025,364**	309,445

5. Income Tax

	Six months ended 30 June 2010 HK$'000 (unaudited)	31 October 2009 HK$'000 (unaudited)
Current tax		
Provision for the year		
– PRC Enterprise Income Tax	**151,558**	174,503
– Land Appreciation Tax	**37,759**	28,347
	189,317	202,850
Deferred tax		
Origination and reversal of temporary differences	**(29,991)**	(62,840)
	159,326	140,010

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 30 June 2010 and 31 October 2009.

The provision for PRC Enterprise Income Tax for the Company's subsidiaries in the PRC is based on PRC Enterprise Income Tax rates of 22% to 25% (six months ended 31 October 2009: 20% to 25%) of the taxable income as determined in accordance with the relevant income tax rules and regulations of the PRC during the six months ended 30 June 2010.

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is charged on the appreciated amount of the properties developed by the Group for sale in the PRC at progressive rates ranging from 30% to 60% during the six months ended 30 June 2010 and 31 October 2009.

6. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$645,597,000 (six months ended 31 October 2009: earnings of HK$126,679,000) and the weighted average number of 1,972,081,316 ordinary shares (as at 31 October 2009: 1,945,640,189 ordinary shares) in issue during the interim period.

Weighted average number of ordinary shares	Six months ended 30 June 2010	31 October 2009
Issued ordinary shares at the beginning of the period	**1,945,640,189**	1,945,640,189
Effect of issuance of shares	**26,441,127**	–
Weighted average number of ordinary shares at the end of the period	**1,972,081,316**	1,945,640,189

(b) Diluted (loss)/earnings per share

Diluted loss per share for the six months ended 30 June 2010 was the same as basic loss per share because the exercise of the Company's outstanding share options and convertible notes were anti-dilutive.

The calculation of diluted loss per share for the six months ended 31 October 2009 is based on the loss attributable to ordinary equity shareholders of the Company of HK$300,690,000 and the weighted average number of 1,987,883,624 ordinary shares, after adjusting for the effects of all dilutive potential ordinary shares, calculation as follows:

(i) Loss attributable to ordinary equity shareholders (diluted)

	Six months ended 31 October 2009 HK$'000 (unaudited)
Profit attributable to ordinary equity shareholders (basic)	**126,679**
After tax effect of effective interest on the liability component of convertible notes	**(195)**
Effect of fair value charges on the derivative component of convertible notes	**(1,100)**
Effect of gain recognised on redemption of convertible notes	**(426,074)**
Loss attributable to ordinary equity shareholders (diluted)	**(300,690)**

(ii) Weighted average number of ordinary shares (diluted)

	2009 (unaudited)
Weighted average number of ordinary shares (basic)	**1,945,640,189**
Effect of conversion of convertible notes	**42,243,435**
Weighted average number of ordinary shares (diluted)	**1,987,883,624**

During the six months period ended 30 June 2010 and 31 October 2009, the computation of diluted loss per share did not assume the exercise of the Company's outstanding warrants since the exercise price of the warrants exceeded the average market price of ordinary shares during the period.

7. Trade and Other Receivables

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis:

	At 30 June 2010 HK$'000 (unaudited)	At 31 December 2009 HK$'000 (audited)
Less than 90 days	**6,249**	16,442
More than 90 days but less than 180 days	**1,998**	6,284
More than 180 days	**9,872**	16,769
	18,119	39,495

Trade debtors are generally due within 90 days from the date of the billing.

8. Trade and Other Payables

	At 30 June 2010 HK$'000 (unaudited)	At 31 December 2009 HK$'000 (audited)
Accrued expenditure on properties under development	**883,756**	1,054,251
Retentions payable to contractors	**1,228**	1,712
Receipts from customers for payment of expenses on their behalf	**91,356**	98,168
Consideration payables for acquisition of subsidiaries and associates	**394,084**	443,592
Interest payable	**221,970**	199,085
Accrued charges and other payables	**204,188**	393,225
Amounts due to former shareholders of the Company's former subsidiaries (note 8(a))	**136,620**	137,039
Amounts due to minority shareholders (note 8(a))	**50,853**	48,055
Amounts due to related companies (note 8(a))	**4,933**	2,466
Financial liabilities measured at amortised cost	**1,988,988**	2,377,593
Other taxes payables (note 8(b))	**11,803**	35,414
	2,000,791	2,413,007

(a) The amounts due to former shareholders of the Company's former subsidiaries, minority shareholders and related companies are non-trade in nature, interest free, unsecured and repayable on demand. These related companies are controlled by Mr. Li Song Xiao, a major shareholder of the Company.

(b) Other taxes payables comprise urban real estate tax payable, city maintenance and construction tax payable and business tax payable.

9. Capital, Reserves and Dividends

(a) Share capital

	Number of shares	Nominal value HK$'000
Authorised:		
At 1 January 2010 and 30 June 2010 – ordinary share of HK$0.04 each	10,000,000,000	400,000
Issued and fully paid:		
At 1 January 2010 – ordinary shares of HK$0.04 each	1,945,640,189	77,826
Issuance of shares	683,692,000	27,347
At 30 June 2010 – ordinary shares of HK$0.04 each	2,629,332,189	105,173

On 24 June 2010, the Company issued 683,692,000 ordinary shares of HK$0.04 each to Novel Good Limited, a wholly-owned subsidiary of Shanghai Industrial Holdings Limited (an intermediate holding company of the Company as at 30 June 2010) at a price of HK$2.32 per ordinary share. The proceeds were used to reduce to Group's borrowings and for future development of the Group when investment opportunities arise.

(b) Dividends

There were no interim dividend declared attributable to the six months ended 30 June 2010 and 31 October 2009.

10. Disposal Group Classified as Held for Sale

Disposal group and non-current assets classified as held for sale are as follows:

	At 30 June 2010 HK$'000	At 31 December 2009 HK$'000
Assets of a disposal group (net of impairment loss)	–	2,732,943
Liabilities of a disposal group	–	(835)
	–	2,732,108

At the end of December 2009, the Group intended to dispose of a parcel of land, which is located at Qiao Island, Zhuhai, the PRC, through the disposal of 珠海市淇洲島影視城有限公司, a subsidiary of the Company, the assets and liabilities related to 珠海市淇洲島影視城有限公司 (the "Zhuhai Project Company") (part of property development) have been presented as held for sale. On 19 January 2010, the Group entered into an agreement with Turbo Wise Limited, a company wholly owned by Mr. Li Song Xiao, a major shareholder of the Company, subject to certain conditions, to sell the Zhuhai Project Company for a consideration of HK$2,500,000,000.

On 11 May 2010, the Company entered into a termination agreement with Turbo Wise Limited whereby both of them agreed to terminate the above transaction. There were no other agreements signed up to the date of this interim report. Therefore, the sale of Zhuhai Project Company was not considered as highly probable as at 30 June 2010. Accordingly, the Group ceased to classify the assets and liabilities of Zhuhai Project Company as held for sale as at 30 June 2010.

11. Non-Adjusting Post Balance Sheet Events

Subsequent to the balance sheet date on 9 August 2010, the Company entered into a transfer agreement (the "Transfer Agreement") with an independent third party (the "Transferee") whereby the Company agreed to transfer its rights and obligations in respect of the balance of consideration receivable of approximately HK$550,000,000 (the "Consideration Receivable") for the disposal of a subsidiary in the eight-month period ended 31 December 2009 to the Transferee for a consideration of approximately HK$552,000,000 plus interest calculated at a daily interest rate of 0.03% on the Consideration Receivable from the date such payment is due until 12 September 2010.

The Company also entered into a deposit agreement with the Transferee pursuant to which the Transferee agreed to pay to the Company a deposit of RMB483,000,000 (equivalent to approximately HK$550,000,000) as assurance for its performance under the Transfer Agreement. The Company received part of the deposit on 9 August 2010 and the balance on 10 August 2010.

If the Company receives the Consideration Receivable from the relevant debtor on or before 12 September 2010 and the completion of the Transfer Agreement does not take place, the Company shall return to the Transferee the deposit without interest within 3 business days.

If the Company does not receive Consideration Receivable from the relevant debtor on or before 12 September 2010, the Transfer Agreement will become effective and the Company may choose to either (i) return the said deposit to the Transferee or (ii) keep the said deposit as part payment of the Consideration Receivable and transfer the rights and obligations of the Company under this disposal to the Transferee.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended 30 June 2010, the Group recorded a turnover of HK$2,417 million (six months ended 31 October 2009: HK$398 million), representing an increase of approximately 506.6% as compared to the six months ended 31 October 2009. Loss attributable to equity holders of the Company amounted to HK$646 million for the six months ended 30 June 2010 against profit attributable to equity holders of the Company amounted to HK$127 million for the six months ended 31 October 2009. For the six months ended 30 June 2010, basic loss per share was HK32.74 cents (six months ended 31 October 2009: basic earnings per share was HK6.51 cents).

As at 30 June 2010, balance of presale receipts from customers of the Group was HK$8.49 billion (as at 31 December 2009: HK$8.76 billion), representing an decrease of approximately 3.2% as compared to the prior year end. As at 30 June 2010, equity attributable to equity holders of the Company was HK$7.00 billion (31 December 2009: HK$6.07 billion).

Payment of Dividends

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2010 (six months ended 31 October 2009: HK nil cents).

Business Review

During the period under review, there were manifest changes in the market environment. Due to the over surging housing price in some regions during the second half of 2009, the government implemented a series of control measures to direct against it. Affected by these control measures, the real estate market changed its future expectations and reduced the turnover gradually, restraining the increases where housing prices showed a more rapid increment before in different extents. During the six months ended June 2010, the areas delivered recognised by the Group amounted to approximately 220,000 sq.m (2009: approximately 50,000 sq.m.), representing an increase of approximately 340% when compared to the six months ended 31 October 2009, most of which were from Laochengxiang Project in Tianjin. During the first half of the year, the Group's GFA of properties pre-sold amounted to approximately 340,000 sq.m. (2009: approximately 480,000 sq.m.), representing a decrease of approximately 29% when compared to the six months ended 31 October 2009.

Land Bank

The Group has 14 projects in 11 cities, comprising middle to high-end residential units, service apartments, commercial buildings, hotels and office buildings. As at 30 June 2010, the land bank of the Group was approximately 12,295,000 sq.m.

Development Projects

Project Name	City	Type	GFA *(sq.m.)*	Saleable GFA *(sq.m.)*	Completed GFA *(sq.m.)*	Under development *(sq.m.)*	Future development *(sq.m.)*	Ownership
American Rock	Beijing	Residential/ Commercial	523,833	454,610	454,610	–	–	100%
Yongman Point	Beijing	Residential/Commercial	352,905	289,700	213,085	76,615	–	100%
Xidiaoyutai	Beijing	Residential/Service apartment	250,836	220,647	175,682	–	44,965	90%
Yanjiao	Sanhe	Residential/Commercial/ Hotel	460,000	433,333	–	–	433,333	100%
Laochengxiang	Tianjin	Residential Commercial/Hotel	752,883	646,205	498,544	80,750	66,911	100%
Beichen	Tianjin	Residential/Commercial	2,263,000	2,125,500	–	–	2,125,500	40%
Neo Water City	Xian	Residential/Commercial/ Hotel	3,534,736	3,205,699	467,322	1,441,165	1,297,212	72%
Yuanjiagang	Chongqing	Residential/Commercial/ Hotel	802,532	745,080	523,533	221,547	–	100%
Tai Yuan Street	Shenyang	Commercial/ Service apartment	244,950	216,215	–	–	216,215	80%
Gongyuandadao	Chengdu	Residential/Commercial	625,670	521,836	–	295,482	226,354	100%
Neo-China Forest Garden	Changsha	Residential/Commercial	1,073,600	1,005,862	153,165	97,168	755,529	67%
Qi Ao Island	Zhuhai	Villas/Commercial/Hotel	1,090,000	770,000	–	–	770,000	100%
Phoenix Tower	Shenzhen	Service apartment/Office/ Commercial	106,190	79,391	79,391	–	–	91%
Jiujiu Youth City	Shanghai	Service apartment/Office	213,755	162,888	31,582	131,306	–	100%
Total			12,294,890	10,876,966	2,596,914	2,344,033	5,936,019	

Prospect

The economic data of the United States released in recent months was unsatisfactory, showing that the US economic growth has been slowing down quarter-by-quarter. The impact of the European sovereign debt crisis is still spreading and it is expected that all countries will continue to expand their fiscal policy and to maintain the interest rates at a relatively low level for quite a long period of time. In tackling the complicated external economic environment and the notable domestic structural problems, as well as preventing the huge impact on economy as a result of an overheated economy and large fluctuations in asset prices, the PRC's policy will be targeting to maintain a relatively steady and fast growing economy and the fine adjustment to the macro-economic policy will not be changed substantially in the near future.

The Group expects that as the macro-economic austerity measures continue to show effects and be fine-tuned, real estate prices in first-tier cities will demonstrate different degrees of adjustment in the fourth quarter of this year, while real estate prices in the second and third-tier cities will tend to remain stable during the year resulting from the relatively moderate increase in the prior periods. The Group considers that the essential factors affecting the development of real estate industry in China do not have any physical changes. As the process of urbanization extends deeper, the domestic consumption power of residents keeps rising and the macro-economy continues to improve, it resulted in the management of the Group remaining optimistic towards the medium and long term development of the real estate industry in China. In the second half of the year, the Group will speed up the sale in cities including Xi'an, Chengdu, Shanghai, Chongqing and Changsha, and fully optimize its regional advantages so as to attract customers by fulfilling the market demand for unique design and high-quality products, to further expand the market share and accelerate the return of capital and strengthen the Group's capital base.

Currently, the net gearing ratio of the Company has reduced to a lower level. Following the completion of the Company's capital reorganization, Shanghai Industrial Holdings Limited ("SIHL") has become the largest single shareholder of the Company and the trading of the Company's shares has resumed. As a result, the room for the Company's capital leverage was fully utilized, providing a strong protection base for the upcoming rapid development of the Company. SIHL is currently the largest overseas conglomerate of the People's Government of Shanghai Municipality. With full support from the controlling shareholders, SIHL owns the advantages of large capital base and higher market recognition.

Since the beginning of the second half of the year, when the Company has been progressing to perfecting its internal management, it has also made adjustments to its strategies actively, changing the development trend of the Company. Leveraging on the professional operating team, the Company has fully utilized and consolidated the peripheral resources, in order to further enhance the market position of the Company as a well-known domestic property developer in China in pursuit of raising its brand value and product quality. In respect of land bank, the Company closely monitors the property market condition in areas where it possesses advantages and searches for suitable high-valued projects, aiming at increasing the scale steadily while enhancing the efficiency at the same time to strive for the best possible returns to the shareholders.

Share Capital

The Company's issued and fully paid share capital as at 30 June 2010 amounted to HK$105,173,288 divided into 2,629,332,189 ordinary shares of HK$0.04 each.

Liquidity and Capital Resources

As at 30 June 2010, the Group had cash and bank balance of approximately HK$2.76 billion with net assets totaling to HK$7.55 billion. The Group's current ratio was approximately 1.59. The net debt of the Group as at 30 June 2010 amounted to HK$2.79 billion making the Group's gearing ratio at 39.9% calculated by net debt to shareholders' funds of HK$7.00 billion.

The Board believes that liquid assets, funds and future revenue will be sufficient to finance future expansion and working capital requirements.

Human Resources and Remuneration Policies

As at 30 June 2010, the Group employed 586 employees (including Hong Kong and PRC offices).

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emolument of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Staff benefits include contributions to the Mandatory Provident Fund Schemes and discretionary bonus payments which are linked to the profit performance of the Group and individual performances.

The Group has adopted a share option scheme as an incentive to directors and eligible employees.

Purchase, Sale or Redemption of Securities

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2010.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Code of Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six-month period ended 30 June 2010 except for the followings:

(a) Provision A.4.4 of the Code ("Code A.4.4")

Code A.4.4 specifies that Issuers should establish a nomination committee.

The Company has not established a nomination committee before 20 August 2010. The duties and functions of the nomination committee recommended in Code A.4.5 before the nomination committee established were performed by the directors of the Board collectively and those who have an interest in the proposals are required to be abstained from making the recommendations and/or decisions with respect to the proposals. On 20 August 2010, the Company has established a nomination committee.

(b) Provision E.1.2 of the Code ("Code E.1.2")

Code E.1.2 specifies that the chairman of the board should attend the annual general meeting.

Mr. Liu Yi, the ex-chairman of the Board, has been heavily involved in the business operations of the Group in the PRC. Despite his utmost intention to be present at the Company's annual general meeting held on 28 May 2010, Mr. Liu was unable to attend the said meeting due to other urgent business commitments of the Group. Mr. Liu resigned on 6 July 2010 and was replaced by Mr. Cai Yu Tian.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Model Code"). Having made specific enquiry of all directors, all directors have confirmed that they had compiled with the required standard as set out in the Model Code during the period.

Independent Non-Executive Directors

As a result of the passing away of Mr. Zhang Qing Lin on 19 February 2010, the Company only had two independent non-executive directors, namely Ms. Nie Mei Sheng and Mr. Gao Ling, and does accordingly not meet the requirements under rule 3.10(1) of the Listing Rules. Ms. Nie Mei Sheng and Mr. Gao Ling were resigned on 26 July 2010, and four independent non-executive directors namely Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David were appointed on 12 July 2010.

Audit Committee

The Company's audit committee comprises four current independent non-executive directors of the Company. Its terms of reference have been modified to incorporate certain provisions with reference to the Appendix 14 of the Listing Rules. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements of the Company for the six months ended 30 June 2010.

The Group's external auditors, Crowe Horwath (HK) CPA Limited, have reviewed the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2010 in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and Hong Kong Accounting Standard 34, "Interim Financial Reporting", both of which were issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Cai Yu Tian
Chairman

Hong Kong, 23 August 2010

As at the date hereof, the Board comprises Mr. Cai Yu Tian, Mr. Ni Jian Da, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Yang Biao, Mr. Chen An Min and Mr. Jia Bo Wei as executive Directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as Independent non-executive Directors