



NEO-CHINA GROUP
中新集團

NEO-CHINA GROUP (HOLDINGS) LIMITED
中新集團（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 563)

ANNOUNCEMENT

Cooperation Project

The Company entered into the Cooperation Framework Agreement with the Pi Xian People's Government (郫縣人民政府) on 11th April, 2006 in relation to the Cooperation Project.

Unusual volume movement

The Directors have noted the increase in trading volume of shares of the Company today and wish to state that the Directors are not aware of any reasons for such increase save for the matters as disclosed in this announcement.

Cooperation Project

In line with the property development business of Neo-China Group (Holdings) Limited (the "Company"), the Company entered into a cooperation framework agreement ("Cooperation Framework Agreement") with the Pi Xian People's Government (郫縣人民政府) on 11th April, 2006 in relation to the land development, relocation and construction of city infrastructure in Pi Xian Xi Pu Town (郫縣犀浦鎮) in Chengdu City ("Cooperation Project"). The Cooperation Project is expected to involve a total investment amount of RMB1,200,000,000 which will be contributed by the Company in stages according to the progress of the Cooperation Project. The Company is entitled to investment return which will be funded by proceeds arising from the sale of the relevant land in the city. Further announcement in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") will be made if and when required.

Unusual volume movement

The directors of the Company (“Directors”) have noted the increase in trading volume of shares of the Company today and wish to state that the Directors are not aware of any reasons for such increase save in relation to the following matters:–

- (i) the entering into a memorandum of understanding in relation to a property development project in the Chengdu City as disclosed in the Company’s announcement dated 10th April, 2006;
- (ii) the entering into the Cooperation Framework Agreement in relation to the Cooperation Project as disclosed above; and
- (iii) the proposal to seek a refreshment of general mandate to issue and repurchase shares as disclosed in the Company’s announcement dated 11th April, 2006.

Save for the above, the Directors confirm that there are no other negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The board of Directors individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board of
Neo-China Group (Holdings) Limited
Li Song Xiao
Chairman

Hong Kong, 11th April, 2006

As at the date of this announcement, the Board comprises Mr Li Song Xiao as a chairman; Mr Liu Yi, Ms Song Xuan, Ms Niu Xiao Rong, Mr Zhang Huai An and Mr Yuan Kun as executive Directors; Ms Nie Mei Sheng, Mr Zhen Kuan and Mr Wang Shiyong as independent non-executive Directors.

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.