



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)

**RESIGNATION OF DIRECTOR
AND
APPOINTMENT OF DIRECTOR**

The board of directors (the “Board”) of Neo-China Group (Holdings) Limited (the “Company”) announces that Mr. Zheng Kuan has resigned as an independent non-executive director of the Company with effect from 3 November, 2006 and the Board has appointed Mr. Zhang Qing Lin as an independent non-executive director of the Company with effect from 3 November, 2006.

The Board announces that Mr. Zheng Kuan has resigned as an independent non-executive director of the Company with effect from 3 November, 2006 due to his personal reasons. Mr. Zheng has confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company or the Stock Exchange of Hong Kong Limited in relation to his resignation.

The Board would like to take this opportunity to express its appreciation for the valuable contributions of Mr. Zheng to the Company.

The Board is pleased to announce that the Board has appointed Mr. Zhang Qing Lin as an independent non-executive director of the Company with effect from 3 November 2006.

Mr. Zhang Qing Lin, aged 63, a professor-graded chief engineer. He has over 38 years of experience in the property construction industry. He was the deputy director, director-general and secretary of the National Planning Committee (國家計委), the Administrative Bureau for Construction of the National Ministry of Construction (國家建設部施工管理局), and the deputy general manager of China State Construction Engineering Group (中國建築工程總公司).

Currently, he is a committee member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) (全國政協), a part-time professor of the international project management research institute of Qing Hua University (清華大學), an expatriate associate in charge of the management of Singapore projects, a president of the Engineering Project Management Committee of Construction Industry Association of China (中國建築業項目管理委員會) and a fellow member of Royal Institute of British Architects (英國皇家特許建築師學會).

There is no service contract entered into between the Company and Mr. Zhang. Mr. Zhang has not been appointed for any specified term and will be entitled to a director's fee to be decided by the remuneration committee of the Company. Mr. Zhang will be subject to retirement and re-election at the next annual general meeting of the Company (thereafter retirement by rotation) pursuant to the bye-laws of the Company. As at the date of this announcement, Mr. Zhang Zhang has no interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinances.

Mr. Zhang does not hold any other positions with the Company or other members of the Company's group and is not connected with any directors, senior management or substantial and controlling shareholders of the Company. Mr. Zhang did not hold any directorship in any listed public companies in the last three years.

Save as disclosed, the Board is not aware of any other matter that is considered necessary to be brought to the attention of holders of the securities of the Company regarding the appointment of Mr. Zhang.

By Order of the Board
Li Song Xiao
Chairman

Hong Kong, 3 November 2006

As at the date of this announcement, the Board comprises Mr. Li Song Xiao as chairman; Mr. Liu Yi, Ms. Niu Xiao Rong, Mr. Yuan Kun and Ms. Liu Yan as executive directors; and Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Wang Shiyong as independent non-executive directors.

* *For identification purpose*

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