



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

On 20th November, 2006, the Company's wholly-owned subsidiary, Beijing New Shine Consultancy, entered into the Changsha MOU and the Youngman Point MOU in relation to the Changsha Acquisition and Youngman Point Acquisition.

The board of directors of the Company is pleased to announce an update on the construction status of the Company's property projects.

Changsha Acquisition

On 20th November, 2006, 北京新松置地投資顧問有限公司 (Beijing New Shine Land Investment Consultancy Limited) ("Beijing New Shine Consultancy"), which is wholly-owned by Neo-China Group (Holdings) Limited (the "Company"), entered into a memorandum of understanding ("Changsha MOU") with 北京新松投資集團有限公司 (Beijing New Shine Investment Group Company Limited) (Beijing New Shine Investment"), pursuant to which Beijing New Shine Consultancy proposed to acquire from Beijing New Shine Investment 67% interest in 湖南淺水灣湘雅溫泉花園有限公司 (Wunan Qianshuiwan Shuangya Wanquan Huayuen Company Limited) ("Wunan Qianshuiwan") at a consideration to be fixed at a discount (to be agreed) to valuation of the subject company to be carried out in the future ("Changsha Acquisition"). Wunan Qianshuiwan is a company established in the People's Republic of China ("PRC") which is the developer of a project situated in Wancheng Yuan, Changsha City, PRC, with a site area of approximately 726,000 sq.m. which can be developed into gross

floor area of approximately 800,000 square metres. The purpose of the Changsha MOU is to record the understandings of the parties so that the proposed co-operation can be further extended. A formal sale and purchase agreement will be entered into between the parties should the acquisition proceed. Beijing New Shine Investment is a company whose controlling shareholder is Mr. Li Song Xiao, the controlling shareholder and chairman of the Company. The transaction, if proceeds, will therefore be a connected transaction for the Company. Due to its size, it is likely to be a notifiable transaction falling under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further announcement in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be made if required.

Youngman Point Acquisition

The Company's wholly-owned subsidiary, Beijing New Shine Consultancy, also entered into a memorandum of understanding ("Youngman Point MOU") on 20th November, 2006 with 北京國科新業科技開發有限公司 (Beijing Guoke Xinye Technology Development Company Limited) ("Beijing Guoke") in relation to its proposed acquisition of 22.10% interest in 北京新松房地產開發有限公司 Beijing New Shine Property Development Company Limited ("Beijing New Shine Property") from Beijing Guoke ("Youngman Point Acquisition"). Beijing New Shine Properties is the developer of the Youngman Point Property Project in the Chaoyang District, Beijing, PRC which has a site area of approximately 117,000 sq.m. and which can be developed into gross floor area of approximately 340,000 square metres. The consideration of the proposed acquisition is to be fixed at a discount (to be agreed) to valuation of the subject company to be carried out in the future. The purpose of the Youngman Point MOU is to record the understandings of the parties in order to further extend the co-operation of the parties. A formal sale and purchase agreement will be entered into between the parties should the acquisition proceed. Beijing Guoke is a company whose controlling shareholder is Mr. Li Song Xiao, the controlling shareholder and Chairman of the Company. The transaction, if proceeds, will therefore be a connected transaction for the Company. Due to its size, it is likely to be a notifiable transaction falling under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further announcement in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be made if required.

Update on property projects

The board of directors of the Company is pleased to announce the construction status of the projects of the Company. Set out below is a summary of the construction of projects completed and approved by the PRC government during corresponding periods.

Gross Floor Area completed

Project	For the period from 1st May, 2006 to 31st October, 2006 <i>(in terms of approximate square metres)</i>	For the period from 1st November, 2005 to 30th April, 2006 <i>(in terms of approximate square metres)</i>	For the period from 1st May, 2005 to 31st October, 2005 <i>(in terms of approximate square metres)</i>
American Rock	56,900	37,879	0
Xidiaoyutai	101,724	0	0
Tianjin Project – Laochengxiang	53,762	0	0
Youngman Point	0	102,991	0
Phoenix Tower	106,190	0	0
Total:	318,576	140,870	0

The above information is unaudited and is based on management accounts. It is not a forecast or projection and should not be used as a basis for any estimate.

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

Hong Kong, 20 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; Ms Nie Mei Sheng, Mr Wang Shiyong and Mr Zhang Qing Lin as independent non-executive Directors.

** For identification purpose only*

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