



NEO-CHINA GROUP (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 563)

UNUSUAL PRICE & VOLUME MOVEMENTS

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted that the increase in the share price and trading volume of the Neo-China Group (Holdings) Limited (the “Company”) today and wish to state that we are not aware of any reasons for such increase save as disclosed in the announcement of the Company dated 18 July 2007 in relation to issue of 4,000 units consisting of in aggregate US\$400,000,000 principal amount 9.75% senior notes due 2014 and 264,000,000 warrants for up to 264,000,000 ordinary shares of the Company.

We also confirm that there are no 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.

Made by the order of the Board of Directors of the Company which individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 20 July 2007

As at the date of this announcement, Mr. Li Song Xiao, Mr Liu Yi, Ms. Niu Xiao Rong, Mr. Yuan Kun and Ms. Liu Yan are the executive directors and Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ling are independent non-executive directors.