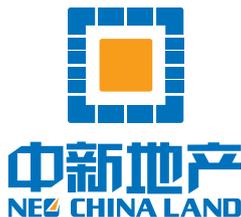


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**NEO-CHINA LAND GROUP (HOLDINGS) LIMITED**

(formerly known as NEO-CHINA 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)**

**Proposed changes to terms of HK\$1,340,000,000 zero coupon convertible bonds due 2011 (“Bonds”).**

The Company announced on 16 April, 2009 that the meeting of holders of the Bonds held on that day to consider an extraordinary resolution of holders of the Bonds to approve amendments to the trust deed constituting the Bonds was dissolved before proceeding to business, and that it intended to propose revised amendments to the trust deed constituting the Bonds. This announcement describes the proposed revised amendments.

The Company has convened a meeting of holders of the Bonds to be held on 13 May 2009 to consider an extraordinary resolution of holders of the Bonds to approve amendments to the trust deed constituting the Bonds.

Each Bondholder has the right under Condition 8.4 to require the Company to redeem all or some of that holder’s Bonds on 12 June 2009 at the then Early Redemption Amount of the Bonds, being HK\$12,010.248 per HK\$10,000 nominal value of the Bonds. If passed the Extraordinary Resolution will, subject to and conditional upon the approval of the Stock Exchange remove that right and replace it with the following rights:

- the Company shall, at the option of the holder of any Bond, redeem all (but not some only) of that holder’s Bonds on 12 June 2009 at the price of HK\$6,300 for each HK\$10,000 principal amount of the Bonds; and
- a Put Option Notice, once delivered, shall be revocable at the option of the holder up to the day that is not later than 20 days prior to the Put Option Date and the Company shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid and not revoked on the Put Option Date.

**Trading in securities of the Company has been suspended since January 2008. The Company has today issued an announcement about the reason for the suspension but has not made any other relevant disclosure. Relevant information not yet disclosed may include matters that investors would consider materially adverse to the Company, its business and prospects. Bondholders who choose to attend and vote, or not to attend and/or vote, on the Extraordinary Resolution to be proposed at the meeting of Bondholders will therefore choose in the knowledge that they have not been given material information about the Company that, were it known, might cause them to make a different decision as to attendance and/or voting. If the Extraordinary Resolution is passed, then Bondholders that issue notices to redeem their Bonds on 12 June 2009 will receive materially less on redemption than they would receive if the Extraordinary Resolution is not passed.**

**The quorum required at the meeting is two (2) or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 75% in principal amount of the Bonds for the time being outstanding. If a holder of Bonds attends the Meeting but abstains from voting the holder will nevertheless count towards the quorum for the meeting. Votes that are not cast at the meeting will not count in determining whether there is a majority in favour the Extraordinary Resolution consisting of not less than three-quarters of the votes cast at the meeting**

At the request of the Company, trading on the Stock Exchange in the shares (stock code: 563) and the Bonds (stock code: 2528) of the Company was suspended with effect from 10:10 a.m. on 22 January 2008 pending the release of an announcement in respect of certain price-sensitive information. Trading in the shares and Bonds of the Company will remain suspended.

The meeting of holders of the Bonds held on 16 April, 2009 to consider an extraordinary resolution of holders of the Bonds to approve amendments to the trust deed constituting the Bonds was dissolved before proceeding to business. The Company announced that it intended to propose revised amendments to the trust deed constituting the Bonds and this announcement describes the proposed revised amendments.

The Company has convened a meeting of holders of the Bonds (“Bondholders”) to be held on 13 May 2009 at 9:00 a.m. for the purpose of considering and, if thought fit, passing an extraordinary resolution of holders of the Bonds the principal effect of which will be to approve amendments to the trust deed dated 12 June 2006 (the “Trust Deed”) constituting the Bonds and made between the Company and BNY Corporate Trustee Services Limited (formerly known as J.P. Morgan Corporate Trustee Services Limited), as trustee (the “Trustee”).

Each Bondholder has the right under Condition 8.4 to issue Put Option Notices requiring the Company to redeem all or some of that holder’s Bonds on 12 June 2009 at the Early Redemption Amount of the Bonds (a price specified in the Trust Deed). If passed the Extraordinary Resolution will, subject to and

conditional upon the approval of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), remove that right and replace it with the following rights:

- the Company shall, at the option of the holder of any Bond, redeem all (but not some only) of that holder’s Bonds on 12 June 2009 at the price of HK\$6,300 for each HK\$10,000 principal amount of the Bonds; and
- a Put Option Notice, once delivered, shall be revocable at the option of the holder up to the day that is not later than 20 days prior to the Put Option Date and the Company shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid and not revoked on the Put Option Date.

The quorum required at the Meeting is two (2) or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 75% in principal amount of the Bonds for the time being outstanding.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast at the meeting by holders of Bonds. Votes that are not cast at the meeting will not count in determining whether there is a majority in favour consisting of not less than three-quarters of the votes cast at the meeting by holders of Bonds. If passed, the Extraordinary Resolution will be binding upon all the Bondholders, whether or not present at such Meeting and whether or not voting.

The Company will announce the results of the Meeting of Bondholders.

### **Reasons for the proposal**

Before the proposed modification takes effect Bondholders that issue Put Option Notices will be entitled to have their Bonds redeemed on 12 June 2009 at the then Early Redemption Amount of the Bonds, being HK\$12,010.248 per HK\$10,000 nominal value of the Bonds. If all outstanding Bonds were to be redeemed on 12 June 2009 pursuant to Put Option Notices the Company would be required to pay a total of HK\$1,101,351,751.85 to redeem the Bonds, before expenses.

Whilst the Directors still believe that the Group will have sufficient financial resources on 12 June 2009 to satisfy redemption in full of the Bonds, in the current economic climate and in light of the continued suspension of trading in its securities, the Company believes that it would be difficult for it to obtain bank or other financing to replenish financial resources used in redeeming Bonds and that at present it is in the best interest of the Company to preserve capital for future business development rather than use it to pay off the Bonds. If the Company were to use significant cash resources in redeeming Bonds that may hamper the development of the current activities and future expansion of the Group given that it is difficult to raise equity or debt capital in current market conditions and the prolonged suspension of trading in its securities. The Directors accordingly consider that it is not likely to be in the interests of the Company or its shareholders. Accordingly, the Company is proposing to Bondholders a reduction in the amount payable on early redemption of the Bonds in 2009 and a new right to withdraw a Put Option Notice, once delivered, at the option of the holder up to the day that is not later than 20 days prior to the Put Option Date and the Company shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid and not revoked on the Put Option Date.

## WARNING

Trading in securities of the Company has been suspended since January 2008. The Company has today issued an announcement about the reason for the suspension, but has not made any other relevant disclosure. Relevant information not yet disclosed may include matters that investors would consider materially adverse to the Company, its business and prospects. Bondholders who choose to attend and vote, or not to attend and/or vote, on the Extraordinary Resolution to be proposed at the meeting of Bondholders will therefore choose in the knowledge that they have not been given material information about the Company that, were it known, might cause them to make a different decision as to attendance and/or voting. If the Extraordinary Resolution is passed, then Bondholders that issue notices to redeem their Bonds on 12 June 2009 will receive materially less on redemption than they would receive if the Extraordinary Resolution is not passed.

The quorum required at the meeting is two (2) or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 75% in principal amount of the Bonds for the time being outstanding. If a holder or Bonds attends the Meeting but abstains from voting the holders will nevertheless count towards the quorum for the meeting.

### Suspension of trading

At the request of the Company, trading on the Stock Exchange in the shares (stock code: 563) and the Bonds (stock code: 2528) of the Company was suspended with effect from 10:10 a.m. on 22 January 2008 pending the release of an announcement in respect of certain price-sensitive information. Trading in the shares and Bonds of the Company will remain suspended.

The Company will continue to work closely with the Stock Exchange on an announcement with respect to matters which led to the Company's suspension of trading of its securities and is seeking the resumption of trading of its shares and the Bonds as soon as practicable.

By Order of the Board of  
**Neo-China Land Group (Holdings) Limited**  
**LI SONG XIAO**  
*Chairman*

Hong Kong, 11 May 2009

At the date of this announcement, the directors of the Company are:

**Executive Directors**

Mr. Li Song Xiao (*Chairman*)

Mr. Liu Yi

Ms. Niu Xiao Rong

Mr. Yuan Kun

Ms. Liu Yan

Mr. Jia Bo Wei

Ms. Bao Jing Tao

Mr. Lam Kwan Sing

**Non-Executive Director**

Mr. Lai Leong (*Vice chairman*)

**Independent Non-Executive Directors**

Ms. Nie Mei Sheng

Mr. Gao Ling

Mr. Zhang Qing Lin

\* *For identification only*