NEO-CHINA LAND 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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

The board of directors (the "Board") of Neo-China Land Group (Holdings) Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 31 October 2009, together with the comparative figures for the corresponding period in the prior year were as follows:

FINANCIAL HIGHLIGHTS

	For the six months ended 31 October		
HK$'000	**2009**	2008	Change %
Turnover	**398,486**	57,802	589.4
Profit/(loss) attributable to equity shareholders of the Company	**126,679**	(271,426)	
Basic Earnings/(loss) per share *(HK cents)*	**6.51**	(13.95)	
	At 31 October 2009	At 30 April 2009	
Pre-sale receipts from customers	**8,106,357**	5,415,588	49.7
Total assets	**28,136,835**	29,295,748	(3.9)
Equity attributable to equity holders of the Company	**8,369,346**	8,316,384	0.6
Financial Ratios			
Net debt to shareholders' funds (%)	**41.1**	79.1	

* *For identification purpose only*

Condensed Consolidated Income Statement

For the six months ended 31 October 2009 – Unaudited

	NOTE	Six months ended 31 October **2009** **HK$'000** **(unaudited)**	2008 HK$'000 (unaudited)
Turnover	3	**398,486**	57,802
Cost of sales		**(313,597)**	(38,332)
Gross profit		**84,889**	19,470
Other revenue and net income		**3,209**	205,209
Net valuation loss on investment properties		**(161,053)**	(100,757)
Distribution and selling expenses		**(113,732)**	(113,287)
General and administrative expenses		**(161,067)**	(185,199)
Loss from operations		**(347,754)**	(174,564)
Finance costs		**(91,806)**	(143,893)
Share of losses of associates		**(1,466)**	(769)
Gain on redemption of convertible notes		**426,074**	–
Gain on disposal of subsidiaries		**266,186**	–
Loss on disposal of an associate		**(5,100)**	–
Profit/(loss) before taxation	4	**246,134**	(319,226)
Income tax	5	**(140,010)**	21,345
Profit/(loss) for the period		**106,124**	(297,881)
Attributable to:			
Equity shareholders of the Company		**126,679**	(271,426)
Minority interests		**(20,555)**	(26,455)
Profit/(loss) for the period		**106,124**	(297,881)
Earnings/(loss) per share	6		
– Basic		**HK6.51 cents**	HK(13.95) cents
– Diluted		**HK(15.13) cents**	HK(13.95) cents

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 October 2009 – Unaudited

	Six months ended 31 October	
	2009	2008
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit/(loss) for the period	**106,124**	(297,881)
Other comprehensive income/(expenses)		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(7,530)**	(129,819)
Release of other revaluation reserve arising on sale of properties, net of nil tax	**(396)**	(3,492)
Reclassification adjustment upon disposals of interests in subsidiaries, net of nil tax	**(73,610)**	–
Reclassification adjustment upon disposals of interest in an associate, net of nil tax	**(22,681)**	–
Total comprehensive income/(expenses) for the period	**1,907**	(431,192)
Attributable to:		
Equity shareholders of the Company	**22,462**	(422,726)
Minority interests	**(20,555)**	(8,466)
Total comprehensive income/(expenses) for the period	**1,907**	(431,192)

Condensed Consolidated Balance Sheet

At 31 October 2009 – Unaudited

	NOTE	**At 31 October 2009 HK$'000 (unaudited)**	At 30 April 2009 HK$'000 (audited)
NON-CURRENT ASSETS			
Investment properties		**3,034,600**	3,313,447
Other property, plant and equipment		**756,154**	641,308
Interests in associates		**328,703**	–
Restricted bank deposits		**87,895**	173,399
Derivative financial instrument – Redemption Right of the Issuer		**1,100**	–
Deferred tax assets		**24,315**	24,832
		4,232,767	4,152,986
CURRENT ASSETS			
Inventories		**18,144,014**	20,908,384
Investments in securities held for trading		**–**	1,513
Trade and other receivables	7	**1,530,358**	707,980
Prepaid income tax		**325,182**	231,172
Restricted bank deposits		**–**	19,030
Cash and cash equivalents		**2,752,978**	2,618,105
		22,752,532	24,486,184
Assets of a disposal group classified as held for sale		**1,151,536**	656,578
		23,904,068	25,142,762
CURRENT LIABILITIES			
Trade and other payables	8	**2,449,791**	3,286,936
Pre-sale receipts from customers		**8,106,357**	5,415,588
Bank borrowings		**745,309**	971,656
Loan payables		**1,498,123**	2,737,281
Derivative financial instrument – Warrants		**50,400**	32,100
Income tax payable		**1,200,320**	1,093,457
Dividend payable		**6,473**	6,473
		14,056,773	13,543,491
Liabilities of a disposal group classified as held for sale		**87,613**	–
		14,144,386	13,543,491
NET CURRENT ASSETS		**9,759,682**	11,599,271
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,992,449**	15,752,257
NON-CURRENT LIABILITIES			
Bank borrowings		**950,008**	1,554,048
Convertible notes		**61,206**	1,028,195
Senior notes		**2,937,884**	2,923,895
Deferred tax liabilities		**1,018,715**	1,173,976
		4,967,813	6,680,114
NET ASSETS		**9,024,636**	9,072,143
CAPITAL AND RESERVES			
Share capital	9	**77,826**	77,826
Reserves		**8,291,520**	8,238,558
Total equity attributable to equity holders of the Company		**8,369,346**	8,316,384
Minority interests		**655,290**	755,759
TOTAL EQUITY		**9,024,636**	9,072,143

Notes to the Unaudited Interim Financial Report

For the six months ended 31 October 2009

1. Basis of Preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance by the Board of Directors (the "Board") on 23 December 2009.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008/2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009/10 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008/2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by the independent auditor, CCIF CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. This interim financial report has also been reviewed by the Company's Audit Committee.

2. Changes in Accounting Policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. The following of these developments are relevant to the Group's financial statements:

- HKFRS 8, *Operating segments*
- HKAS 1 (revised 2007), *Presentation of financial statements*
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, *Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate*
- Amendments to HKFRS 7, *Financial instruments: Disclosure – improving disclosures about financial instruments*
- HKAS 23 (revised), *Borrowing costs*
- Amendments to HKFRS 2, *Share-based payment – vesting conditions and cancellations*
- HK(IFRIC)-Int 15, *Agreements for the construction of real estate*
- HK(IFRIC)-Int 16, *Hedges of a net investment in a foreign operation*

The amendments to HKAS 23 and HKFRS 2 and Interpretations HK(IFRIC)-Int 15 and HK(IFRIC)-Int 16 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented (see note 3). As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. Of these, the following two amendments have resulted in changes to the Group's accounting policies:

  – As a result of amendments to HKAS 28 "Investments in associates", impairment losses recognised in respect of the associates carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

  – As a result of amendments to HKAS 40 "Investment property", investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. As the Group does not currently have any investment property under construction, this change in policy has no impact on net assets or profit or loss for any of the periods presented.

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investee, rather than as income. As a result, as from 1 May 2009 all dividends receivable from subsidiaries and associates, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless the carrying amount is assessed to be impaired as a result of the investee declared the dividend. In such case, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3. Turnover and Segment Reporting

Turnover represents revenue from sale of property (net of business tax), rental income from leasing of properties and revenue from hotel operations.

The Group manages its businesses by divisions, which are organized by a mixture of both products and services and geography. On first-time adoption of HKFRS 8, *"Operating Segments"* and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Property leasing: this segment leases office and residential premises to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's investment property portfolio is located in the Mainland China.

- Property development: this segment develops and sells commercial and residential properties. Currently the Group's activities in this regard are carried out in the Mainland China.

- Hotel operations: this segment is engaged in renting of hotel room accommodation, leasing of commercial shopping arcades, provision of food and beverage at restaurant outlets, and other minor departments such as telephone, guest transportation and laundry within hotel premises. Currently the Group's activities in this regard are carried out in the Mainland China.

(a) Segment Results

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted operating profit/(loss)". To arrive at "adjusted operating profit/(loss)", the Group's profit/(loss) are further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs. Taxation charge is not allocated to reporting segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period.

(b) Segment Results

	Property development		Property leasing		Hotel operations		Group total	
	For the six months ended 31 October (unaudited)							
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**374,857**	48,999	**4,214**	8,803	**19,415**	–	**398,486**	57,802
Inter-segment revenue	**–**	–	**–**	–	**2,697**	–	**2,697**	–
Reportable segment revenue	**374,857**	48,999	**4,214**	8,803	**22,112**	–	**401,183**	57,802
Reportable segment loss	**(106,715)**	(184,250)	**(180,393)**	(173,777)	**(26,209)**	(30,722)	**(313,317)**	(388,749)
Finance income	**3,375**	6,683	**578**	1,086	**12**	–	**3,965**	7,769
Finance costs	**(1,749)**	(18,530)	**(12,848)**	(21,802)	**–**	–	**(14,597)**	(40,332)
Net valuation loss on investment properties	**–**	–	**(161,053)**	(100,751)	**–**	–	**(161,053)**	(100,751)
Depreciation	**(3,791)**	(3,539)	**(485)**	(703)	**(19,121)**	(17,322)	**(23,397)**	(21,564)
Share of losses of associates	**(1,466)**	(769)	**–**	–	**–**	–	**(1,466)**	(769)

(c) Reconciliation of reportable segment revenue and profit or loss:

	For the six months ended 31 October	
	2009	2008
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue		
Reportable segment revenue	**401,183**	57,802
Elimination of inter-segment revenue	**(2,697)**	–
Consolidated turnover	**398,486**	57,802
Profit or loss		
Reportable segment loss	**(313,317)**	(388,749)
Elimination of inter-segment profits	**–**	–
Reportable segment loss derived from Group's external customers	**(313,317)**	(388,749)
Finance costs	**(77,209)**	(103,561)
Corporate finance income	**2,408**	4,871
Other revenue and net income	**(756)**	133,435
Unallocated head office and corporate expenses	**(34,372)**	(49,859)
Unallocated depreciation	**(580)**	(843)
Fair value changes on derivative financial instruments	**(17,200)**	85,480
Gain on redemption of convertible notes	**426,074**	–
Gain on disposal of subsidiaries	**266,186**	–
Loss on disposal of an associate	**(5,100)**	–
Consolidated profit/(loss) before taxation	**246,134**	(319,226)

4. Profit/(Loss) Before Taxation

		Six months ended 31 October	
		2009	2008
		HK$'000	HK$'000
		(unaudited)	(unaudited)
Profit/(loss) before taxation is arrived at after charging/(crediting):			
(a)	Finance costs		
	Interest on convertible notes	**13,085**	43,721
	Interest on senior notes	**167,339**	165,986
	Interest on bank borrowings	**67,633**	137,198
	Interest on loan payables	**203,666**	219,065
	Less: interest expense capitalised into properties under development	**(359,917)**	(422,077)
		91,806	143,893
(b)	Other items		
	Interest income from bank deposits	**(6,373)**	(12,640)
	(Gain)/loss on disposal of investment properties	**(10,618)**	48,124
	Changes in fair values of derivative financial instruments	**17,200**	(85,480)
	Exchange gain on convertible notes	**–**	(25,713)
	Exchange gain on senior notes	**–**	(90,001)
	Other net exchange loss/(gain)	**2,563**	(17,711)
	Depreciation	**23,977**	22,407
	Equity-settled share-based payment expense	**10,719**	20,502
	Cost of properties sold	**309,445**	38,332

5. Income Tax

	Six months ended 31 October	
	2009	2008
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
Provision for the year		
– PRC Enterprise Income Tax	**174,503**	20,449
– Land Appreciation Tax	**28,347**	32,191
	202,850	52,640
Deferred tax		
Origination and reversal of temporary differences	**(62,840)**	(73,985)
	140,010	(21,345)

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 31 October 2009 and 2008.

The provision for PRC Enterprise Income Tax for the Company's subsidiaries in the PRC is based on PRC Enterprise Income Tax rates of 20% to 25% (six months ended 31 October 2008: 18% to 25%) of the taxable income as determined in accordance with the relevant income tax rules and regulations of the PRC during the six months ended 31 October 2009.

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is charged on the appreciated amount of the properties developed by the Group for sale in the PRC at progressive rates ranging from 30% to 60% during the six months ended 31 October 2009 and 2008.

6. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$126,679,000 (six months ended 31 October 2008: loss of HK$271,426,000) and the weighted average number of 1,945,640,189 ordinary shares (2008: 1,945,640,189 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

The calculation of diluted loss per share for the six months ended 31 October 2009 is based on the loss attributable to ordinary equity shareholders (diluted) of the Company of HK$300,690,000 and the weighted average number of 1,987,883,624 ordinary shares, after adjusting for the effects of all dilutive potential ordinary shares, calculation as follows:

(i) Loss attributable to ordinary equity shareholders (diluted)

	Six months ended 31 October 2009 HK$'000 (unaudited)
Profit attributable to ordinary equity shareholders (basic)	**126,679**
After tax effect of effective interest on the liability component of convertible notes	**(195)**
Effect of fair value changes on the derivative component of convertible notes	**(1,100)**
Effect of gain recognised on redemption of convertible notes	**(426,074)**
Loss attributable to ordinary equity shareholders (diluted)	**(300,690)**

(ii) Weighted average number of ordinary shares (diluted)

	2009 (unaudited)
Weighted average number of ordinary shares (basic)	**1,945,640,189**
Effect of conversion of convertible notes	**42,243,435**
Weighted average number of ordinary shares (diluted)	**1,987,883,624**

The diluted loss per share for the six months ended 31 October 2008 is the same as basic loss per share because the existence of outstanding convertible notes and the Company's share options during the period have an anti-dilutive effect on the calculation of diluted loss per share.

7. Trade and Other Receivables

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	At 31 October 2009 HK$'000 (unaudited)	At 30 April 2009 HK$'000 (audited)
Less than 90 days	**5,734**	78,334
More than 90 days but less than 180 days	**38,596**	2,235
More than 180 days	**14,801**	13,110
	59,131	93,679

Trade debtors are generally due within 90 days from the dates of the sale and purchase agreements.

8. Trade and Other Payables

	At 31 October 2009 HK$'000 (unaudited)	At 30 April 2009 HK$'000 (audited)
Accrued expenditure on properties under development	**1,177,253**	1,075,017
Retentions payable to contractors	**3,567**	1,485
Receipts from customers for payment of expenses on their behalf	**190,239**	176,545
Consideration payables for acquisition of subsidiaries and associates	**449,292**	578,271
Interest payable	**218,962**	285,715
Accrued charges and other payables	**356,726**	310,537
Amounts due to related companies	**2,212**	2,881
Amounts due to minority shareholders	**48,055**	48,055
Financial liabilities measured at amortised cost	**2,446,306**	2,478,506
Advance payment from a minority shareholder for the property development project	**–**	798,000
Other taxes payables	**3,485**	10,430
	2,449,791	3,286,936

9. Capital, Reserves and Dividends

(a) Share Capital

	Number of shares	Nominal value HK$'000
Authorised:		
At 1 May 2009 and 31 October 2009 – ordinary share of HK$0.04 each	10,000,000,000	400,000
Issued and fully paid:		
At 1 May 2009 and 31 October 2009 – ordinary shares of HK$0.04 each	1,945,640,189	77,826

(b) Dividends

(i) There was no interim dividend declared attributable to the six months ended 31 October 2009 and 2008.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.

	Six months ended 31 October	
	2009	2008
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividend in respect of the financial year ended 30 April 2009 approved and paid during the following interim period, of HK nil cents per ordinary share (six months ended 31 October 2008: HK 14.0 cents per ordinary share)	**–**	272,390

10. Non-Adjusting Post Balance Sheet Events

(a) On 2 December 2009, the Group has effectively refinanced the loan payable denominated in RMB ("the Loan") in relation to a financing for the development project at Qi Ao East Road, Zhuhai City, Guangdong by agreeing amendments to the financing arrangements made in 2007 that were due to mature on 5 December 2009.

The Loan will now be repayable in 9th instalments until 5 December 2011.

The Group may choose to prepay on the 5 December 2010 ("5th Repayment Date") or the 5 June 2011 ("7th Repayment Date") the whole of the Loan. Upon prepayment the Group may in certain circumstance be entitled to a prepayment rebate from the lender in an amount equal to (a) the amount of interest accrued on the Loan during the period from and including the 5 December 2009 1st Repayment Date to but excluding the date of prepayment and actually paid by the Group less (b) the amount of such interest which would have been accrued for the same period had such interest accrued and been calculated at the relevant rate. The "relevant rate" means (a) (where the prepayment is made on the 5th Repayment Date) 12.5% per annum and (b) (where the prepayment is made on the 7th Repayment Date) 15% per annum.

(b) On 1 December 2009, the Company entered into the sale and purchase agreement with an independent third party ("the Purchaser"), pursuant to which the Purchaser has agreed to acquire and the Company has agreed to sell the entire issued share capital of Star Profit Group Limited, a company incorporated in the British Virgin Islands, which owns a property development project in Tianjin, the PRC, ("the Sale Shares") for a total consideration of HK$1,120 million or its equivalent in RMB.

The consideration for the sale and purchase of the Sale Shares is to be satisfied by the Purchaser in the following manner:

(a) HK$280 million or its RMB equivalent is payable by the Purchaser to the Company on or before 9 December 2009.

(b) HK$280 million or its RMB equivalent is payable by the Purchaser to the Company within thirty days of the transfer of the Sale Shares to the Purchaser.

(c) the remaining HK$560 million or its RMB equivalent is payable by the Purchaser to the Company within sixty days of the transfer of the Sale Shares to the Purchaser.

The Company has received payment of the first instalment on 8 December 2009 and has procured the transfer of the Sale Shares to the Purchaser in accordance with the sale and purchase agreement. Up to the date of this interim report, this disposal has not been completed.

11. Comparative Figures

As a result of the application of HKAS 1 (revised 2007), *Presentation of financial statements*, and HKFRS 8, *Operating segments*, certain comparative figures have been adjusted to confirm to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009/2010. Further details of these developments are disclosed in note 2.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended 31 October 2009, the Group recorded a turnover of HK$398 million (2008: HK$58 million), representing an increase of approximately 589.4% as compared to the same period in 2008. Profit attributable to equity holders of the Company amounted to HK$127 million for the six months ended 31 October 2009 against loss attributable to equity holders of the Company amounted to HK$271 million for the same period of 2008. For the six months ended 31 October 2009, basic earnings per share was HK6.51 cents (2008: basic loss per share was HK13.95).

As at 31 October 2009, balance of presale receipts from customers of the Group was HK$8.1 billion (as at 30 April 2009: HK$5.4 billion), representing an increase of approximately 49.7% as compared to the prior year end. As at 31 October 2009, equity attributable to equity holders of the Company was HK$8.37 billion (30 April 2009: HK$8.32 billion).

Payment of Dividends

The Board does not recommend the payment of any interim dividend for the six months ended 31 October 2009 (2008: HK nil cents).

Business Overview

During the period under review, the Group has adjusted its debt structure and substantially reduced its liabilities, including redemption of convertible notes with principal amounts of HK$864,850,000 in aggregate, and partial repayment of domestic bank loan. During the six months ended 31 October 2009, the Group's GFA of properties pre-sold during the period under review amounted to approximately 480,000 sq.m. (2008: 270,000 sq.m), representing an increase of approximately 78% when compared to the corresponding period last year. The increase of pre-sale receipts from customers enhanced the Company's cash flow condition.

Land Bank

The Group has 14 projects in 11 cities, comprising middle to high-end residential units, service apartments, commercial buildings, hotels and office buildings. During the period under review, the Group moderately restructured its land bank in accordance with the market conditions as well as the Group's overall development strategies. As at 31 October 2009, the land bank of the Group was approximately 12,730,000 sq.m.

Development Projects

Project Name	City	Type	GFA *(thousand sq.m.)*	Saleable GFA *(thousand sq.m.)*	Completed GFA *(thousand sq.m.)*	Under development *(thousand sq.m.)*	Future development *(thousand sq.m.)*	Ownership
American Rock	Beijing	Residential/ Commercial	524	455	455	–	–	100%
Yongman Point		Residential	353	290	213	77	–	100%
Xidiaoyutai		Residential/Service apartment	251	221	176	–	45	90%
Yanjiao	Sanhe	Residential/Commercial/ Hotel	460	433	–	–	433	90%
Laochengxiang	Tianjin	Residential Commercial/Hotel	1,151	941	275	399	267	100%
Beichen		Residential	2,263	2,126	–	–	2,126	40%
Neo Water City	Xian	Residential/Commercial/ Hotel	3,534	3,206	462	1,259	1,485	72%
Yuanjiagang	Chongqing	Residential/Commercial/ Hotel	803	735	524	211	–	100%
Tai Yuan Street	Shenyang	Commercial/ Service apartment	283	252	–	–	252	80%
Gongyuandadao	Chengdu	Residential	625	522	–	295	227	100%
Neo-China Forest Garden	Changsha	Residential	1,074	992	96	149	747	67%
Qi Ao Island	Zhuhai	Villas/Commercial/Hotel	1,090	770	–	–	770	100%
Phoenix Tower	Shenzhen	Service apartment/Office/ Commercial	106	79	79	–	–	91%
Jiujiu Youth City	Shanghai	Service apartment/Office	214	163	32	131	–	100%
Total			12,731	11,185	2,312	2,521	6,352	

Prospect

During the first 10 months in 2009, with the implementation of the policies to stimulate the economy by the PRC government, the consumer confidence in the real estate market has been restored rapidly and the sales volume of properties increased quickly. Coupled with the gradual absorption of the purchasing demands in the market, it is expected that sales of the domestic property market will since return to normal within a certain period of time. With the gradual improvement of the macro-economy of the PRC, we believe that the major factors contributing to the long-term prospect of the real estate industry, one of the pillar industries, remain unchanged.

Afterwards, the Company will maintain its strong sales status at the present and enhance the liquidity of the Group through the flexible but targeted sales strategies, capitalising on the established geographical advantages. The long-standing strategies of enhancing the quality of products and increasing the brand value of the Company, will be further strengthened in the second half of the year, fostering a better environment for enhancing the profit margin of the Company. In the mean time, the Company will adjust the progress of the projects in a timely manner based on different market demands, so as to effectively ensure the efficiency of the asset turnover of the Group. In respect to the land bank, the Company has made selective adjustments to certain existing projects during the first half of the year, in order to make the existing land bank more compatible to development plan in the next 5 years. The Company will further keep abreast with the trends of changes in terms of markets and policies in the future, seeking opportunities to enrich the Company's land bank so as to better fulfil the needs for sustainability and profitability.

Change of Financial Year End Date

On 11 December 2009, the Company changed its financial year end date from 30 April to 31 December. Accordingly, the next financial year end date of the Company will be 31 December 2009.

Share Capital

The Company's issued and fully paid share capital as at 31 October 2009 amounted to HK$77,825,608 divided into 1,945,640,189 ordinary shares of HK$0.04 each.

Liquidity and Capital Resources

As at 31 October 2009, the Group had cash and bank balance of approximately HK$2.75 billion with net assets totaling to HK$9.02 billion. The Group's current ratio was approximately 1.69. The net debt of the Group as at 31 October 2009 amounted to HK$3.44 billion making the Group's gearing ratio at 41.1% calculated by net debt to shareholders' funds of HK$8.37 billion.

The Board believes that liquid assets, funds and future revenue will be sufficient to finance future expansion and working capital requirements.

Human Resources and Remuneration Policies

As at 31 October 2009, the Group employed 617 employees (including Hong Kong and PRC offices).

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emolument of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Staff benefits include contributions to the Mandatory Provident Fund Schemes and discretionary bonus payments which are linked to the profit performance of the Group and individual performances.

The Group has adopted a share option scheme as an incentive to directors and eligible employees.

Code of Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six-month period ended 31 October 2009, except for the following:

(1) Code A.4.1 specifies that the independent non-executive directors should be appointed for a specific term and every director should be subject to retirement by rotation at least once every three years. Currently, the existing three independent non-executive directors are not appointed for specific terms, but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-laws.

(2) The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his/her own terms of appointment and no independent non-executive director being involved in assessing his/her own independence.

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Model Code"). Having made specific enquiry of all directors, all directors have confirmed that they had compiled with the required standard as set out in the Model Code during the period.

Audit Committee

The Company's audit committee comprises three independent non-executive directors of the Company. Its terms of reference have been modified to incorporate certain provisions with reference to the Appendix 14 of the Listing Rules. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements of the Company for the six months ended 31 October 2009.

The Group's external auditors, CCIF CPA Limited, have reviewed the Company's unaudited condensed consolidated financial statements for the six months ended 31 October 2009 in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and Hong Kong Accounting Standard 34, "Interim Financial Reporting", both of which were issued by the Hong Kong Institute of Certified Public Accountants.

Suspension of Trading

At the request of the Company, trading on the Stock Exchange in the shares of the Company (stock code: 563) and the Convertible Bonds (stock code: 2528) 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 the Convertible 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
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Liu Yi
Chairman

Hong Kong, 23 December 2009

As at the date of this announcement, the Board comprises Mr. Liu Yi, Ms. Niu Xiao Rong, Mr. Yuan Kun, Ms. Liu Yan, Mr. Jia Bo Wei, Ms. Bao Jing Tao and Mr. Lam Kwan Sing as executive directors, Mr. Lai Leong as non-executive director and Ms. Nie Mei Sheng, Mr. Gao Ling and Mr. Zhang Qing Lin as independent non-executive directors.