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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)

PROFIT WARNING

The value of the Qi Ao Island Project in the books of Neo-China is about HK\$4.38 billion at the date of this announcement. Its market value of the Qi Ao Island Project was RMB 2.25 billion (approximately HK\$2.57 billion at the rate RMB1.00 = HK\$1.14 prevailing at close of business in Hong Kong on the date of this announcement) as at 31 December 2009.

Neo-China will recognise an impairment loss on the Qi Ao Island Project of approximately HK\$2 billion in the consolidated financial statements of the Neo-China Group for the financial period ended 31 December 2009 which will affect materially and adversely Neo-China's reported results for the period ended 31 December 2009.

Further details of the financial status of the Neo-China Group will be disclosed when its audited consolidated financial statements for the financial year ended 31 December 2009 are announced.

Shareholders and potential investors should note that the contents of this announcement do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code. They should exercise caution in placing reliance on the contents of this announcement in assessing the merits and demerits of the Offers and/or in dealing in Neo-China Shares, Share Options, Warrants, Convertible Bonds and other securities of Neo-China.

This announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of Neo-China Land Group (Holdings) Limited (the “Company”) refer to the joint announcement of 19 January 2010 (the “Joint Announcement”) made by the Company, Shanghai Industrial Holdings Limited and Novel Good Limited, a wholly-owned subsidiary of Shanghai Industrial Holdings Limited, relating to, amongst other things:-

- a possible acquisition of shares in Neo-China by Novel Good Limited,
- a possible disposal of its interest in the Qi Ao Island Project by Neo-China, and
- a possible mandatory conditional cash offer on behalf of Novel Good Limited for all of the issued shares in, and all of the outstanding convertible bonds and warrants of, Neo-China (other than those already owned by or agreed to be acquired or subscribed by Novel Good Limited and parties acting in concert with it) and for the cancellation of outstanding share options of Neo-China.

Terms defined in the Joint Announcement are used in this announcement with those defined meanings

The value of the Qi Ao Island Project in the books of Neo-China is about HK\$4.38 billion at the date of this announcement. The market value of the Qi Ao Island Project was RMB 2.25 billion (approximately HK\$2.57 billion at the rate RMB1.00 = HK\$1.14 prevailing at close of business in Hong Kong on the date of this announcement) as at 31 December 2009 in the opinion of DTZ Debenham Tie Leung Limited, an independent property valuer.

As a result of the shortfall between the book value and the market value of the Qi Ao Island Project Neo-China will recognise an impairment loss on the Qi Ao Island Project of approximately HK\$2 billion in the consolidated financial statements of the Neo-China Group for the financial period ended 31 December 2009 which will affect materially and adversely Neo-China’s reported results for the period ended 31 December 2009.

Neo-China is in the process of preparing the consolidated financial statements of the Neo-China Group for the financial period ended 31 December 2009. The information contained in this announcement is only a preliminary assessment by the Board based on information available at the date of this announcement and the Neo-China Group’s consolidated management accounts, which have not been reviewed or audited by Neo-China’s auditors.

The impairment loss on the Qi Ao Island Project of approximately HK\$2 billion may constitute a profit forecast that under Rule 10 of the Takeovers Code needs to be reported on in accordance with Rule 10.4 of the Takeovers Code by financial advisers and/or or auditors. Neo-China has requested and the Executive has permitted publication of this announcement without full compliance with Rule 10 on the basis that the audited consolidated financial statements of the Neo-China Group for the financial year ended 31 December 2009 will be published as soon as possible before despatch of the document containing the Offers and contained in that document or an appropriate response document .

Shareholders and potential investors should note that the contents of this announcement do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code . They should exercise caution in placing reliance on the contents of this announcement in assessing the merits and demerits of the Offers and/or in dealing in Neo-China Shares, Share Options, Warrants, Convertible Bonds and other securities of Neo-China.

Further details of the financial status of the Neo-China Group will be disclosed when its audited consolidated financial statements for the financial period ended 31 December 2009 are announced.

By order of the Board
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Liu Yi
Chairman

Hong Kong, 19 January, 2010

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.

* for identification only

The directors of Neo-China jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts relating to the Neo-China Group not contained in this announcement, the omission of which would make any statement in this announcement misleading.