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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF LAND IN SHANGHAI CITY**

On 29 September 2010, LH (a wholly-owned subsidiary of the Company), SUDG and SUDG JV made a successful bid for the land use right of the Land in Meilong, Shanghai for the Consideration of RMB2,429 million (equivalent to approximately HK\$2,813 million).

The development of the Land is proposed to be carried out by a joint venture which is to be owned as to 25% by LH, as to 40% by SUDG and as to 35% by SUDG JV. Accordingly, LH will be responsible for the payment of 25% of the Consideration.

As the relevant percentage ratios defined in Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. SIHL is the controlling shareholder of the Company, SUDG, a non-wholly owned subsidiary of SIHL, is therefore a connected person of the Company. SUDG may acquire an interest in SUDG JV. Therefore the Acquisition also constitutes a connected transaction of the Company. Since one of the applicable percentage ratios exceeds 5%, the Acquisition is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

An independent board committee of the Company will be established to advise the independent Shareholders of the Company, and an independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders of the Company in relation to the Acquisition.

A circular containing, among other things, further details of the Acquisition, together with the recommendations of the independent board committee of the Company, the advice from the independent financial adviser to the independent board committee and the independent Shareholders of the Company together with a notice convening the SGM will be despatched to the Shareholders on or before 22 October 2010.

## **THE ACQUISITION**

On 29 September 2010, LH, the Company's wholly-owned subsidiary, SUDG and SUDG JV (together as the "Purchasers") made a successful bid for the land use right of the Land in Meilong, Shanghai at a Consideration of RMB2,429 million (equivalent to approximately HK\$2,813 million). Principle terms of the Acquisition are set out below:

### **Date of the Confirmation Letter**

29 September 2010

### **Parties**

**Purchasers:** LH, which is a wholly-owned subsidiary of the Company, the principal activities of which is investment holding

SUDG, which is a non-wholly owned subsidiary of SIHL, and is a connected person of the Company which engages in the business of the development, management, lease, sale and purchase of real estate properties and the wholesaling, import and export of construction equipment and materials.

SUDG JV, which is an Independent Third Party, the principal activities of which is investment holding. Based on the information provided by SUDG, the SUDG JV is proposed to be owned by two Independent Third Parties and SUDG.

**Auctioner:** Land Transaction Market of Shanghai Land Exchange Centre

To the best of the directors' knowledge, information and belief having made all necessary enquiry, the Land Transaction Market of Shanghai Land Exchange Centre and its ultimate beneficial owner is independent of and not connected with the Company or any of its connected persons.

## **Details of the Land**

The Land to be acquired by the Company is a plot of land which has a site area of 8.73 hectares (approximately 131 mu) and is located in Nanfang Shangcheng, Mei Long Town, Minhang District, Shanghai City, PRC.

## **Consideration**

The Consideration is RMB2,429 million (equivalent to approximately HK\$2,813 million). The consideration for the Acquisition was determined through a public auction process. A deposit of RMB486 million (equivalent to approximately HK\$563 million) has been paid by SUDG before the date of application for the bidding.

The Consideration will be contributed by the Purchasers in the following proportion: –

LH	25%
SUDG	40%
SUDG JV	35%

Accordingly, LH will be responsible for the payment of 25% of the Consideration, i.e. RMB607 million (equivalent to approximately HK\$703 million). Pursuant to the terms of the Confirmation Letter, the Purchasers shall apply to the Landowner for the signing of the Land Transfer Contract before 29 December 2010. If the Land Transfer Contract was not signed before 29 December 2010, the Purchasers will be regarded as having given up the successful bid. Detailed payment terms shall be governed by the Land Transfer Contract and the ancillary documents relating to the Acquisition.

## **DEVELOPMENT OF THE LAND**

The development of the Land is proposed to be carried out by a joint venture which is to be owned as to 25% by LH, as to 40% by SUDG and as to 35% by SUDG JV.

The Purchasers intend to erect a large-scale commercial complex which may be developed into office premises, hotel or for commercial uses.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is one of the leading property developers in the PRC. The Group principally engages in property development.

SIHL and its subsidiaries are principally engaged in the business of infrastructure facilities, real estate and consumer products. SIHL is currently interested in approximately 46.9% in the Company and approximately 59% of SUDG.

The main functions of the Land Transaction Market of Shanghai Land Exchange Centre is to register land transactions and to conduct tenders, auctions and public quotations relating to land use rights transactions in Shanghai, PRC.

The Landowner manages the land resources and the purposes of land use to cope with the urban development planning of Minhang District, Shanghai, PRC.

The Board (excluding the independent non-executive Directors whose view are to be included in the shareholders' circular to be issued by the Company as mentioned in this announcement) is of the view that there will be a strong demand of office premises, entertainment, shops, recreational and residential premises in Minhang District in the Minhang District in the near future, thus there will be a huge development potential of the Land.

The Board (excluding the independent non-executive Directors whose view are to be included in the shareholders' circular to be issued by the Company as mentioned in this announcement) is of the view that the Acquisition is on normal commercial terms and is in the ordinary and usual course of business, and the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the relevant percentage ratios defined in Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. SIHL is the controlling shareholder of the Company. SUDG, a non-wholly owned subsidiary of SIHL, is therefore a connected person of the Company. SUDG may acquire an interest in SUDG JV. Therefore the Acquisition also constitutes a connected transaction of the Company. Since one of the applicable percentage ratios exceeds 5%, the Acquisition is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

SIHL is required to abstain from voting on the Acquisition. Since SUDG is a connected person of the Company, it is required to abstain from voting on the resolution approving the Acquisition at the SGM if it holds any shares in the Company.

An independent board committee of the Company will be established to advise the independent Shareholders of the Company, and an independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders of the Company in relation to the Acquisition.

### **GENERAL**

A circular containing, among other things, further details of the Acquisition and the development of the Land, together with the recommendations of the independent board committee of the Company, the advice from the independent financial adviser to the independent board committee and the independent Shareholders of the Company together with a notice convening the SGM will be despatched to the Shareholders on or before 22 October 2010.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of the land use rights of the Land pursuant to the successful bid on 29 September 2010
“Board”	board of Directors
“Company”	Neo-China Land Group (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Confirmation Letter”	the letter dated 29 September 2010 between the Purchasers and the Land Transaction Market of Shanghai Land Exchange Centre in connection with the Acquisition
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration amount payable by the Purchasers pursuant to the Acquisition
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Third Party(ies)”	person(s) or entity(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are independent of the Company and connected persons of the Company
“Land”	a plot of land with a site area of 8.73 hectares (approximately 131 mu) which is located in Nanfang Shangcheng, Mei Long Town, Minhang District, Shanghai City, PRC
“Landowner”	the Minhang District unit of Shanghai Municipal Bureau of Planning and Land Resources
“Land Transaction Market of Shanghai Land Exchange Centre”	Land Exchange Centre of Shanghai Land Exchange Centre in Shanghai, PRC
“Land Transfer Contract”	the agreement to be entered into between the Landowner and the Purchasers in respect of the transfer of the land use right of the Land
“LH”	力暉投資有限公司 (Power Tact Investment Ltd)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchasers”	LH, SUDG and SUDG JV
“SGM”	the special general meeting of the Company to be convened to approve the Acquisition and the transactions contemplated therein
“Shareholder(s)”	holder(s) of Share(s) of the Company
“SIHL”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUDG”	上海城開(集團)有限公司 (Shanghai Urban Development (Group) Co., Ltd*)
“SUDG JV”	城開綠碳(天津)股權投資基金合伙企業 (Urban Development Green Carbon (Tianjin) Equity Investment Fund Joint Venture*)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“sq.m.”	square metres
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

*This announcement contains translations of HK\$ into RMB at the rate of HK\$1 to RMB0.8635. The translation shall not be taken as representation that any amounts in HK\$ or RMB could be converted at such rate or at any other rate.*

By order of the Board  
**NEO-CHINA LAND GROUP (HOLDINGS) LIMITED**  
**Ni Jian Da**  
*Executive Director*

Hong Kong, 30 September, 2010

*As at the date hereof, the Board comprises Mr. Cai Yu Tian, Mr. Ni Jian Da, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Yang Biao, Mr. Chen An Min and Mr. Jia Bo Wei as executive Directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive Directors.*

\* for identification purposes only