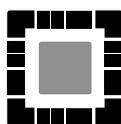

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in Neo-China Group (Holdings) Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Neo-China Group (Holdings) Limited. The directors of Neo-China Group (Holdings) Limited collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



中新集團
NEO CHINA GROUP

NEO-CHINA GROUP (HOLDINGS) LIMITED

中新集團（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

PROPOSED CONSOLIDATION OF SHARES

CHANGE OF BOARD LOT SIZE

AND

CHANGE OF COMPANY NAME

A notice convening a special general meeting of Neo-China Group (Holdings) Limited to be held at Unit 1908-9, 19th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 October 2007 at 10:30 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company convened at 10:00 a.m. on the same date and place) is set out on pages 12 to 14 of this circular. A form of proxy for use at the special general meeting is also enclosed.

If you are not able to attend the special general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the special general meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

24th September, 2007

* For identification purposes only

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EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the relevant trading arrangements is as follows:–

2007

Circular in relation to the Share Consolidation and Change of Name
despatched on 24th September

Latest time for lodging forms of proxy
for use at the SGM 10:30 a.m. on Monday,
15th October

Scheduled time and date of SGM 10:30 a.m. on Wednesday,
17th October

The following events are conditional on the results of the SGM and the granting of listing of, and permission to deal in, the Consolidated Shares in issue and the Consolidated Shares to be issued under the Share Option Scheme and exercise of conversion rights under the Convertible Bonds and Warrants by the Listing Committee of the Stock Exchange:–

Effective date of Share Consolidation Monday, 29th October

Publication of announcement in relation to
completion of the Share Consolidation
and Change of Name Monday, 29th October

Dealings in Consolidated Shares commence Monday, 29th October

Original counter for trading in existing Shares
in board lots of 10,000 Shares temporarily closes 9:30 a.m. on Monday,
29th October

Temporary counter for trading in board lots of
2,500 Consolidated Shares (in the form of
Old Share Certificates) opens 9:30 a.m. on Monday,
29th October

First day of free exchange of Old Share Certificates for
New Share Certificates Monday, 29th October

EXPECTED TIMETABLE

Original counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of New Share Certificates) re-opens	9:30 a.m. on Monday, 12th November
Parallel trading in Consolidated Shares (in the form of New Share Certificates and Old Share Certificates) commences	9:30 a.m. on Monday, 12th November
Parallel trading in Consolidated Shares (in the form of New Share Certificates and Old Share Certificates) ends	4:00 p.m. on Monday, 3rd December
Temporary counter for trading in board lots of 2,500 Consolidated Shares (in the form of Old Share Certificates) closes	4:00 p.m. on Monday, 3rd December
Last day for free exchange of Old Share Certificates for New Share Certificates	Thursday, 6th December

DEFINITIONS

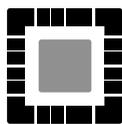
In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“business day”	any day (other than Saturday or Sunday) on which banks in Hong Kong are open for business during their normal business hours
“Change of Company Name”	proposed change of the Company’s name to “Neo-China Land Group (Holdings) Limited 中新地產集團(控股)有限公司”
“Company”	Neo-China Group (Holdings) Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Consolidated Shares”	new ordinary shares of HK\$0.04 each in the share capital of the Company upon completion of the Share Consolidation
“Convertible Bonds”	the zero coupon convertible bonds due 2011 in the aggregate principal amount of HK\$1,340,000,000 issued by the Company, details of which are disclosed in an announcement of the Company dated 15 May 2006
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21st September 2007 being the latest practicable date for ascertaining certain information for inclusion in this circular;
“New Share Certificates”	new certificates of Consolidated Shares
“Old Share Certificates”	certificates of existing Shares

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened to approve the Share Consolidation
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of Shares whereby every four existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one Consolidated Share, being HK\$0.04 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 12 December 2002
“Shareholders”	holders of Shares or Consolidated Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	the 264,000,000 warrants issued by the Company which, when exercised, will entitle the holders thereof to subscribe up to an aggregate of 264,000,000 Shares, details of which are disclosed in an announcement issued by the Company dated 18 July 2007

LETTER FROM THE BOARD



中新集團
NEO CHINA GROUP

NEO-CHINA GROUP (HOLDINGS) LIMITED

中新集團（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

Executive Directors:

Mr Li Song Xiao (*Chairman*)

Mr Liu Yi

Ms Niu Xiao Rong

Mr Yuan Kun

Ms Liu Yan

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business:

Unit 1908-9, 19th Floor

Office Tower, Convention Plaza

No. 1 Harbour Road

Wanchai

Hong Kong

Independent non-executive Directors:

Ms Nie Mei Sheng

Mr. Zhang Qing Lin

Mr Gao Ning

24th September, 2007

To the shareholders of the Company

Dear Sir or Madam,

PROPOSED SHARE CONSOLIDATION

CHANGE OF BOARD LOT SIZE

AND

CHANGE OF COMPANY NAME

The Company announced in its announcement dated 13th September, 2007 that it proposed to conduct the Share Consolidation, change of board lot size and Change of Company Name. The purpose of this circular is to provide you with further details on the Share Consolidation, change of board lot size and Change of Company Name and to provide you with notice of SGM.

* For identification purposes only

LETTER FROM THE BOARD

SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

The Board proposed the Share Consolidation, whereby four existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one Consolidated Share, being HK\$0.04 each in the share capital of the Company.

The Shares are currently traded in board lots of 10,000 Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will be traded in board lots of 2,000 Consolidated Shares.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is condition upon, among other matters:–

- (a) the Shareholders at the SGM having passed an ordinary resolution approving the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consolidated Shares.

The Share Consolidation is not subject to approval by the Bermuda Monetary Authority or other applicable government authorities.

REASONS FOR THE SHARE CONSOLIDATION

The Share Consolidation will increase the nominal value of the Shares and the value of each such Share and together with the change in board lot size, the trading price per board lot will be lowered, and will thereby reduce the overall transaction and handling costs for dealings in Shares of the Company. The Board therefore believes that the Share Consolidation and change in board lot size is in the best interests of the Company and the Shareholders as a whole.

EFFECT OF THE SHARE CONSOLIDATION

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$400,000,000 divided into 40,000,000,000 Shares, of which 6,964,293,370 Shares have been issued and fully paid or credited as fully paid and 33,035,706,630 Shares remain unissued. Assuming no further Shares will be issued or repurchased after the Latest Practicable Date, upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$400,000,000 divided into 10,000,000,000 Consolidated Shares, of which 1,741,073,342 Consolidated Shares will be in issue and 8,258,926,658 Consolidated Shares will remain unissued.

LETTER FROM THE BOARD

The Consolidated Shares will rank pari passu in all respects with each other. Fractions (if any) of Consolidated Shares arising from and upon the Share Consolidation to which the Shareholders are otherwise entitled will not be issued to them but will be aggregated and sold (less expenses) for the benefit of the Company.

ADJUSTMENT TO SHARE OPTIONS

As at the Latest Practicable Date, there were outstanding options to subscribe for 566,800,000 Shares granted pursuant to the Share Option Scheme. The Share Consolidation may lead to adjustment to the exercise price and the number of Consolidated Shares which may fall to be issued upon exercise of outstanding options. The Company will appoint the Company's auditors to review and confirm that the basis of such adjustments to the Options comply with Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and are in accordance with the rules of the Share Option Scheme. Further announcement will be made if any adjustment is required to be made.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue and the Consolidated Shares to be issued under the Share Option Scheme and upon an exercise of conversion rights under the Convertible Bonds and Warrants upon the Share Consolidation becoming effective.

ADJUSTMENT TO CONVERTIBLE BONDS

As at the Latest Practicable Date, the aggregate number of Shares that may be issued as a result of an exercise of the conversion rights under the Convertible Bonds were 804,764,755 Shares. The Share Consolidation may lead to adjustment to the conversion price at which the outstanding principal amount of the Convertible Bonds may be converted into Shares, such adjustment to be made in accordance with the terms of the Convertible Bonds. Further announcement will be made if any adjustment is required to be made.

ADJUSTMENT TO WARRANTS

As at the Latest Practicable Date, the aggregate number of Shares that may be issued as a result of an exercise of the subscription rights under the Warrants are 264,000,000 Shares. The Share Consolidation may lead to adjustment to the exercise price at which the Warrants may be exercised for subscription of Shares, such adjustment to be made in accordance with the terms of the Warrants. Further announcement will be made if any adjustment is required to be made.

LETTER FROM THE BOARD

BOARD LOT CHANGE

Currently, the Shares are traded on the main board of the Stock Exchange in board lot sizes of 10,000 Shares. The Board also proposes that subject to and upon the Share Consolidation becoming effective, the board lot size be changed from 10,000 Shares to 2,000 Consolidated Shares.

ARRANGEMENT FOR ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Quam Securities Co Ltd. to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot, or to dispose of their holdings of odd lots of Consolidated Shares, from Monday, 29th October, 2007, to Monday, 3rd December, 2007 (both dates inclusive). Shareholders who wish to take advantage of this facility should contact Ms. Winnie Chiu or Ms Iris Yeung of Quam Securities Co Ltd. at 3208 Gloucester Tower, The Landmark, Central, Hong Kong (Tel: (852) 2847 2280 or (852) 2847 2203, Fax: (852) 2110 0307) during the aforesaid period. Shareholders should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in any doubt about the facility described above.

CHANGE OF COMPANY NAME

The Company is a property development company in China. In order to better reflect its operations, the Board proposes to change the name of the Company from “Neo-China Group (Holdings) Limited” to “Neo-China Land Group (Holdings) Limited 中新地產集團(控股)有限公司”.

The Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the SGM; and
- (ii) the approval of the Registrar of Companies in Bermuda.

The Change of Company Name will take effect from the date on which the Registrar of Companies in Bermuda enters the new English name on the register in place of the existing name. Thereafter, the Company will comply with the necessary filing procedures in Hong Kong.

LETTER FROM THE BOARD

The Change of Company Name will not affect any rights of the Shareholders. The existing share certificates of the Company under the name of “Neo-China Group (Holdings) Limited” will, after the date when the Change of Company Name becomes effective, continue to be valid legal evidence of title in respect of the same number of Shares in the new name of the Company. Shareholders may exchange certificates bearing the new name of the Company free of charge within one month from the effective date of the Change of Company Name by submitting their existing share certificates to the branch share registrar.

Further announcement will be made by the Company in relation to the effective date of the Change of Company Name, the arrangement for exchanging share certificates and change in trading name in both English and Chinese.

THE SGM

A notice of SGM is set out on pages 12 to 14 of this circular. At the SGM, an ordinary resolution will be proposed to approve the Share Consolidation and a special resolution will be proposed to approve the Change of Company Name.

A form of proxy for use at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Share Registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

PROCEDURES FOR DEMANDING A POLL AT THE SGM

According to Bye-law 66(1) of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

In addition, in compliance with the Listing Rules, any vote of Shareholders at a general meeting will be taken on a poll where:-

- (i) the chairman of the general meeting and/or the directors individually or collectively hold proxies in respect of shares representing 5% or more of the total voting rights at the general meeting, and the meeting votes, on a show of hands, in the opposite manner to that instructed in those proxies unless it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands;
- (ii) the meeting is to approve connected transactions;
- (iii) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (iv) the meeting is to approve granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; or
- (v) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

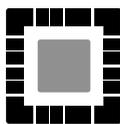
LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Share Consolidation and the Change of Company Name which are conditional upon Shareholders' approval, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the SGM.

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

NOTICE OF SGM



中新集團
NEO CHINA GROUP

NEO-CHINA GROUP (HOLDINGS) LIMITED

中新集團（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

NOTICE IS HEREBY GIVEN that a special general meeting of Neo-China Group (Holdings) Limited (the “Company”) will be held at Unit 1908-9, 19th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 October 2007 at 10:30 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company convened at 10:00 a.m. on the same date and place) for the purpose of considering and if though fit, passing the following resolutions which will be proposed as an ordinary resolution (in the case of resolution 1) and as a special resolution (in the case of resolution 2) with or without amendment:–

ORDINARY RESOLUTION

1. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidated Shares (as defined below), every four shares of HK\$0.01 each in the issued and unissued share capital of the Company be and is hereby consolidated into one share of HK\$0.04 each (“Consolidated Shares”) and the directors of the Company be and are hereby authorised generally to do such acts and things and execute all documents or make such arrangements as they may deem necessary or desirable to effect the share consolidation.”

* *For identification purposes only*

NOTICE OF SGM

SPECIAL RESOLUTION

2. “**THAT** subject to the due registration of the new name with the Registrar of Companies in Bermuda, the name of the Company be changed from “Neo-China Group (Holdings) Limited” to “Neo-China Land Group (Holdings) Limited 中新地產集團(控股)有限公司” and the directors of the Company be and are hereby authorised generally to do such acts and things and execute all documents or make such arrangements as they may deem necessary or desirable to effect the change of name.”

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

24th September, 2007

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business:

Unit 1908-9, 19th Floor
Office Tower, Convention Plaza
No.1 Harbour Road
Wanchai, Hong Kong

NOTICE OF SGM

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Share Registrar of the Company in Hong Kong, Tricor Secretaries Ltd., 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment hereof. Delivery of the form of proxy shall not preclude a member of Neo-China from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled hereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons or present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. At the date of this notice, the executive directors of Neo-China are Mr. Li Song Xiao, Mr. Liu Yi, Ms. Niu Xiao Rong, Mr. Yuan Kun and Ms. Liu Yan and the independent non-executive directors are Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ning.