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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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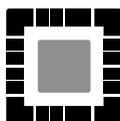
**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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 circular is for information purposes only and does not constitute an invitation to offer to acquire, purchase or subscribe for securities in Neo-China Group (Holdings) Limited.

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**中新集团**  
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)**

### ISSUE OF 140,000,000 SHARES IN CONNECTION WITH ACQUISITION OF TIANJIN PROPERTY DEVELOPMENT PROJECT

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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, 17th October, 2007 at 10:45 a.m. (or immediately after the conclusion or adjournment of the special general meeting of the Company convened at 10:30 a.m. on the same date and place) is set out on pages 16 to 17 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.aplushk.com/clients/0563Neo-China/index.html](http://www.aplushk.com/clients/0563Neo-China/index.html)).

If Shareholders are not able to attend the special general meeting, they should 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 or any adjournment thereof. 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.

\* For identification purposes only

24th September, 2007

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Acquisition Agreement I”	an acquisition agreement dated 22nd January, 2007 between the Company, Parsonturham and Yaxing
“Acquisition Agreement II”	an acquisition agreement dated 22nd January, 2007 between Zhongzhi, Beichen and Yaxing
“associates”	the meaning ascribed thereto in the Listing Rules
“Beichen”	青島北晨端拱顧問有限公司(Qingdao Beichen Duan Gong Real Estate Consultancy Company Limited)
“Board”	the board of Directors
“Company”	Neo-China Group (Holdings) Limited
“Consideration Shares”	250,000,000 shares in the Company to be issued as part of the consideration under the Acquisition Agreement I
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, 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 prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Lixing”	上海雅閣麗星裝飾有限公司(Shanghai Yage Lixing Zhangshi Company Limited) incorporated in PRC
“Parsonturham”	Parsonturham Consulting Limited

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## DEFINITIONS

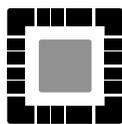
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“Project Company”	天津市億嘉合置業有限公司(Tianjin City Yi Jia He Zhi Ye Company Limited) incorporated in PRC
“Property Development Project”	the property development project named “天津北晨區宜興埠舊村改造項目(Tianjin Beichen District Bujiu Villaeg Redevelopment Project)”, being carried out by the Project Company at 天津北晨區宜興埠舊村(Bujiu Village, Yixing, Beichen District, Tianjin)
“Proposed Investment”	the proposed investment contemplated under Acquisition Agreement I and II whereby the Company and Zhongzhi will acquire 100% equity interest in Project Company
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“SGM”	a special general meeting of the Company to be held at Unit 1908-09, 19/F, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong at 10:45 a.m. on Wednesday, 17th October, 2007
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wah Po”	Wah Po Holding Limited (華寶控股有限公司), of Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands
“Yaxing”	青島亞星置業有限公司(Qingdao Yaxing Zhi Ye Company Limited)
“Zhongzhi”	中置(北京)企業管理有限公司(Zhongzhi (Beijing) Enterprise Management Company Limited)

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## LETTER FROM THE BOARD

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**中新集团**  
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  
Mr. Liu Yi  
Ms. Niu Xiao Rong  
Mr. Yuan Kun  
Ms. Liu Yan

*Independent Non-executive Directors:*

Ms. Nie Mei Sheng  
Mr. Zhang Qing Lin  
Mr. Gao Ning

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and Principal Place of  
Business in Hong Kong:*

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

24th September, 2007

*To the Shareholders*

Dear Sir/Madam,

### **ISSUE OF 140,000,000 SHARES IN CONNECTION WITH ACQUISITION OF TIANJIN PROPERTY DEVELOPMENT PROJECT**

#### **INTRODUCTION**

The Company announced in its announcement dated 7th September, 2007 that it proposes to issue 140,000,000 Consideration Shares as consideration under the Acquisition Agreement I subject to obtaining approval from Shareholders at the SGM. The purpose of this circular is to provide you with details of such issue and notice of the SGM.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### ISSUE OF CONSIDERATION SHARES

Reference is made to the announcement of the Company dated 29th January, 2007 and the circular of the Company dated 16th February, 2007 in relation to a discloseable transaction regarding the Company's proposed acquisition of an interest in the Property Development Project in Tianjin, PRC. In respect of such acquisition, the Company and its wholly-owned subsidiary, Zhongzhi entered into the following agreements:-

- (a) the Acquisition Agreement I with Parsonthurham and Yaxing; and
- (b) the Acquisition Agreement II with Beichen and Yaxing.

Under the Acquisition Agreement I, amongst other things, the Company is required (subject to fulfilment of certain terms and conditions under Acquisition Agreement I) to issue to Parsonthurham 250,000,000 Consideration Shares as part of the consideration under the Acquisition Agreement I, within 90 working days after signing. The parties to the Acquisition Agreement I and Acquisition Agreement II agreed on 29th June, 2007 that the Company is not required to issue the 250,000,000 Consideration Shares until latest 30th November, 2007. The parties further agreed on 3rd August, 2007 that part of the 250,000,000 Consideration Shares will be issued under the existing general mandate and part will be issued under a specific mandate, but as a result of further discussion, the parties agreed to change the proposal. As the parties were still finalising the terms of the transaction, no announcement was made at that time. On 24th August, 2007, the parties agreed that the 250,000,000 Consideration Shares are to be satisfied as follows: -

- (a) instead of 110,000,000 Consideration Shares being issued the Company would instead pay cash in an amount of HK\$198,000,000 (equivalent to HK\$1.80 per Consideration Share that will not be issued). Such cash payment has been made from internal resources of the Company; and
- (b) as to the remaining 140,000,000 Consideration Shares to be issued, subject to obtaining approval from Shareholders at the SGM.

A resolution regarding the issue of the 140,000,000 Consideration Shares will be proposed at the SGM. To the best knowledge of the Directors, no Shareholders have a material interest in the transaction different to that of Shareholders generally and therefore no Shareholders are required to abstain from voting on the resolution in the SGM. If Shareholders' approval is not obtained, then the parties to the Acquisition Agreement I and Acquisition Agreement II will further negotiate. An application will be made for the listing of and permission to deal in the 140,000,000 Consideration Shares. There will be no change in control of the Company solely as a result of issue of the 140,000,000 Consideration Shares.

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## LETTER FROM THE BOARD

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Initially, it was intended that the 250,000,000 Consideration Shares would be issued under the general mandate granted by the shareholders of the Company on 25th September, 2006. However, since the grant of the general mandate, a total of 1,077,000,000 Shares have been issued or contracted to be issued leaving 67,474,868 Shares available under the general mandate. As such, the Company has agreed with the parties to the Acquisition Agreement I and Acquisition Agreement II to amend the method of payment of the consideration under the Acquisition Agreement I. Save as disclosed in this circular, there are no other changes in the terms of the Acquisition Agreement I and Acquisition Agreement II. As at the Latest Practicable Date, the Company had completed the acquisition of the interest in the Tianjin property development project with consideration yet to be settled.

### CHANGE TO SHAREHOLDING STRUCTURE

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. The following table shows the effect on the issued share capital of the Company immediately before and after the issue and allotment of 140,000,000 Consideration Shares assuming there is no change in share capital of the Company from the Latest Practicable Date to date of the issue:–

	<b>Immediately before the issue of the Consideration Shares</b>		<b>Immediately after issue of the Consideration Shares</b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mr. Li Song Xiao and companies controlled or wholly-owned by him	3,694,641,390	53.05	3,694,641,390	52.01
<b>Public</b>				
Parsonthurham	0	0	140,000,000	1.97
Other public shareholders	3,269,651,980	46.95	3,269,651,980	46.02
Total	<u>6,964,293,370</u>	<u>100.0</u>	<u>7,104,293,370</u>	<u>100.0</u>

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## LETTER FROM THE BOARD

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### ACQUISITION AGREEMENT II

Under Acquisition Agreement II, Zhongzhi agreed to acquire from Yaxing the shareholder's loan in the principal amount of RMB82,200,000 which Yaxing earlier advanced to the project company holding the subject development project in Tianjin. Together with the consideration of RMB12,630,000, Zhongzhi is required to pay to Yaxing and Beichen a total sum of RMB94,830,000 under Acquisition Agreement II. As at the Latest Practicable Date, a total amount of RMB50,330,000 has been paid. During due diligence, it was found that there has been a reduction in the net asset value of the project company in the amount of RMB38,000,000. Although Acquisition Agreement II does not provide for adjustment to the consideration in such circumstances, the parties agreed that it was fair and reasonable to adjust the consideration (not on a dollar to dollar basis) so that Zhongzhi is only required to pay an additional amount of RMB21,430,000 in order to acquire the shareholder's loan and settle in full of the consideration under the Acquisition Agreement II. Such amount will be paid from internal resources of the Company. Given that the acquisition is conditional upon due diligence to the satisfaction of the Company and balancing the overall potential benefit of the project to the Company with the loss of opportunity which may arise as a result of forgoing the project altogether and the fact that the Company has already acquired the interest in the project with consideration yet to be paid, the directors of the Company (including the independent non-executive directors) are of the view that the reduction in such consideration and other amendments to Acquisition Agreement I and Acquisition Agreement II are fair and reasonable and in the interest of the Company and its shareholders as a whole.

### Information on Yaxing, Beichen, Zhongzhi and the Project Company

Yaxing is an investment holding company, which held 30% of the equity interest in the Project Company.

Beichen is an investment holding company, which holds 5% of the equity interest in Lixing, which in turn held 70% of the equity interest in the Project Company. Beichen is beneficially owned by Hao Bin (郝斌), Xu Jie (徐捷), Liao Jian Ming (廖劍銘) and Yue Zhen Huan (岳震寰).

Zhongzhi is a wholly-owned subsidiary of the Company. The principal activities of Zhongzhi are investment holding and/or investment in, or development of, land and real estate in PRC.

The Project Company is a property development company in PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Yaxing, Beichen and their respective beneficial owners are third parties independent of the Company and of the connected persons (as defined in the Listing Rules) of the Company.

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## LETTER FROM THE BOARD

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### **Information on Parsonturham, Wah Po, the Company, Zhongzhi and Yaxing**

Parsonturham is an investment holding company and is the legal and beneficial owner of the entire share capital of Wah Po. Wah Po acts as an investment holding company and its major asset is the equity interest in Lixing. Wah Po is holding 95% of the equity interest in Lixing, which in turn held 70% of the equity interest in the Project Company. Parsonturham is beneficially owned by Zhu Lan Ying (朱蘭英).

The Company is an investment holding company. The principal activities of its subsidiaries, including Zhongzhi, are investment holding and/or investment in, or development of, land and real estate in PRC.

Yaxing is an investment holding company, which held the remaining 30% of the equity interest in the Project Company. Yaxing is beneficially owned by Wah Po, Zhu Lan Ying (朱蘭英), Jiang Jian (姜劍) and Hao Bin (郝斌). In Acquisition Agreement I, the role of Yaxing is to warrant that Wah Po, Lixing and the Project Company have no liabilities not disclosed to the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Parsonturham, Wah Po, Lixing, Yaxing and their respective beneficial owners are third parties independent of the Company and of the connected persons (as defined in the Listing Rules) of the Company.

### **Financial Effects of the Transactions under Acquisition Agreement I and Acquisition Agreement II**

The cash consideration for Acquisition Agreement I and Acquisition Agreement II has been financed from internal resources of the Group. The Project Company is now a subsidiary of the Company.

It is not expected that any material liability will be assumed by the Company. The Board considers that the transactions under Acquisition Agreement I and Acquisition Agreement II do not have any material effect on the assets of the Company. As the Property Development Project is still in its early development, it is not expected to have a material effect on the earnings of the Group in the near future.

Based on latest audited account of the Project Company prepared under the PRC generally accepted accounting principles, as at 31 December 2006, the net asset value of the Project Company which is the subject of the transaction was approximately RMB142,373,822. There was no profit or loss (both before and after taxation and extraordinary items) attributable to the Project Company for the two financial years immediately preceding 31st December, 2006. The Project Company, which was newly incorporated on 18 April 2003 is still in the early stage of the Project Development Project and has not generated revenue or profit.

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## LETTER FROM THE BOARD

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### **Reasons for the Transaction under Acquisition Agreement I and Acquisition Agreement II**

The Group is principally engaged in, inter alia, investment in and development of land and real estate in the PRC. As part of its strategy, the Group has been appraising actively investment opportunities in high-potential investment and attractive businesses in major cities in the PRC.

The Board believes that the Proposed Investment provides a good opportunity for the Group to further expand its business in the property market in Tianjin. The Company's plan with respect of the Property Development Project is for development of real estate property on the site. The Board is optimistic about the property market and property investment and development in the PRC, and in particular, Tianjin which is one the fastest developing cities in the PRC.

### **SGM AND RECOMMENDATION**

A notice convening the SGM to be held at Unit 1908-09, 19/F, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong at 10:45 a.m. on Wednesday, 17th October, 2007 is set out on page 16 to 17 of this circular. A resolution will be proposed at that meeting to approve the Agreement and the issue of 140,000,000 Consideration Shares under the Acquisition Agreement I. In light of the reasons for the Proposed Investment, the Directors (including the independent non-executive Directors) recommend Shareholders to vote in favour of the resolutions regarding the issue of 140,000,000 Consideration Shares to be proposed at the SGM.

If Shareholders are not able to attend the SGM, they are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon to the Share Registrar of the Company in Hong Kong, Tricor Secretaries Ltd., 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish.

### **PROCEDURE BY WHICH THE SHAREHOLDERS MAY DEMAND A POLL**

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company pursuant to the Bye-laws of the Company.

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## LETTER FROM THE BOARD

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Under Bye-law 66(1) of the Bye-laws of the Company, 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 authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized 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 authorized representative) or by proxy and holding Shares in the Company 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

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## LETTER FROM THE BOARD

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- (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.

### ADDITIONAL INFORMATION

Your attention is also drawn to the notice of SGM set out in this circular.

Yours faithfully,  
**By Order of the Board**  
**Li Song Xiao**  
*Chairman of the Board*

**RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular 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 contained herein misleading.

**DISCLOSURE OF INTERESTS****Interests of Directors**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO were as follows:–

**(1) Long position in the issued Shares of the Company**

<b>Name of Director</b>	<b>Capacity</b>		<b>No. of Shares</b>	<b>Percentage of the Company's issued share capital</b>
Li Song Xiao	Interest in corporation	4,152,603,982		
	Beneficial owner	<u>9,630,000</u>	4,162,233,982	59.76%
			<i>(Notes)</i>	
Liu Yan	Beneficial owner		3,200,000	0.05%

*Notes:*

- (a) Mr. Li Song Xiao was deemed to be interested in 3,552,603,982 Shares (included 467,592,592 Shares which were expected to be issued to Invest Gain Limited under the Company's acquisition of a property project in Shanghai) and 600,000,000 Shares in the Company by virtue of his 100% interest in Invest Gain Limited and Sinoeagle Pacific Limited respectively. Mr. Li is also a director of Invest Gain Limited and Sinoeagle Pacific Limited.
- (b) These 9,630,000 Shares are held directly by Mr. Li himself.

(2) *Long position in underlying shares of the Company – physically settled unlisted equity derivatives*

Name of Director	Capacity	Number of underlying shares in respect of the share option granted	Percentage of the underlying shares over the Company's issued share capital
Li Song Xiao	Beneficial owner	3,000,000	0.04%
Liu Yan	Beneficial owner	42,800,000	0.61%
Liu Yi	Beneficial owner	40,000,000	0.57%
Niu Xiao Rong	Beneficial owner	40,000,000	0.57%
Yuan Kun	Beneficial owner	24,000,000	0.34%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO.

**Interests of substantial shareholders**

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group:

**(1) Long/short positions in the issued Shares of the Company**

Name of substantial shareholder	Long/ short position	Capacity	No. of Shares	Percentage of the Company's issued share capital	
Invest Gain Limited	Long	Beneficial owner (Note a)	3,552,603,982	51.01%	
Sinoeagle Pacific Limited	Long	Beneficial owner (Note b)	600,000,000	8.61%	
Liu Hui	Long	Interest of spouse (Note c)	4,162,233,982	59.76%	
Deutsche Bank Aktiengesellschaft	Long	Beneficial owner	303,885,141		
	Long	Person having a security interest in shares	<u>505,837,473</u>	809,722,614	11.62%
	Short	Beneficial owner	48,540,000		
	Short	Person having a security interest in shares	<u>346,127,599</u>	394,667,599	5.66%

*Notes:*

- (a) These shares held by Invest Gain Limited which were beneficially owned by Mr. Li Song Xiao. Such interest was also disclosed as the interest of Mr. Li Song Xiao in the above section headed "Interests of Directors".
- (b) These shares held by Sinoeagle Pacific Limited which were beneficially owned by Mr. Li Song Xiao. Such interest was also disclosed as the interest of Mr. Li Song Xiao in the above section headed "Interests of Directors".
- (c) Ms. Liu Hui is deemed to be interested in 4,162,233,982 ordinary Shares of the Company, being the interests held beneficially by her spouse, Mr. Li Song Xiao.

(2) *Long position in the underlying shares of the Company – physically settled unlisted equity derivatives*

Name of substantial shareholder	Capacity	Number of underlying shares in respect of the share options granted	Percentage of the underlying shares over the Company's issued share capital
Liu Hui	Interest of spouse ( <i>Note</i> )	3,000,000	0.04%

*Note:* Ms. Liu Hui was deemed to be interested in 3,000,000 share options of the Company owned by her spouse, Mr. Li Song Xiao, pursuant to Part XV of the SFO. Such interest was also disclosed as the interest of Mr. Li Song Xiao in the above section headed "Interests of Directors".

Save as disclosed above and in the section headed "Interests of Directors" above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director) had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

**SERVICE CONTRACTS**

None of the Directors has entered (or proposes to enter) into a service agreement with any member of the Group, which does not expire and is not terminable within one year without payment of compensation (other than statutory compensation).

**COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

**LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

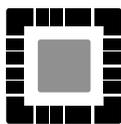
**GENERAL**

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The secretary of the Company is Ms. Chan Yim Kum who is a member of the Institute of Chartered Secretaries and Administration of the United Kingdom, the Hong Kong Institute of Company Secretaries and the Taxation Institute of Hong Kong. Ms. Chan holds a bachelor's degree (honours) in business administration from the United Kingdom and a master's degree in professional accountancy from Hong Kong.
- (c) The registered office of the Company is at 6 Front Street, Hamilton HM12, Bermuda and its principal place of business is at Unit 1908-09, 19th Floor, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong.

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## NOTICE OF SGM

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**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, 17th October, 2007 at 10:45 a.m. (or immediately after the conclusion or adjournment of the special general meeting of the Company convened at 10:30 a.m. on the same date and place) for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution which will be proposed as an ordinary resolution of the Company:–

#### **ORDINARY RESOLUTION**

“**THAT** the issue of 140,000,000 shares of HK\$0.01 each in the Company to Parsonturham Consulting Limited (“Parsonturham”) or its nominee as consideration under an acquisition agreement dated 22nd January, 2007 entered into between the Company, Parsonturham and 青島亞星置業有限公司 (Qingdao Yaxing Zhi Ye Company Limited) as amended and supplemented by supplemental agreements dated 29th June, 2007, 3rd August, 2007 and 24th August, 2007 entered into between the same parties, and the transactions contemplated thereunder, be and are hereby approved and the directors of the Company be and are hereby authorised to do all such acts and sign all such documents as they consider necessary or desirable in order to give effect to the foregoing”

By order of the Board

**Li Song Xiao**

*Chairman of the Board*

Hong Kong, 24th September, 2007

\* *For identification purposes only*

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## NOTICE OF SGM

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*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

*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 and Mr. Yuan Kun, Ms. Li Yan and the independent non-executive directors are Ms. Nie Mei Sheng, Mr. Zhang Qing Lin and Mr. Gao Ning.