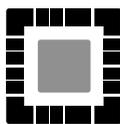

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 transferred all your shares in Neo-China Land Group (Holdings) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker 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.



中新集团
NEO CHINA GROUP

NEO-CHINA LAND GROUP (HOLDINGS) LIMITED

中新地產集團（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

DISCLOSEABLE TRANSACTION

ACQUISITION OF A CONTROLLING INTEREST IN

北京君合百年房地產開發有限公司

(BEIJING JUN HE BAI NIAN PROPERTY DEVELOPMENT COMPANY LIMITED*)

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DEFINITIONS

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

“Acquisition”	the acquisition of 12% of the entire issued share capital of Jun He by the Group from Jing Gu Lin Ye pursuant to the terms of the Agreement
“Agreement”	the agreement dated 28 May 2008 entered into by Guo Rui, a wholly-owned subsidiary of the Company, with Jing Gu Lin Ye pursuant to which and subject to the terms as therein set out Guo Rui agreed to acquire and Jing Gu Lin Ye agreed to sell 12% of the entire issued shares capital of Jun He for a consideration of RMB82,090,000
“Announcement”	the announcement of the Company dated 19 June 2008 in relation to the Acquisition
“Board”	the board of directors of the Company
“Company”	Neo-China Land Group (Holdings) Limited, a company incorporated in Bermuda and the issued shares of which are listed on the main board of the Stock Exchange
“Consideration”	the aggregate consideration of RMB135.8 million for the acquisition of 12% of the entire issued share capital of Jun He
“CSRC”	the China Securities Regulatory Commission
“Directors”	directors of the Company for the time being
“Group”	the Company and its subsidiaries
“Guo Rui”	北京國銳民合投資有限公司 (Beijing Guo Rui Min He Investment Company Limited*), a company incorporated and existing under the laws of the PRC with limited liability and a wholly-owned subsidiary of the company

DEFINITIONS

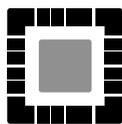
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party and its ultimate beneficial owners, independent of the Company and its connected persons (as defined under the Listing Rules)
“Jing Gu Lin Ye”	雲南景谷林業股份有限公司 (Yunnan Jing Gu Lin Ye Gu Fen Company Limited*), a company duly incorporated and existing under the laws of the PRC with limited liability, with principal businesses to be involved in the manufacturing, design and production of various forestry chemicals and related products and the issued shares of which are listed on the Shanghai Stock Exchange
“Jun He”	北京君合百年房地產開發有限公司 (Beijing Jun He Bai Nian Property Development Company Limited*), a company duly incorporated and existing under the laws of the PRC with limited liability
“Latest Practicable Date”	2 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information set out in the circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Dai”	代榮芹女士 (Ms. Dai Rong Qin*), an Independent Third Party
“Ms. Zheng”	鄭向麗女士 (Ms. Zheng Xiang Li*), an Independent Third Party
“PRC”	the People’s Republic of China
“PRC GAAP”	PRC Generally Accepted Accounting Principles

DEFINITIONS

“Previous Transactions”	the transactions in relation to the acquisition of the following: <ol style="list-style-type: none">1. the acquisition of the entire issued share capital of Guo Rui, which owns about 19% of the entire issued share capital of Jun He, in November 2007 from Ms. Dai and Ms. Zheng for an aggregate consideration of about RMB510 million; and2. the acquisition of about 25% of the entire issued share capital of Jin He by Guo Rui in December 2007 for a consideration of about RMB154 million
“Project”	自由小鎮 (Freedom Little County*), a property development project at 北京市通州區梨園地區 (Beijing City Tong Zhou Qu Li Yuan District*), Beijing, PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Savills”	Savills Valuation and Professional Services Limited
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Shareholders”	the holders of the Shares
“Shares”	Shares of HK\$0.04 each in the capital of the Company
“Site”	the site where the Project is located, i.e. at 北京市通州區梨園地區 (Beijing City Tong Zhou Qu Li Yuan District*), Beijing, PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* for identification purposes only

LETTER FROM THE BOARD



中新集團
NEO CHINA GROUP

NEO-CHINA LAND GROUP (HOLDINGS) LIMITED 中新地產集團（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
Ms. Bao Jing Tao
Mr. Jia Bo Wei
Mr. Lu Zhao Qun
Mr. Lam Kwan Sing

Non-Executive Director:

Mr. Lai Leong

Independent Non-Executive Directors:

Ms. Nie Mei Sheng
Mr. Zhang Qing Lin
Mr. Gao Ling
Mr. Lai Man Leung

Registered office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of

Business in Hong Kong
Unit 1908-09, 19th Floor
Office Tower, Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

4 July 2008

To Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF A CONTROLLING INTEREST IN

北京君合百年房地產開發有限公司

(BEIJING JUN HE BAI NIAN PROPERTY DEVELOPMENT COMPANY LIMITED*)

INTRODUCTION

On 28 May 2008, Guo Rui, a wholly-owned subsidiary of the Company, entered into the Agreement with Jing Gu Lin Ye pursuant to which and subject to the terms as therein set out Guo Rui agreed to acquire and Jing Gu Lin Ye agreed to sell 12% of the entire issued shares capital of Jun He for a consideration of RMB82,090,000.

LETTER FROM THE BOARD

The Acquisition, when aggregated with the Previous Transactions, constitutes a discloseable transaction of the Company within the meanings ascribed thereto under the Listing Rules.

The purpose of this circular is to provide you with further details of the Agreement (together with the Previous Transactions) and the transaction contemplated thereunder and other information in compliance with the requirements of the Listing Rules.

THE PREVIOUS TRANSACTIONS

In November 2007, the Group entered into various agreements with Ms. Dai and Ms. Zheng for the acquisition by the Group of 100% of the entire issued share capital of Guo Rui for an aggregate consideration of about RMB510 million, which was determined based on arm's length negotiations among the parties to the agreements with reference to the value of the site where the Project is located as well the general market and property conditions of the Tong Zhou District of Beijing, PRC and taking into consideration the potential of acquiring part or all of the other equity interests in Jun He (owned by the other shareholders of Jun He) by exercising the pre-emptive rights of Guo Rui in Jun He. Guo Rui was owned as to 60% by Ms. Dai and 40% by Ms. Zheng and its principal asset was its 19% equity interest in Jun He. Save for its investment in Jun He, Guo Rui does not have any other business operations and/or significant assets. Jun He owns the right to develop the Project. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Ms. Dai and Ms. Zheng are Independent Third Parties.

The above agreements were completed in late November 2007 and about RMB400 million has been settled as at the Latest Practicable Date. Guo Rui has become a wholly-owned subsidiary of the Company in late 2007.

On 5 December 2007, the Group entered into an agreement with Jing Gu Lin Ye for the acquisition by the Group of 25.01% of the entire issued share capital of Jun He for a consideration of about RMB154 million, which was determined based on arm's length negotiations between the parties to the agreement with reference to the value of the site where the Project is located as well the general market and property conditions of the Tong Zhou District of Beijing, PRC. Jing Gu Lin Ye is a PRC company whose shares are listed on the Shanghai Stock Exchange. This said acquisition has been completed and the full amount of the consideration was settled before 30 April 2008.

The above acquisitions, individually and in aggregate, did not constitute any notifiable transactions under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

THE AGREEMENT, THE SUPPLEMENTAL AGREEMENT AND THE DEBT ASSIGNMENT AGREEMENT

Date: 28 May 2008

Parties: Guo Rui, a wholly-owned subsidiary of the Company

Jing Gu Lin Ye

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Jing Gu Lin Ye and the ultimate beneficial owners of its substantial shareholders are Independent Third Parties.

The asset to be acquired

A further 12% of the entire issued share capital of the Jun He.

Based on the audited financial statements of Jun He for the year ended 31 December 2007 prepared under the PRC GAAP, the net asset value of Jun He as at 31 December 2007 amounted to approximately RMB143 million. The following information is extracted from the audited financial statements of Jun He for the year ended 31 December 2007 and the unaudited management accounts of Jun He for the four months ended 30 April 2008:

	For the four months ended/As at 30 April 2008	For the year ended/As at 31 December 2007	For the year ended/As at 31 December 2006
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Turnover	–	1,975,217.75	–
Net loss before taxation	(4,069,848.30)	(14,104,449.95)	(5,759,106.49)
Net loss after taxation	(4,069,848.30)	(13,629,905.63)	(5,655,591.78)
Net asset value	138,899,336.07	142,969,184.37	156,599,090.00

Upon Completion, the Group will hold approximately 56% of the entire issued share capital of the Jun He and Jun He will become a subsidiary of the Company. Accordingly, the Group will account for the results and assets and liabilities of Jun He on a consolidated basis.

LETTER FROM THE BOARD

Consideration

The consideration payable for the Acquisition is RMB82,090,000, which has been/will be financed by internal resources of the Group and shall be settled by way of the following:

1. RMB18 million was paid as deposit upon the signing of the Agreement;
2. RMB50 million will be transferred to a bank account which shall be jointly managed by the parties to the Agreement upon 5 days after the signing of the Agreement; and
3. the remaining balance of RMB14 million will be paid upon the completion of the change in the Industrial and Commercial Business Registration.

Pursuant to a debt assignment agreement dated 28 May 2008, as part of the terms for the Acquisition, the Group shall take up the following debts of Jun He (the "Debt Assignment") upon Completion:

1. a debt payable by Jun He of RMB51,500,000; and
2. interest payable on the debt amount of RMB35,000,000 at the rate of 12.5% per annum from 6 December 2007 up to the date of the settlement of the debt, which amounts to approximately RMB2.2 million as at the Latest Practicable Date.

Taking into account the above terms, the aggregate consideration for the Acquisition amounts to appropriately RMB135.8 million.

The above consideration has been arrived at after arm's length negotiations between the parties to the Agreement. In determining the amount, the Board has made reference to

- (a) the valued amount of the site where the Project is located of approximately RMB1,649 million as at 30 April 2008, based on a valuation report prepared by an independent firm of professional valuers;
- (b) the general property development and market situation of the Tong Zhou District of Beijing, PRC;
- (c) the market values of similar properties in the relevant locations; and
- (d) the additional interest in Jun He (increased from about 44% to 56% of the entire issued share capital of Jun He) upon completion of the Agreement;

LETTER FROM THE BOARD

and is of the view that the terms of the Agreement including the consideration are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Completion

Pursuant to the terms of a supplemental agreement also dated 28 May 2008, completion of the Agreement is subject to the following:

1. the approval by shareholders of Jing Gu Lin Ye in a shareholders' meeting of the Agreement and the Debt Assignment; and
2. the approval of the transfer of the 12% equity interest in Jun He by Jing Gu Lin Ye to the Group by the CSRC.

The Project

The Project involved is 自由小鎮 (Freedom Little County*), a property development project at 北京市通州區梨園地區 (Beijing City Tong Zhou Qu Li Yuan District*), Beijing, PRC, a location which is easily accessible by various transportation and is about 15 minutes drive from the Beijing Capital International Airport or the central commercial district of Beijing City. The site occupies an area of 253,043 square meters and has a gross construction area of approximately 800,000 square meters. Under the present plan, it is to be developed into a composite development including commercial and residential buildings and ancillary facilities and will be completed by two phases. Phase 1 of the said development is scheduled to be completed before the end of 2010.

REASONS FOR THE TRANSACTIONS

The Group is principally engaged in property investment and development in the PRC. The Acquisition will enable the Group to further its property investment and development business and to secure a controlling interest in the Project by holding more than 50% of the entire issued share capital of Jun He.

LETTER FROM THE BOARD

The Board considers that the terms and conditions of the Agreement, including the consideration thereof, are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

The total capital commitment of the Group in respect of the Acquisition of RMB135.8 million will be financed by the Group's internal resources. Save for the above said amount, the Group does not expect to assume any other material liability as a result of the Acquisition. As the Project is still in its development stage, no material effect on the earnings of the Group is expected upon completion of the Acquisition.

FURTHER INFORMATION

Your attention is drawn to the further information contained in the appendice to this circular.

By order of the Board
NEO-CHINA LAND GROUP (HOLDINGS) LIMITED
Li Song Xiao
Chairman

* *for identification purposes only*

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular and received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with the valuation as at 30 April 2008 of the property held by Jun He.



Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA Licence: C-023750
savills.com

The Directors
Neo-China Land Group (Holdings) Limited
Units 1908-09, 19/F
Office Tower, Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

4 July 2008

Dear Sirs,

**RE: TWO PARCELS OF LAND LOCATED AT XIAOJIE VILLAGE LIYUAN TOWN,
TONGZHOU DISTRICT, BEIJING, PRC (THE “PROPERTY”)**

In accordance with the instructions from Neo-China Group Holdings Limited (the “Company”) for us to value the property held by 北京君合百年房地產開發有限公司 (Beijing Jun He Bai Nian Property Development Company Limited, hereinafter referred to as “Jun He”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out an inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of such property as at 30 April 2008 (“date of valuation”) for incorporation in a public circular.

Our valuation of the property is our opinion of its market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by specifically terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property for its specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owner of the property has an enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the unexpired terms as granted.

In valuing the property which is held by Jun He for future development, we have valued this property on the basis that it will be developed and completed in accordance with the Company’s latest development proposals provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the proposals have been or will be granted without onerous conditions or delay. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to the comparable market transactions as available in the markets and also have taken into account the construction costs to be expended to reflect the quality of the completed developments.

We have been shown copies of various title documents relating to the property such as State-owned Land Use Rights Grant Contract and State-owned Land Use Certificates etc. However, we have not inspected the original documents to verify the ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied to a considerable extent on the information given by the Company and its PRC legal adviser, Guantao Law Firm, regarding the title to the property.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, development proposals, construction costs, estimated completion dates, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided by the Company to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to our valuation. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied.

We have inspected the exterior and where possible, the interior of the properties. In the course of our inspection, we did not note any serious defects. Moreover, no structural survey has been made, we are therefore unable to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services etc for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of

Savills Valuation and Professional Services Limited

Charles C K Chan

MSc FRICS FHKIS MCI Arb RPS(GP)

Managing Director

Note: Charles C K Chan, MSc, FRICS, FHKIS, MCI Arb, RPS (GP), is a qualified valuer and has about 24 years' experience in the valuation of properties in Hong Kong and has about 19 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2008
Two parcels of land located at Xiaojie Village, Liyuan Town, Tongzhou District, Beijing, PRC	The property comprises two parcels of land with a total site area of approximately 253,043.81 sq.m. (2,723,764 sq.ft.).	The property is currently a vacant site.	RMB1,649,000,000

As advised by the Company, the property will be developed into a composite development namely Freedom Little County (the "Development") including commercial, residential and ancillary facilities. The property will be developed in two phases with a total gross floor area not more than 826,092 sq.m. (8,892,054 sq.ft.), the breakdown of which are as follows:

Phase I

Use	Approximate gross floor area	
	<i>sq.m.</i>	<i>sq.ft.</i>
Residential	72,392.84	779,237
Ancillary facilities	45,288.00	487,480
Sub-total	<u>117,680.84</u>	<u>1,266,717</u>

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2008	
Phase II				
Use	Approximate gross floor area			
	<i>sq.m.</i>	<i>sq.ft.</i>		
Residential	514,676.16	5,539,974		
Commercial	102,783.00	1,106,356		
Carpark	14,407.00	155,077		
Ancillary facilities	76,545.00	823,930		
Sub-total	<u>708,411.16</u>	<u>7,625,337</u>		
Total	<u><u>826,092.00</u></u>	<u><u>8,892,054</u></u>		

As advised by the Company,
Phase I of the Development is
scheduled for completion in
2010.

The land use rights of the
property have been granted for
terms of 40 and 70 years for
commercial & ancillary
facilities, and residential uses
respectively.

Notes:

- (1) Pursuant to two State-owned Land Use Rights Grant Contracts Jing Di Chu [He] Zi (2004) No.1069 (京地出[合]字(2004)第1069號) and Jing Di Chu [He] Zi (2004) No.1097 (京地出[合]字(2004)第1097號) and their respective supplemental agreements entered into between Beijing Land Resources Bureau (“Party A”) and 北京君合百年房地產開發有限公司, Party A agreed to grant the land use rights of two parcels of land with a total site area of approximately 253,043.81 sq.m. to Jun He at a total land grant fee of RMB126,808,300 for respective terms of 40 and 70 years for commercial & ancillary facilities and residential uses.
- (2) Pursuant to State-owned Land Use Certificate No. Jing Tong Guo Yong (2005 Chu) Di 044 (京通國用(2005出)第044號) on 20 June 2005, the land use rights of a parcel of land with a site area of 146,609.73 sq.m. have been granted to Jun He expiring on 30 August 2044 and 30 August 2074 for ancillary facilities and residential uses, respectively.
- (3) Pursuant to State-owned Land Use Certificate No. Jing Tong Guo Yong (2004 Chu) Di 103 (京通國用(2004出)第103號) on 22 December 2004, the land use rights of a parcel of land with a site area of 106,434.08 sq.m. have been granted to Jun He expiring on 30 August 2044 and 30 August 2074 for commercial and residential uses, respectively.
- (4) Pursuant to Construction Land Planning Permit No. 2004 Gui (Tong) Di Zi 0011 (2004規(通)地字0011號) issued by Beijing Urban Planning Commission on 30 April 2004, the site with an area of 319,283.471 sq.m. (including net use area of 253,043.81 sq.m.) of the property has been permitted for use.
- (5) Pursuant to two Construction Project Planning Permits Nos. 2006 Gui (Tong) Jian Zi 0079 and 0080 (2006規(通)建字0079號和0080號) both issued by Beijing Urban Planning Commission on 10 May 2006 and 11 May 2006 respectively, the total approved construction scale of Phase I of the property is approximately 117,680.84 sq.m.
- (6) Pursuant to two Construction Works Commencement Permits Nos. (2007) Shi Jian Zi 0972 and 1770 ((2007)施建字0972號和1770號) both issued by Beijing Construction Committee on 27 June 2007 and 22 October 2007 respectively, construction of portion of Phase I of the Development with a gross floor area of approximately 98,246.45 sq.m. was permitted for commencement.
- (7) We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, Guantao Law Firm, which contains, *inter alia*, the following information:
 - (i) Jun He has obtained the State-owned Land Use Certificates of the property. Accordingly, Jun He has the rights to transfer, lease, mortgage or use the land use rights of the property for other economic activities as long as the invested amount of the property reaches 25% of the total investment amount of the development (excluding land premium). There is no outstanding land premium payable in relation to the land use rights.
 - (ii) Relevant planning permits of the property have been obtained and the property has been approved for commencement of construction.

1. 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 herein misleading.

2. DISCLOSURE OF INTERESTS

(a) 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 Securities and Futures Ordinance (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 (the “Model Code”) and which were required to be entered into the register required to be kept under section 352 of the SFO were as follows:–

(i) Long position in the ordinary Shares

Name of Director	Capacity	No. of Shares interested in	Approximate percentage of the Company’s issued share capital
Li Song Xiao	Interest in corporation (note)	1,051,762,995	
	Beneficial owner	<u>3,157,500</u>	
		1,054,920,495	54.21
Liu Yan	Beneficial owner	800,000	0.05
Niu Xiao Rong	Beneficial owner	1,375,000	0.07

Note:

Li Song Xiao was deemed to be interested in 1,051,762,995 Shares which were held by Invest Gain Limited.

(ii) Long position in the underlying Shares – Share options

Name of Director	Capacity	No. of share options outstanding	Approximate percentage of the Company's issued share capital
Li Song Xiao	Beneficial owner	750,000	0.04
Liu Yan	Beneficial owner	10,700,000	0.55
Liu Yi	Beneficial owner	10,000,000	0.51
Niu Xiao Rong	Beneficial owner	8,625,000	0.44
Yuan Kun	Beneficial owner	6,000,000	0.31
Jia Bo Wei	Beneficial owner	2,500,000	0.13
Bao Jing Tao	Beneficial owner	250,000	0.01

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.

(b) 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 interest or short positions in the Shares and underlying Shares 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 :

(i) Long/short positions in the ordinary Shares

Name of substantial shareholder	Long/short position	Capacity	No. of Shares interested in	Approximate percentage of the Company's issued share capital
Invest Gain Limited (note (a))	Long	Beneficial Owner	1,051,762,995	54.05
Liu Hui (note (b))	Long	Beneficial owner and Interest in spouse	1,054,920,495	54.21
Deutsche Bank Aktiengesellschaft	Long	Beneficial owner and person having a security interest in shares	212,510,141	10.92
	Short	Beneficial owner and person having a security interest in shares	97,412,800	5.01

Notes:

- (a) These Shares held by Invest Gain Limited were beneficially owned by Li Song Xiao. Such interest was also disclosed as the interest of Li Song Xiao in the section headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" above.
- (b) Liu Hui was deemed to be interested in 1,051,762,995 ordinary Shares, being the interest held beneficially by her spouse, Li Song Xiao.

Save as disclosed, 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 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.

3. DIRECTORS' SERVICE CONTRACTS

None of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, no Directors or their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Company.

5. LITIGATION

As at the Latest Practicable Date, no member of the Company was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Company.

6. EXPERTS AND CONSENT

The following is the qualification of the expert whose report is contained in this circular:

Name	Qualification
Savills	independent property valuer

Savills has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Savills does not have any shareholding in any member of the Group and does not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Savills does not have any direct or indirect interest in the Agreement and any assets which has been, since 30 April 2007 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. GENERAL

- (a) The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM11, Bermuda.
- (b) The head office of the Company is located at Unit 1908-09, 19th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The Company Secretary of the Company is Mr. Szeto Chak Wah, Michael ("Mr. Szeto"). Mr. Szeto is a practicing solicitor in Hong Kong and a consultant of a firm of solicitors in Hong Kong. He is also a non-executive director of Tack Fat Group International Limited (a company whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited).
- (e) The Qualified Accountant of the Company is Mr. Cho Chun Wai, Peter ("Mr. Cho"). Mr. Cho is an associate member of Hong Kong Institute of Certified Public Accountants. He holds a master degree in corporate finance from Hong Kong Polytechnic University in 2005.
- (f) The English text of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during the normal business hours at the principal place of business in Hong Kong of the Company at Unit 1908-9, 19th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong from the date of this circular and up to and including 18 July 2008:

- (i) the written consent referred to in the paragraph headed "Expert and consent" in this appendix; and
- (ii) the valuation report on the Site.