

中新集團 (控股) 有限公司*

NEO-CHINA GROUP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

RESIGNATION OF DIRECTORS AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

RESIGNATION OF DIRECTORS

The Board of directors (the "Board") of Neo-China Group (Holdings) Limited (the "Company") announces that Mr. Che Han Shu and Mr. Zhang Ling have resigned as executive directors and Mr. Zhang Yuan Duan has resigned as independent non-executive director of the Company with effect from 24 September 2004 due to their respective personal reasons. All of them have confirmed that there are no disagreements with the Company. The Board would like to express its sincere gratitude to Mr. Che Han Shu, Mr. Zhang Ling and Mr. Zhang Yuan Duan for their valuable contribution to the Company during the tenure of their services.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of the Company is pleased to announce that Mr. Wang Shiyong and Mr. Zheng Kuan have been appointed as independent non-executive directors of the Company with effect from 24 September 2004.

Mr. Wang Shiyong:

Mr. Wang, aged 35, is a qualified accountant of Finance Department of People's Republic of China. Mr. Wang has extensive experience in accounting and financing areas in different industries. Currently, he is the financial controller of Tian Jin TDDM Technology Development Company Limited.

There is no service contract between Mr. Wang and the Company. He is not appointed for a specific term and does not have any director fee. Mr. Wang is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws of the Company.

In the last three years, Mr. Wang did not hold any positions with the Company or other members of the Company's group. Mr. Wang does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date hereof, he does not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance.

Mr. Zheng Kuan:

Mr. Zheng Kuan, aged 32, has extensive experience in investment banking area. He has worked for China Economic Development Trustee Investment Security Company. Mr. Zheng currently is the deputy general manager of the investment banking division of Hai Tong Securities Limited. Mr. Zheng was also a former independent non-executive director of the Company for the period from 20 January 2003 to 29 October 2003.

There is no service contract between Mr. Zheng and the Company. He is not appointed for a specific term and does not have any director fee. Mr. Zheng is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws of the Company.

Save as being a former independent non-executive director of the Company, in the last three years, Mr. Zheng did not hold any positions with the Company or other members of the Company's group. Mr. Zheng does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date hereof, he does not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance.

The board is not aware of any other matters that need to be brought to the attention of holders of securities of the Company in respect of the appointment of both Mr. Wang and Mr. Zheng.

The board would like to take this opportunity to welcome Mr. Wang and Mr. Zheng to the board.

As at the date of this announcement, Mr. Li Song Xiao, Mr. Liu Yi and Mr. Zhang Yao Hui are the executive directors; Ms. Ni Mei Sheng, Mr. Wang Shiyong and Mr. Zheng Kuan are independent non-executive directors.

By Order of the Board
Li Song Xiao
Chairman

Hong Kong, 24 September 2004

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.