

# Former Neo-China Land Chairman Wanted by ICAC

**By intern reporter Zhu Yishi** 06.29.2011 15:28

Hong Kong anti-corruption authorities say the former chairman of Neo-China, now known as Shanghai Industrial Urban Development, was involved in illegal property transactions

(Beijing) -- Li Songxiao, former chairman of Neo-China Land Group (Holdings) Ltd. was listed as "wanted" by the Hong Kong Independent Commission Against Corruption (ICAC) on suspicion of fraudulent transactions.

According to a website disclosure by ICAC, Li and two other former executive directors of the company conspired to make illegal property transactions between Neo-China and British Virgin Islands-registered companies, with the aim to "artificially inflate the profit and assets of Neo-China."

These transactions resulted in the false statement of the company's financials between 2003 and 2007, according to ICAC.

Li, born in 1965, served in central government agencies from 1987 to 1996. He took the post of vice president of a property unit under state-controlled China Travel Service (Hong Kong) Group between 1996 and 1999. Later he formed his own company and in 2003 acquired a Hong Kong-listed firm and restructured it as real estate developer Neo-China, with Li holding a 54 percent stake then.

In 2006, Neo-China acquired more than 20 property projects in the Mainland and issued bonds in the capital market to fund the aggressive expansion.

In January 2008, ICAC searched Neo-China's Hong Kong office and arrested one employee, citing violations of Hong Kong's anti-corruption laws.

In January 2009, Neo-China failed to pay the half-year interest for a US\$ 400-million high-yield bond issue and has since sold-off its property projects to raise capital.

In August 2009, Li resigned as chairman and executive director of Neo-China.

In June 2010, Shanghai Industrial Holdings Ltd. (00363.HK) bought a 45 percent stake in Neo-China for HK\$ 2.7 billion and renamed the company as Shanghai Industrial Urban Development Co.

Li has refused requests by authorities to return to Hong Kong since 2008.