
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Interchina Holdings Company Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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國 中 控 股 有 限 公 司

INTERCHINA HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

**PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Interchina Holdings Company Limited to be held at Academy Room III, 1/F, Intercontinental Grand Standford Hotel, 70 Mody Road, Kowloon, Hong Kong on 14 July 2007 at 9:00 a.m. is enclosed. A form of proxy is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meetings should you so wish.

22 June 2007

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	1
Letter from the Board	
Introduction	3
Proposed re-election of Re-electing Directors	4
Proposed general mandates to issue and repurchase Shares	4
Annual General Meeting	4
Recommendation	5
General information	5
Appendix I – Information on Re-electing Directors	6
Appendix II – Explanatory statement on Proposed Repurchase Mandate	9
Notice of Annual General Meeting	12

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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.

DEFINITIONS

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

“AGM Notice”	notice of the Annual General Meeting which is set out on pages 12 to 15 of this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at Academy Room III, 1/F, Intercontinental Grand Standford Hotel, 70 Mody Road, Kowloon, Hong Kong on 14 July 2007 at 9:00 a.m., to consider and, if appropriate, to approve the ordinary resolutions set out in the AGM Notice or any adjournment thereof
“associate(s)”	has the same meaning as ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Code”	the Hong Kong Code on Takeovers and Mergers
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Interchina Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 26 August 2006 to allot, issue and deal with Shares not exceeding 20% of the aggregate of the nominal amount of the issued share capital of the Company as at 26 August 2006
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 26 August 2006 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issue and share capital of the Company as at 26 August 2006
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	18 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such proposed issue mandate
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such proposed repurchase mandate
“Re-electing Directors”	Mr. Chan Wing Yuen, Hubert, Ms. Ha Ping and Dr. Tang Tin Sek
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD



國 中 控 股 有 限 公 司
INTERCHINA HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

Executive Directors:

Mr. Zhang Yang (*Chairman*)
Mr. Chan Wing Yuen, Hubert
Mr. Lam Cheung Shing, Richard

Registered Office

Room 701, 7/F
Aon China Building
29 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Mr. Wong Hon Sum
Ms. Ha Ping
Dr. Tang Tin Sek

22 June 2007

*To the Shareholders and, for information only,
holders of options of the Company*

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of, among other matters, the ordinary resolutions to be proposed at the Annual General Meeting for the approval of (a) proposed re-election of the Re-electing Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; and (d) extending the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS

At the Annual General Meeting, (i) Mr. Chan Wing Yuen, Hubert, an executive Director; (ii) Ms. Ha Ping, an independent non-executive Director; and (iii) Dr. Tang Tin Sek, an independent non-executive Director, all being the Re-electing Directors, shall retire from office and shall be eligible for re-election. Brief biography of each of the Re-electing Directors is set out in Appendix I to this circular.

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 26 August 2006, ordinary resolutions were passed to grant the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, among other matters, they are revoked or varied by ordinary resolution of the Shareholders in general meeting.

Ordinary resolutions set out as resolutions 4(1)(d) and 4(2)(c) in the AGM Notice will be proposed at the Annual General Meeting to revoke the Existing Issue Mandate and the Existing Repurchase Mandate respectively. Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4(1)(a), (b), (c) and (e) and resolutions 4(2)(a), (b) and (d) in the AGM Notice respectively will also be proposed at the Annual General Meeting. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Academy Room III, 1/F, Intercontinental Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 14 July 2007 at 9:00 a.m. is set out on pages 12 to 15 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the office of the branch share registrar of the Company in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours

LETTER FROM THE BOARD

before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

Pursuant to article 73 of the articles of association of the Company, a poll may be demanded in relation to a resolution put to the vote of any general meeting before or on the declaration of the result of the show of hands:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person 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) by any Shareholder or Shareholders present in person 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.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of (a) proposed re-election of the Re-electing Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; and (d) to extend the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate are in line with the requirements under the Listing Rules and in the interests of the Company and, in particular, the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the ordinary resolutions as set out in the AGM Notice.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Director and Company Secretary

This appendix sets out the information, as required to be disclosed by the Listing Rules, on the Re-electing Directors proposed to be re-elected at the Annual General Meeting.

(1) Mr. Chan Wing Yuen, Hubert

Mr. Chan Wing Yuen, Hubert, aged 49, was appointed as a director and chief executive officer in March 2002 and November 2003 respectively. Mr. Chan received a higher diploma from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in 1982. Mr. Chan is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries. Mr. Chan is also a member of the Hong Kong Securities Institute and the Hong Kong Institute of Directors. Prior to joining the Group, Mr. Chan spent over ten years with the Stock Exchange where he last served as a director of the Listing Division in charge of the China Listing Affairs Department. Mr. Chan also spent two and a half years as a director and deputy general manager of Guangdong Investment Limited, the shares of which are listed on the Stock Exchange. Mr. Chan was the company secretary and director of compliance of Sunevision Holdings Limited, the shares of which are listed on the Stock Exchange. In addition, Mr. Chan has been appointed as an independent non-executive director of Rising Development Holdings Limited, the shares of which are listed on the Stock Exchange, since 1999. Furthermore, Mr. Chan has been appointed as an executive director of World Trade Bun Kee Ltd, the shares of which are listed on the Stock Exchange, since 11 June 2007. Save as disclosed herein, Mr. Chan did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Save as being an executive director and chief executive officer, Mr. Chan does not hold any position with the Company or any of its subsidiaries. Mr. Chan has not been appointed for a specific term. The aggregate emoluments paid to Mr. Chan for the year ended 31 March 2007 amounted to approximately HK\$3,066,000. Mr. Chan's emoluments are determined by the Board with reference to Mr. Chan's duties, responsibilities and performance. Save as being an executive director, Mr. Chan does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chan did not hold any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed herein, there is no information in relation to Mr. Chan which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Mr. Chan that need to be brought to the attention of the Shareholders.

(2) Ms. Ha Ping

Ms. Ha Ping, aged 42, was appointed as an independent non-executive director in May 2000. Ms. Ha received her honorary doctorate from Queen's University of Brighton. Ms. Ha is the chairman of All Leaders Publication Group Limited. Ms. Ha was an independent non-executive director of Smart Energy Finance (Holdings) Limited, the shares of which are listed on the Stock Exchange, during the period from 17 June 2000 to 26 May 2007. Save as disclosed herein, Ms. Ha did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Save as being an independent non-executive director and a member of the audit committee of the Company. Ms. Ha does

not hold any position with the Company or any of its subsidiaries. Ms. Ha has not been appointed for a specific term. The aggregate emoluments paid to Ms. Ha for the year ended 31 March 2007 amounted to approximately HK\$200,000. Ms. Ha's emoluments are determined by the Board with reference to Ms. Ha's duties, responsibilities and performance. Save as being an independent non-executive director and a member of the audit committee of the Company, Ms. Ha does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Ha did not hold any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed herein, there is no information in relation to Ms. Ha which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Ms. Ha that need to be brought to the attention of the Shareholders.

(3) Dr. Tang Tin Sek

Dr. Tang Tin Sek, aged 48, was appointed as an independent non-executive director in August 2006. Dr. Tang is a certified public accountant and a partner of Terence Tang & Partners. Dr. Tang has over 25 years of experience in corporate finance, business advisory, financial management and auditing. Dr. Tang is also a member of The Chinese Institute of Certified Public Accountants, The Institute of Chartered Accountants in Australia and Chartered Association of Certified Accountants in the United Kingdom. Dr. Tang obtained a bachelor of science degree from The University of Hong Kong in 1980, a master of business administration degree from The University of Sydney, Australia in 1990 and a doctorate in accountancy from The Hong Kong Polytechnic University in 2004. Dr. Tang is also an independent non-executive director of CEC International Holdings Limited, Sinofert Holdings Limited (formerly known as Sinochem Hong Kong Holdings Limited) ("Sinochem"), New Smart Energy Group Limited (formerly known as New Smart Holdings Limited) and Frankie Dominion International Limited, the shares of all of which are listed on the Stock Exchange. Dr. Tang was as an independent non-executive director of China Mining Resources Group Limited (formerly known as INNOMAXX Biotechnology Group Limited) for the period from 28 May 2000 to 16 May 2007, the shares of which are listed on the Stock Exchange. Save as disclosed herein, Dr. Tang did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Save as being an independent non-executive Director and a member of the audit committee of the Company, Dr. Tang does not hold any position with the Company or any of its subsidiaries. Dr. Tang has not been appointed for a specific term. The aggregate emoluments paid to Dr. Tang for the year ended 31 March 2007 amounted to approximately HK\$120,237. Dr. Tang's emoluments are determined by the Board with reference to Dr. Tang's duties, responsibilities and performance. Save as being an independent non-executive Director and a member of the audit committee of the Company, Dr. Tang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Tang did not hold any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Dr. Tang was employed by Allied Group Limited, the shares of which are listed on the Stock Exchange, as its group accounting manager during the period from 4 December 1989 to 13 April 1991. His main duty was the supervision of the accounts department which was responsible for keeping books and records

and preparation of financial accounts and management information. In 1992, the then financial secretary of the Government of Hong Kong appointed an independent inspector to conduct investigations into certain affairs of a number of companies including Allied Group Limited, Allied Properties (HK) Limited and Allied Industries International Limited (together, the “Allied Group”). The investigations covered transactions carried out by the Allied Group from 1990 to 1992. A report on the findings of the inspector was submitted to the then financial secretary of the Government of Hong Kong and an abridged version of the report was published in September 1993. Subsequent to the publication of the report, the Listing Committee of the Stock Exchange conducted investigations and hearings into the conduct of a number of individuals in senior management positions within the Allied Group concerning a number of transactions referred to and matters arising from the report. The Listing Committee concluded that these transactions were in breach of the Listing Rules contained in chapters 13 and 14 of the Listing Rules then in force and such individuals were censured. However, Dr. Tang has never been contacted or been under investigation by the authorities mentioned above in respect of such matters.

In 2001, the Listing Division of the Stock Exchange alleged that Sinochem had breached paragraph 2(1) of the listing agreement between Sinochem and the Stock Exchange and practice note 19 under the Listing Rules then in force relating to a late disclosure of a guarantee given by Sinochem on 4 August 2000. The Listing Committee of the Stock Exchange conducted a hearing in relation to this matter in October 2001 and concluded that Sinochem had committed the breach in question. The Listing Committee determined that the appropriate sanction for the matter was a private reprimand but made no reference to the independent non-executive directors in its conclusion. Save as disclosed herein, there is no information in relation to Dr. Tang which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Dr. Tang that need to be brought to the attention of the Shareholders.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

(1) Share capital

As at the Latest Practicable Date, the number of Shares in issue was 6,651,903,632 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 665,190,363 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(2) Source of funds

Repurchases must be funded out of fund legally available for the purpose and in accordance with the articles of association of the Company and the laws of Hong Kong, the jurisdiction in which the Company is incorporated.

(3) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the annual report of the Company for the financial year ended 31 March 2007, being the date to which the latest published accounts of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(4) Share prices

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months immediately preceding the Latest Practicable Date.

Month	Highest trade price <i>HK\$</i>	Lowest trade price <i>HK\$</i>
2006		
June	0.043	0.030
July	0.035	0.025
August	0.032	0.022
September	0.037	0.025
October	0.042	0.030
November	0.045	0.033
December	0.046	0.037
2007		
January	0.077	0.035
February	0.19	0.068
March	0.186	0.092
April	0.151	0.117
May	0.150	0.112
June (up to and including the Latest Practicable Date)	Trading suspended	Trading suspended

(5) General

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate has been approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong, as well as the regulations set out in the memorandum and articles of association of the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate has been approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Code. Accordingly, a Shareholder, or group of Shareholders acting in

concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date and so far as was known to the Directors, there was no person who (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or, who was, 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 other member of the Group.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares being held in public hands.

The Company and its subsidiaries had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



國 中 控 股 有 限 公 司 INTERCHINA HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

NOTICE IS HEREBY GIVEN that an annual general meeting of the Interchina Holdings Company Limited (“**Company**”) will be held at Academy Room III, 1/F, Intercontinental Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 14 July 2007 at 9:00 a.m. (or an adjournment thereof) for the following purposes:–

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2007;
2. To approve the non-occupation of the vacated office in the event any retiring directors do not avail themselves for re-election, to re-elect directors who offer themselves for re-election and to authorise the board of directors to fix their remuneration;
3. To re-appoint HLB Hodgson Impey Cheng as the auditors of the Company and to authorise the board of directors to fix their remuneration;
4. To consider and, if thought fit, passing with or without modification, the following resolutions:–

as Ordinary Resolutions of the Company:–

(1) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:–
- (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolutions and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (3) “**THAT** conditional upon the passing of the Resolutions 4(1) and 4(2) as set out in the notice of this meeting, the general mandate granted to the directors of the Company (“**Directors**”) to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 4(1) above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(2) above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Director and Company Secretary

Hong Kong, 22 June 2007

Registered Office:

Room 701, 7/F
Aon China Building
29 Queen’s Road Central
Hong Kong

Notes:–

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.
4. As at the date of this notice, the executive Directors are Mr. Zhang Yang, Mr. Chan Wing Yuen, Hubert and Mr. Lam Cheung Shing, Richard and the independent non-executive Directors are Mr. Wong Hon Sum, Ms. Ha Ping and Dr. Tang Tin Sek.