



# INTERCHINA HOLDINGS COMPANY LIMITED

## 國 中 控 股 有 限 公 司

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 202)**

### CONVERSION OF CONVERTIBLE NOTES

The Company makes this announcement in compliance with the Listing Approval in relation to the number of Shares allotted and issued upon the exercise of the conversion rights attached to the First Tranche Convertible Notes that have been issued by the Company.

Reference is made to the announcement of the Company dated 6 July 2007 and the circular of the Company dated 10 August 2007 (the “**Circular**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

The Company makes this announcement in compliance with the approval (the “**Listing Approval**”) granted by the Listing Committee of the Stock Exchange approving the listing of and permission to deal in, among others, the First Tranche Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the First Tranche Convertible Notes.

On 23 October 2007, the Company issued part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$100,000,000. On 24 October 2007, the Company issued further part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$50,000,000. On 26 October 2007, three conversion notices were received exercising the conversion right attached to the First Tranche Convertible Notes in the aggregate principal amount of HK\$150,000,000 (the “**First Conversion**”), representing the entire amount of the First Tranche Convertible Notes that have been issued by the Company. As a result of the First Conversion, an aggregate of 1,500,000,000 First Tranche Conversion Shares were issued by the Company, representing (i) approximately 22.38% of the issued share capital of the Company as at 7 August 2007, being the latest practicable date for the purpose of the Circular; (ii) approximately 14.01% of the issued share capital of the Company immediately prior to the allotment and issue of such First Tranche Conversion Shares; and (iii) approximately 12.29% of the issued share capital of the Company as enlarged by the allotment and issue of such First Tranche Conversion Shares. Details of the First Conversion are as follows:

<b>Date of receipt of conversion notice(s)</b>	<b>Number of conversion notice(s) received</b>	<b>Number of First Tranche Conversion Shares issued</b>	<b>Conversion price</b>	<b>Principal amount of the First Tranche Convertible Notes converted</b>	<b>Date of issue of the First Tranche Conversion Shares</b>
26 October 2007	3	1,500,000,000	HK\$0.10	HK\$150,000,000	29 October 2007
<b>Total:</b>		<b><u>1,500,000,000</u></b>		<b><u>HK\$150,000,000</u></b>	

Immediately after the First Conversion, there is no outstanding First Tranche Convertible Notes in issue. Pursuant to the terms of the First Tranche Option, further convertible notes in the aggregate principal amount of HK\$500,000,000 will be issued by the Company upon the exercise in full of the First Tranche Option. Pursuant to the terms of the Second Tranche Option, convertible notes in the aggregate principle amount of HK\$1,200,000,000 will be issued by the Company upon the exercise in full of the Second Tranche Option. During the period commencing from 7 August 2007 (being the latest practicable date for the purpose of the Circular) and ending on the date of this announcement, save for the First Tranche Conversion Shares issued upon the First Conversion, (i) 1,012,800,000 new Shares were issued upon the exercise in full of the conversion rights attached to the convertible notes issued by the Company on 9 August 2007, details of which were set out in the announcement of the Company dated 7 August 2007; (ii) 294,490,000 new Shares were issued upon the exercise of the subscription rights attached to the options granted by the Company under the share option scheme adopted by the Company; and (iii) 2,700,000,000 Subscription Shares were issued upon completion of the Share Subscription.

Changes in the issued capital of the Company during the period commencing from 7 August 2007 (being the latest practicable date for the purpose of the Circular) and ending on the date of this announcement are as follows:

<b>Date</b>	<b>Issued share capital</b>	<b>Number of issued Shares</b>
7 August 2007 (being the latest practicable date for the purpose of the Circular)	HK\$670,190,363.2	6,701,903,632
10 August 2007 (being the date of issue of the new Shares upon the exercise in full of the conversion rights attached to the convertible notes of the Company issued on 9 August 2007, details of which were set out in the announcement of the Company dated 7 August 2007)	HK\$771,470,363.2	7,714,703,632
29 August 2007 (being the date of issue of the new Shares upon exercise of the subscription rights attached to the options granted by the Company)	HK\$800,919,363.2	8,009,193,632
3 October 2007 (being the date of issue of the Subscription Shares)	HK\$1,070,919,363.2	10,709,193,632

29 October 2007

HK\$1,220,919,363.2

12,209,193,632

(being the date of this announcement and the date of issue of the First Tranche Conversion Shares in relation to the First Conversion)

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

Hong Kong, 29 October 2007

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yang, Mr. Chan Wing Yuen, Hubert and Mr. Lam Cheung Shing, Richard; and the independent non-executive directors of the Company are Mr. Wong Hon Sum, Ms. Ha Ping and Dr. Tang Tin Sek.*