



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 MONTHLY ANNOUNCEMENT

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 announcements of the Company dated 6 July 2007 and 29 October 2007, as well as 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.

As at the date of this announcement, the Company has issued part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$200,000,000, details of which are set out as follows:

Date of issue	Principal amount
23 October 2007	HK\$100,000,000
24 October 2007	HK\$50,000,000
30 October 2007	HK\$50,000,000
Total	<u>HK\$200,000,000</u>

As at the date of this announcement, four conversion notices were received exercising the conversion right attached to the First Tranche Convertible Notes in the aggregate principal amount of HK\$200,000,000 (the “**Conversion**”), representing the entire amount of the First Tranche Convertible Notes that have been issued by the Company. As a result of the Conversion, an aggregate of 2,000,000,000 First Tranche Conversion Shares were issued by the Company, representing (i) approximately 29.84% 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 18.54% of the issued share capital of the Company immediately prior to the allotment and issue of such First Tranche Conversion Shares; and (iii) approximately 15.64% of the issued share capital of the Company as enlarged by the allotment and issue of such First Tranche Conversion Shares. Details of the Conversion are as follows:

Date of receipt of conversion notice(s)	Number of conversion notice received	Number of First Tranche Conversion Shares issued	Conversion price	Principal amount of the First Tranche Convertible Notes converted	Date of issue of the First Tranche Conversion Shares
26 October 2007	3	1,500,000,000	HK\$0.10	HK\$150,000,000	29 October 2007
30 October 2007	1	500,000,000	HK\$0.10	HK\$50,000,000	31 October 2007
Total:		<u>2,000,000,000</u>		<u>HK\$200,000,000</u>	

Immediately after the Conversion, there is no outstanding First Tranche Convertible Notes in issue. Pursuant to the terms of First Tranche Option, further convertible notes in the aggregate principal amount of HK\$450,000,000 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 principal 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 31 October 2007, save for the First Tranche Conversion Shares issued upon the 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) 371,490,000 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:

Date	Issued share capital	Number of issued Shares
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 (being the date of issue of the First Tranche Conversion Shares in relation to the conversion notices received on 26 October 2007)	HK\$1,220,919,363.2	12,209,193,632
30 October 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\$1,228,619,363.2	12,286,193,632
31 October 2007 (being the date of issue of the First Tranche Conversion Shares in relation to the conversion notice received on 30 October 2007)	HK\$1,278,619,363.2	12,786,193,632

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

Hong Kong, 7 November 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.