



# 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 announcements of the Company dated 6 July 2007, 29 October 2007, 7 November 2007 and 5 December 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.

On 24 December 2007, the Company issued part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$300,000,000. On 28 December 2007, the Company issued further part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$100,000,000. On 27 December 2007, four conversion notices were received exercising the conversion rights attached to the First Tranche Convertible Notes in the aggregate principal amount of HK\$300,000,000 (the “**Conversion**”). As a result of the Conversion, an aggregate of 3,000,000,000 First Tranche Conversion Shares were issued by the Company, representing (i) approximately 22.58% of the issued share capital of the Company immediately prior to the allotment and issue of such First Tranche Conversion Shares; and (ii)

approximately 18.42% 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:

<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>
27 December 2007	4	<u>3,000,000,000</u>	HK\$0.10	<u>HK\$300,000,000</u>	28 December 2007
<b>Total:</b>		<u><u>3,000,000,000</u></u>		<u><u>HK\$300,000,000</u></u>	

Immediately after the Conversion, the outstanding principal amount of the First Tranche Convertible Notes amounts to HK\$100,000,000. The subscription rights attached to the First Tranche Option has been exercised in full and all First Tranche Convertible Notes in the aggregate principal amount of HK\$650,000,000 have been issued by the Company. 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 30 November 2007 (being the reference date regarding issued share capital of the Company as set out in the last monthly announcement of the Company in relation to conversion of convertible notes) and ending on the date of this announcement, save for the First Tranche Conversion Shares issued upon the Conversion, no Shares were issued by the Company.

Changes in the issued capital of the Company during the period commencing from 30 November 2007 (being the reference date regarding issued share capital of the Company as set out in the last monthly announcement of the Company in relation to conversion of convertible notes) 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>
30 November 2007 (being the reference date regarding issued share capital of the Company as set out in the last monthly announcement of the Company in relation to conversion of convertible notes)	HK\$1,328,619,363.2	13,286,193,632
28 December 2007 (being the date of issue of the First Tranche Conversion Shares upon the Conversion)	HK\$300,000,000	3,000,000,000
31 December 2007 (being the date of this announcement)	HK\$1,628,619,363.2	16,286,193,632

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

Hong Kong, 31 December 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.*