



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, 29 October 2007, 7 November 2007, 5 December 2007 and 31 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.

During the month of December 2007, the Company issued part of the First Tranche Convertible Notes in the aggregate principal amount of HK\$400,000,000, details of which are set out as follows:

Date of issue	Principal amount
24 December 2007	HK\$300,000,000
28 December 2007	HK\$100,000,000
Total	HK\$400,000,000

During the month of 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:

Date of receipt of conversion notice(s)	Number of conversion notice(s) 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
27 December 2007	4	<u>3,000,000,000</u>	HK\$0.10	<u>HK\$300,000,000</u>	28 December 2007
Total:		<u>3,000,000,000</u>		<u>HK\$300,000,000</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 month of December 2007, 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 month of December 2007 are as follows:

Date	Issued share capital	Number of issued Shares
1 December 2007	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\$1,628,619,363.2	16,286,193,632
As at 31 December 2007	<u>HK\$1,628,619,363.2</u>	<u>16,286,193,632</u>

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

Hong Kong, 3 January 2008

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.