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## **INTERCHINA HOLDINGS COMPANY LIMITED**

**國 中 控 股 有 限 公 司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 202)**

### **MAJOR TRANSACTION**

### **TERMINATION OF TRANSACTION**

Reference is made to the announcement of the Company dated 5 August 2008.

The Board would like to announce that the Group had terminated the Disposal.

Reference is made to the announcement of the Company dated 5 August 2008 (the “**Announcement**”). Unless otherwise defined, terms used in this announcement shall have the same meaning as the aforesaid announcement of the Company.

As set out in the Announcement, CIC, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement on 3 August 2008 in relation to the Disposal (being disposal of the Land) at the Consideration (being RMB474,266,500), which shall be satisfied in cash. The Disposal was approved by the Shareholders at the EGM held on 19 September 2008.

As at the date of this announcement, the Group has honoured its obligations to procure satisfaction of all conditions precedent to the Disposal, being (i) the approval of CIC’s shareholders in relation to the Agreement and the transactions contemplated thereunder; and (ii) the approval of the Shareholders at the EGM in relation to the Agreement and the transactions contemplated thereunder.

Pursuant to the Agreement, (i) the Purchaser was entitled to conduct a due diligence review on the Land within 5 business days after the date of the Agreement; (ii) the Deposit (in the amount of RMB60,000,000) is payable within 3 business days after completion of the due diligence review. So far, the due diligence review has been commenced for more than three months and the Group has made various requests to the Purchaser requesting it to honour its obligations under the Disposal Agreement, including completion of the due diligence review and payment of the Deposit. However, the Group has not received any reply from the Purchaser. Accordingly, the Board consider it in the best interests of the Company and the Shareholders as a whole to terminate the Disposal. A notice of termination was sent to the Purchaser on 31 October 2008. The Directors do not consider such termination would have any material adverse effect on the financial position and operations of the Group.

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

Hong Kong, 4 November 2008

*As at the date of this announcement, the executive Directors are Mr. Zhang Yang, Mr. Zhu Yongjun, 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.*