



INTERCHINA HOLDINGS COMPANY LIMITED

國中控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that there may be a substantial increase in the loss of Group for the six months ended 30 September 2008 as compared with that for the last corresponding period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Interchina Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”)

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on preliminary assessment of the management accounts of the Group and information currently available to the Company, there may be a substantial increase in the loss of Group for the six months ended 30 September 2008 as compared with that for the last corresponding period, which is mainly due to an unrealised fair value loss of approximately HK\$270 million on the Group’s property investment in the PRC and an impairment loss of approximately HK\$222 million on the Group’s investment in China Pip Group Limited (“China Pipe”). The unrealised loss on the fair value remeasurement of property investment was resulted from the exceptionally volatile global financial markets occurred on and around the interim period ended date of the Group on 30 September 2008. In addition, on 15 October 2008, the Company entered into a sale and purchase agreement with an independent third party with respect to the disposal of 29.52% of the issued share capital of China Pipe, for a consideration of HK\$74,000,0000. As a result, an impairment loss of approximately

HK\$222 million on the Group's investment in China Pip will be booked in the interim financial statements for the six months ended 30 September 2008 in accordance with Kong Hong Financial Reporting Standards. Details of the disposal were set out in the Company's announcement dated 17 October 2008. Nevertheless, the Board is of the view that the above losses did not have any material adverse impact on the cash position of the Group.

As the Company is still in the process of finalising the Group's interim results for the six months ended 30 September 2008, the information contained in this announcement is only a preliminary estimate performed by the Board of the Company and is not based on any figures or information audited or reviewed by the Company's auditors. The unaudited interim results of the Group for the six months ended 30 September 2008 is expected to be published on 19 December 2008.

The Board confirms that the Group had not made any investments in accumulator or other types of derivative financial instruments during the six-month period ended 30 September 2008.

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

Hong Kong, 10 December 2008

As at the date of this statement, 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.