



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 year ended 31 March 2009 as compared with that for the last corresponding year.

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**”)

Reference is made to the announcement of the Company dated 10 December 2008 in relation to its unaudited consolidated interim results for the six months ended 30 September 2008 in which the Company announced 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.

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 year ended 31 March 2009, which, would be higher than the Group’s loss for the six months ended 30 September 2008 as well as the last corresponding year. The above preliminary assessment has been made by the Board after taking into account the following key factors:

(1) based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2009, the Group’s results continued to be adversely affected by, among other factors, (i) an unrealised fair value loss of approximately HK\$270 million on the Group’s property investment in the PRC; and (ii) a loss on disposal of the Group’s investment in China Pip Group Limited of approximately HK\$225 million. The unrealised loss on the fair value remeasurement of property investment was resulted from the global financial crisis and downturn of the property markets in China and Hong Kong. (2) on 10 December 2008, the Company entered into a sale and purchase agreement with an independent third party with respect to the disposal of the entire equity interests in and shareholders’ loan due from two

wholly-owned subsidiaries, at a total consideration of RMB330,000,000. As a result, an impairment loss of approximately HK\$235 million on the Group's investment in the two subsidiaries will be booked in the financial statements for the year ended 31 March 2009 in accordance with Kong Hong Financial Reporting Standards. Details of the disposal were set out in the Company's announcement dated 12 December 2008 and 27 April 2009. 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 results for the year ended 31 March 2009, 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 audited results of the Group for the year ended 31 March 2009 is expected to be published before end of May 2009.

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

By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Chairman

Hong Kong, 15 May 2009

As at the date of this statement, the executive Directors are Mr. Lam Cheung Shing, Richard, Mr. Zhu Yongjun and Mr. Chan Wing Yuen, Hubert and the independent non-executive Directors are Ms. Ha Ping, Mr. Ho Yiu Yue Louis and Mr. Ko Ming Tung Edward.