
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Interchina Holdings Company Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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國 中 控 股 有 限 公 司

INTERCHINA HOLDINGS COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Interchina Holdings Company Limited to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10 a.m. on 30 July 2010 (Friday) is enclosed. A form of proxy is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Hong Kong share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meetings should you so wish.

30 June 2010

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RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM Notice”	notice of the Annual General Meeting which is set out on pages 14 to 18 of this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10 a.m. on 30 July 2010 (Friday), to consider and, if appropriate, to approve the resolutions to be proposed at the Annual General Meeting or any adjournment thereof;
“Articles of Association”	the articles of association of the Company and references to “ Articles ” shall be construed accordingly;
“associate(s)”	has the same meaning as ascribed in the Listing Rules;
“Board”	the board of Directors;
“Code”	the Hong Kong Code on Takeovers and Mergers;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Interchina Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Scheme Mandate Limit”	202,861,936 Shares, being the maximum number of Shares that may be allotted and issued pursuant to the exercise of Options, which was approved by the Shareholders at the extraordinary general meeting of the Company held on 17 May 2008;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 18 August 2009 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 18 August 2009;

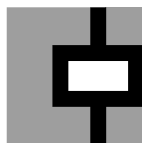
DEFINITIONS

“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 18 August 2009 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 18 August 2009;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	25 June 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme;
“PRC”	the People’s Republic of China, which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed issue mandate;
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme;
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed repurchase mandate;
“Retiring Directors”	Mr. Zhang Chen, Mr. Zhu Yongjun and Ms. Ha Ping

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options – which shall mean (i) in aggregate not exceeding 10% of the Shares in issue as at the date of the adoption of the Share Option Scheme; or (ii) if such limit in (i) above is to be refreshed thereafter, not exceeding 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 2 September 2002;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Terminated Scheme”	the share option scheme of the Company adopted on 25 July 2000 and terminated by an ordinary resolution of the Shareholders passed on 2 September 2002;
“%”	per cent.

LETTER FROM THE BOARD



國 中 控 股 有 限 公 司
INTERCHINA HOLDINGS COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

Executive Directors:

Mr. Lam Cheung Shing, Richard
Mr. Zhu Yongjun
Mr. Zhang Chen

Registered office:

Room 701, 7/F
Aon China Building
29 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Ms. Ha Ping
Mr. Ho Yiu Yue, Louis
Mr. Ko Ming Tung, Edward
Dr. Fu Tao

30 June 2010

*To the Shareholders, and for information only,
holders of options of the Company and
holders of convertible notes of the Company*

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (a) proposed re-election of the Retiring Directors; (b) the grant to the Directors of the Proposed Issue Mandate; (c) the grant to the Directors of the Proposed Repurchase Mandate; (d) the extension of the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate; (e) the Proposed Refreshment; and (f) the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Articles of Association, Mr. Zhang Chen, Mr. Zhu Yongjun and Ms. Ha Ping shall retire from office. All of the Retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biographies of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 18 August 2009, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

Ordinary resolutions set out as resolutions 4(1)(d) and 4(2)(c) in the AGM Notice will be proposed at the Annual General Meeting to revoke the Existing Issue Mandate and the Existing Repurchase Mandate respectively. Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4(1)(a), (b), (c) and (e) and resolutions 4(2)(a), (b) and (d) in the AGM Notice respectively will also be proposed at the Annual General Meeting. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto. As at the Latest Practicable Date, the number of Shares in issue was 2,764,219,363 Shares. Subject to the passing of the resolution granting the Proposed Issue Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 552,843,872 Shares upon exercise of the Proposed Issue Mandate in full.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

PROPOSED REFRESHMENT

The Share Option Scheme was adopted by the Company pursuant to the ordinary resolution of the Shareholders on 2 September 2002. The purpose of the Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

LETTER FROM THE BOARD

Under the Existing Scheme Mandate Limit, the number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme or other schemes of the Company is 202,861,936 Shares, representing 10% of the issued share capital of the Company as at 17 May 2008, being the date of passing of the relevant Shareholders' resolution approving the Existing Scheme Mandate Limit. Subject to the prior approval by the Shareholders, the Company may, at any time, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of such Shareholders' approval.

An ordinary resolution was passed by the Shareholders on 2 September 2002 for the adoption of the Share Option Scheme and termination of the Terminated Scheme. Apart from the Share Option Scheme and the Terminated Scheme, the Company has no other share option scheme. As at the Latest Practicable Date, no option was outstanding under the Terminated Scheme. No further options may be granted under the Terminated Scheme. Options previously granted under the Share Option Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Proposed Refreshment.

Set out below are the particulars regarding the Options since the approval of the Existing Scheme Mandate Limit (unless otherwise specified):

	Number of Shares regarding the Options
Granted:	156,800,000
Exercised:	70,600,000
Cancelled:	0
Lapsed:	1,000,000
Outstanding in respect of the Options granted from the date of approval of the Existing Scheme Mandate Limit:	85,200,000
Outstanding (cumulative in respect of Options granted since the adoption of the Share Option Scheme):	93,000,000
Unused Existing Scheme Mandate Limit	46,061,936

As at the Latest Practicable Date, the total number of Shares in issue was 2,764,219,363 Shares. Subject to the approval of the Proposed Refreshment and assuming no further Shares will be issued or repurchased prior to the Annual General Meeting, the maximum number of Shares which may be issued upon the exercise of all options to be granted pursuant to the Proposed Refreshment will be 276,421,936 Shares.

Pursuant to Rule 17.03(3) of the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme, the Terminated Scheme and other share option schemes of the Company shall not exceed 30% of the Shares in issue from time to time. As at the Latest Practicable Date, there were total outstanding Options to subscribe for 93,000,000 Shares and yet to be

LETTER FROM THE BOARD

exercised under the Share Option Scheme, representing approximately 3.36% of the issued share capital of the Company. The Board undertakes that no options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of further Options so as to provide incentives to, and recognise the contributions of, the eligible participants. The Board therefore decided to seek the approval of the Shareholders at the Annual General Meeting to refresh the Scheme Mandate Limit.

The Proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the Annual General Meeting to approve the Proposed Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under the existing Articles of Association, if there is no chairman of the Directors or if at any general meeting such chairman shall not be present within 15 minutes after the time appointed for holding of such meeting, the Shareholders present and entitled to vote shall choose another Director as chairman. Since any vote of Shareholders at a general meeting must be taken by way of poll, the existing arrangement may incur additional time and cost in conducting the general meeting. Thus, the Board proposes that amendments be made to the Articles of Association such that if there is no such chairman or if at any general meeting the chairman of the Directors shall not be present within 15 minutes, the Directors present shall choose a Director to be chairman of the general meeting. The Board believes that the proposed arrangement is up to date and in line with current practice in Hong Kong.

Details of the proposed amendments to the Articles of Association are set out in resolution no. 5 in the AGM Notice on page 18 of this circular. The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10 a.m. on 30 July 2010 (Friday) is set out on pages 14 to 18 of this circular. Pursuant to Rules 13.39(4) to

LETTER FROM THE BOARD

13.39(5) of the Listing Rules, any voting of the Shareholders at the Annual General Meeting will be taken by way of poll and an announcement on the poll results of the Annual General Meeting will be made by the Company after the Annual General Meeting.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

RECOMMENDATIONS

The Directors consider that the proposed resolutions for approval of (a) proposed re-election of the Retiring Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; (d) to extend the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate; (e) the Proposed Refreshment; and (f) the proposed amendments to the Articles of Association are in the interests of the Company, the Shareholders and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Executive Director and Chief Executive Officer

This appendix sets out the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the Annual General Meeting.

(1) Mr. Zhang Chen

Mr. Zhang Chen (“**Mr. Zhang**”), aged 49, was appointed as an executive Director in June 2010. He studied finance management in Shanghai Finance Institute. He worked in Shanghai Finance Bureau from 1985 to 1988, and had more than 20 years of experience in business planning and development of foreign enterprises in the PRC. He was appointed as a director and chairman of 上海商聚投資管理有限公司 (Shanghai Shangju Investment Management Company Limited) since 2004. He is brother of Mr. Zhang Yang who is a substantial shareholder of the Company.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Zhang has not held any directorship in other listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group; and (b) Mr. Zhang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

The Company has not entered in to any service contract with Mr. Zhang and Mr. Zhang had not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Zhang is entitled to an annual directors’ fee of approximately HK\$360,000. He is also entitled to a discretionary bonus and reasonable out-of-pocket expenses. His emoluments will be determined by the Board with reference to Mr. Zhang’s duties and responsibilities as well as the Company’s remuneration policy. As at the Latest Practicable Date, Mr. Zhang has personal interest in 6,000,000 Shares (representing approximately 0.22% of the issued share capital of the Company) within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no information in relation to Mr. Zhang which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Mr. Zhang that need to be brought to the attention of the Shareholders.

(2) Mr. Zhu Yongjun

Mr. Zhu Yongjun (“**Mr. Zhu**”), aged 42, was appointed as an executive Director and deputy chairman of the Company in May 2008. Mr. Zhu is the chairman and a director of Heilongjiang Interchina Water Treatment Company Limited (黑龍江國中水務股份有限公司), a 70.2% subsidiary of the Company and a company listed on the Shanghai Stock Exchange of the PRC, since January 2009. Mr. Zhu was also appointed as an executive director of China Pipe Group Limited, the issued shares of which are listed on the Stock Exchange, during the period from June 2007 to February 2009. Mr. Zhu obtained his master degree of business administration from Peking University after graduated from Hunan University in 1989. He has over 15 years of experience in business planning, management and fund raising. Save as disclosed herein, Mr. Zhu had not held any directorship in any other public companies in the past three years and did not held any other position in the Group as at the Latest Practicable Date.

The Company has not entered in to any service contract with Mr. Zhu and Mr. Zhu had not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. The aggregate emoluments paid to Mr. Zhu for the year ended 31 March 2010 amounted to approximately HK\$2,430,000. Mr. Zhu emoluments were determined by the Board with reference to Mr. Zhu's duties and responsibilities as well as the Company's remuneration policy. Save as being an executive Director and deputy chairman of the Company, Mr. Zhu did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhu was deemed to be interested in 20,200,000 Shares within the meaning of Part XV of the SFO, of which the Shares to be allotted and issued to Mr. Zhu upon the exercise in full of the Options granted to Mr. Zhu.

Save as disclosed herein, there is no information in relation to Mr. Zhu which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Mr. Zhu that need to be brought to the attention of the Shareholders.

(3) Ms. Ha Ping

Ms. Ha Ping ("Ms. Ha"), aged 45, was appointed as an independent non-executive Director in May 2000. Ms. Ha received her honorary doctorate from Queen's University of Brighton. Ms. Ha is the chairman of All Leaders Publication Group Limited and was an independent non-executive director of a Smart Energy Finance (Holdings) Limited during the period from June 2000 to May 2007, the issued shares of which are listed on the Stock Exchange. Save as disclosed herein, Ms. Ha had not held any directorship in any other public companies in the past three years and did not held any other position in the Group as at the Latest Practicable Date.

The Company has not entered in to any service contract with Ms. Ha and Ms. Ha had not been appointed for a specific term, but she is subject to retirement by rotation and re-election in accordance with the Articles of Association. The aggregate emoluments paid to Ms. Ha for the year ended 31 March 2010 amounted to approximately HK\$360,000. Ms. Ha emoluments were determined by the Board with reference to Ms. Ha's duties and responsibilities as well as the Company's remuneration policy. Save as being an independent non-executive Director, Ms. Ha did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Ha was deemed to be interested in 2,500,000 Shares within the meaning of Part XV of the SFO, of which the Shares to be allotted and issued to Ms. Ha upon the exercise in full of the Options granted to Ms. Ha.

Save as disclosed herein, there is no information in relation to Ms. Ha which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters in relation to the proposed re-election of Ms. Ha that need to be brought to the attention of the Shareholders.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

(1) Share Capital

As at the Latest Practicable Date, the number of Shares in issue was 2,764,219,363 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 276,421,936 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(2) Source of Funds

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Articles of Association and the laws of Hong Kong, the jurisdiction in which the Company is incorporated.

(3) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company for year ended 31 March 2010, being the date to which the latest published accounts of the Company were made up. The Directors do not propose to exercise the general mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

(4) Share Prices

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Price per Share	
	Highest HK\$	Lowest HK\$
2009		
June (<i>Note 1</i>)	0.68A	0.47A
July	1.12A	0.51A
August	1.35A	0.80A
September	0.99A	0.73A
October	0.95A	0.79A
November (<i>Note 2</i>)	1.08A	0.82A
December	1.28A	0.96A
2010		
January	1.13A	0.85A
February	0.91A	0.82A
March (<i>Note 3</i>)	1.07A	0.92A
April	0.94A	0.64
May	0.94	0.67
June (up to and including the Latest Practicable Date)	0.92	0.73

A = adjusted

Notes:

1. Trading in the Shares was suspended since 10 February 2009 and was resumed on 4 June 2009.
2. Trading in the Shares was suspended since 4 November 2009 and was resumed on 13 November 2009.
3. Trading in the Shares was suspended since 5 March 2010 and was resumed on 9 March 2010.

(5) General

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong, as well as the regulations set out in the memorandum and Articles of Association.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, no Shareholder would be required to make a mandatory offer under Rule 26 of the Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



國 中 控 股 有 限 公 司
INTERCHINA HOLDINGS COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

NOTICE IS HEREBY GIVEN that an annual general meeting of Interchina Holdings Company Limited (“**Company**”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10 a.m. on 30 July 2010 (Friday) at (or an adjournment thereof) for the following purposes:

1. To receive and consider the audited financial statements and the report of the directors and auditors for the year ended 31 March 2010;
2. To re-elect directors who offer themselves for re-election and to authorise the board of directors to fix their remuneration;
3. To re-appoint HLB Hodgson Impey Cheng as the auditors of the Company and to authorise the board of directors to fix their remuneration;
4. To consider and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:–
- (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

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“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

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- (3) “**THAT** conditional upon the passing of the Resolutions 4(1) and 4(2) as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 4(1) above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(2) above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”
- (4) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company (the “**Shares**”) which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the share option scheme of the Company adopted on 2 September 2002 (the “**Share Option Scheme**”) representing 10 per cent. of the issued share capital of the Company as at the date on which this Resolution is passed, pursuant to the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (the “**Refreshed Scheme Mandate Limit**”) provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date on which this Resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit); and
- (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, to pass the following resolution with or without amendments as special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** the articles of association of the Company be and are hereby amended by deleting existing article 71 in its entirety and replacing it with the following new article 71:

“The Chairman of the Directors shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within fifteen minutes after the time appointed for holding such meeting, the Directors present shall choose one of them to act, or if one Director only is present, he shall preside as Chairman if willing to act. If no Director be present, or if all Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present and entitled to vote shall choose one of their own number to be Chairman.””

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

Hong Kong, 30 June 2010

Registered office:

Room 701, 7/F
Aon China Building
29 Queen’s Road Central
Hong Kong

Notes:–

1. A shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the annual general meeting (“**AGM**”) may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a Shareholder.
2. Where there are joint registered holders of any share of HK\$0.10 each in the capital of the Company (“**Share**”), any one such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM.
4. As at the date of this notice, the board of directors of the Company consists of Mr. Lam Cheung Shing, Richard, Mr. Zhu Yongjun and Mr. Zhang Chen (all being executive directors), and Ms. Ha Ping, Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Dr. Fu Tao (all being independent non-executive directors).