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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)

COMPLETION OF PLACING OF CONVERTIBLE NOTES

The Directors are pleased to announce that all the Placing Conditions Precedent for the placing of the Convertible Notes under the Placing Agreement were fulfilled and that the placing of the Convertible Notes in the aggregate principal amount of HK\$495,000,000 has been completed on 8 October 2010 pursuant to the terms of the Placing Agreement.

Reference is made to the Company's announcement dated 16 September 2010 (the "Announcement") in relation to, among other things, the Placing. Terms defined in the Announcement shall have the same meaning when used in this announcement unless otherwise stated.

COMPLETION OF PLACING OF CONVERTIBLE NOTES

The Directors are pleased to announce that all the Placing Conditions Precedent for the placing of the Convertible Notes (the "Convertible Notes") in an aggregate principal amount of HK\$495,000,000 under the Placing Agreement were fulfilled and that the placing of the Convertible Notes has been completed on 8 October 2010 pursuant to the terms of the Placing Agreement. The Convertible Notes have been placed by the Placing Agent to more than six Placees. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placees and their ultimate beneficial owners, are third parties independent of and not connected with the Company and Connected Persons of the Company and not acting in concert (as such term is defined in Takeovers Code) with Connected Persons of the Company.

Upon full conversion of all Convertible Notes in issue in the aggregate principal amount of HK\$495,000,000 at the initial conversion price of HK\$0.90, a total of 550,000,000 Conversion Shares will be issued, representing approximately 19.22% of the existing issued share capital of the Company comprising 2,861,219,363 Shares and approximately 16.12% of the Company's issued share capital as enlarged by the issue of the Conversion Shares (assuming there being no other change in the issued share capital of the Company from the date of this announcement up to the date of such conversion).

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full conversion of the Convertible Notes are as follows:

	As at the date of this announcement		Immediately after the full conversion of the Convertible Notes	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Zhang Yang	534,296,500	18.67	534,296,500	15.66
Citigroup Inc.	162,193,035	5.67	162,193,035	4.75
Public Shareholders				
Placees	-	-	550,000,000	16.12
Other Shareholders	2,164,729,828	75.66	2,164,729,828	63.47
TOTAL	<u>2,861,219,363</u>	<u>100.00</u>	<u>3,411,219,363</u>	<u>100.00</u>

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

Hong Kong, 8 October 2010

As at the date of this announcement, the executive Directors are Mr. Lam Cheung Shing, Richard, Mr. Zhu Yongjun and Mr. Zhang Chen; and the independent non-executive Directors are Ms. Ha Ping, Mr. Ho Yiu Yue, Louis and Mr. Ko Ming Tung, Edward and Dr. Fu To.