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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)

MEMORANDUM OF UNDERSTANDING RELATING TO THE FORMATION OF A JOINT VENTURE WITH NORTHWEST NONFERROUS INTERNATIONAL INVESTMENT CO., LTD

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

On 10 January 2011, the Company entered into a MOU with NWII in relation to the formation of the JV. The signing of the MOU indicated the mutual understanding and intention of both parties to further explore the potential possibility of investment in mineral resources exploration projects. The terms of the MOU are not legally-binding except the clauses of exclusivity and public announcement.

As at the date of this announcement, no legally binding agreement has been entered into between the Company and the NWII in relation to the formation of the JV. The Company will comply with the relevant requirements under the Listing Rules, including making further announcements if it decides to proceed with the transaction contemplated under the MOU.

It should be noted that the formation of the JV is still subject to, among others, the signing of JV agreement. Accordingly, the formation of the JV may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the Shares.

This announcement is made by Interchina Holdings Company Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Memorandum of Understanding

On 10 January 2011, the Company entered into the memorandum of understanding (the “**MOU**”) with Northwest Nonferrous International Investment Company Limited (“**NWII**”) in relation to the formation of a joint venture (the “**JV**”) in Hong Kong for the purpose of seeking favourable mineral resources exploration projects worldwide, conducting evaluation and feasibility studies for the potential projects, providing consultation and management, and / or investment in projects. To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company (the “**Directors**”), NWII and its ultimate beneficial owner(s) are third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company. The signing of the MOU indicated the mutual understanding and intention of both parties to further explore the potential possibility of investment in mineral resources exploration projects, the MOU are not legally-binding except the clauses of exclusivity and public announcement.

Pursuant to the MOU, the JV will be owned as to 80% and 20% by the Company and NWII, respectively at the initial stage. In terms of the contribution of each party, the Company shall contribute at least HK\$10,000,000 in cash within one month after the date of the incorporation of the JV, while NWII shall be provide the necessary technical support. Both party also agreed to employ the responsible technical team of NWII to deal with all technology-related matters of the JV.

NWII is a limited company established in the People’s Republic of China (the “**PRC**”) and a wholly-owned subsidiary of 西北有色地質礦業集團有限公司 (Northwest Mining and Geological Exploration Group Co. Ltd for Nonferrous Metals) which is a subordinate of 西北有色地質勘査局 (Northwest Mining and Geological Exploration Bureau for Nonferrous Metals). The Company considers that given the cooperation party is experienced in investment, development, exploration and construction of mining resources projects in the PRC and overseas, forming the JV with NWII will not only provide a solid technical support to the Group for the project, but also assist the Group in developing the natural resources business, so as to strengthen the Group’s profit in the long run.

As at the date of this announcement, no legally binding agreement has been entered into between the Company and NWII in relation to the formation of the JV. The Company will comply with the relevant requirements under the Listing Rules, including making further announcements if it decides to proceed with the transaction contemplated under the MOU.

It should be noted that the formation of the JV is still subject to, among others, the signing of JV agreement. Accordingly, the formation of the JV may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 10 January 2011

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.