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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)

VOLUNTARY ANNOUNCEMENT

DISPOSAL OF 25% EQUITY INTEREST IN QINHUANGDAO SEWAGE

This is a voluntary announcement made by Interchina Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Disposal

The board of directors of the Company (the “**Board**”) announces that on 28 January 2013, Interchina Water Treatment Company Limited (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company and Interchina Water Treatment Hong Kong Company Limited (the “**Purchaser**”), an directly wholly-owned subsidiary of Heilongjiang Interchina Water Treatment Company Limited (“**Heilongjiang Interchina**”) entered into a share transfer agreement (the “**Share Transfer Agreement**”) pursuant to which the Vendor has agreed to dispose 25% equity interest in Interchina (Qinhuangdao) Sewage Treatment Company Limited (“**Qinhuangdao Sewage**”) to the Purchaser at a consideration of RMB22,850,000 (equivalent to approximately HK\$28,562,500) (the “**Disposal**”).

Qinhuangdao Sewage is a limited liability company incorporated in the PRC which is principally engaged in the provision of sewage treatment services in Haigang District of Qinhuangdao in Hebei Province. As at the date of the Share Transfer Agreement, Qinhuangdao Sewage is owned as to 75% by Heilongjiang Interchina and as to 25% by the Vendor whereas Heilongjiang Interchina is a 43.78%-owned associate company of the Company. Therefore, the Company also simultaneously has 32.835% indirect equity interest in Qinhuangdao Sewage through the holding interest in Heilongjiang Interchina.

Upon completion of the Disposal, the Company would not have any directly interest in Qinhuangdao Sewage and Qinhuangdao Sewage will become a wholly-owned subsidiary of Heilongjiang Interchina. Therefore, the Company would only have 43.78% indirect equity

interest in Qinhuangdao Sewage through the holding 43.78% equity interest in Heilongjiang Interchina.

The Disposal should not have any material impact on the operation of the Group. The Share Transfer Agreement was determined after arms' length negotiations between the Vendor and the Purchaser. The directors of the Company are of the view that the terms of the Sale and Purchase Agreement are under normal commercial terms, fair and reasonable and are in the interest of the Company and its shareholders as a whole.

General

The transaction contemplated under the Sale and Purchase Agreement does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor any connected transaction under Chapter 14A of the Listing Rules. However, the Company would like to make this voluntary announcement to update its shareholders and investors of the recent development of the Group.

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

Hong Kong, 28 January 2013

The exchange rate used for the purpose of this announcement is at RMB1 = HK\$1.25

As at the date of this announcement, the executive Directors are Mr. Jiang Zhaobai, Mr. Shen Angang, Mr. Lam Cheung Shing, Richard, Mr. Zhu Yongjun, Mr. Zhu Deyu and Mr. Lu Yaohua, and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Chen Yi, Ethan.