
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, stockbroker or other agent through whom the sale 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)

MAJOR TRANSACTION

A letter from the board of directors of Interchina Holdings Company Limited (the "Company") is set out on pages 3 to 9 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Lavender Room, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong on 19 September 2008 at 9:00 a.m. are set out on pages 25 to 26 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular.

Whether or not you are able to attend the extraordinary general meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to 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 the holding of the extraordinary general meeting or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the extraordinary general meeting or any adjourned meeting in person if you so wish.

26 August 2008

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DEFINITIONS

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

“Agreement”	a conditional sale and purchase agreement entered into between CIC and the Purchaser on 3 August 2008 in relation to the Disposal
“Board”	the board of Directors
“Completion”	completion of the Disposal
“Conditions Fulfilment Date”	the date on which all conditions precedent to the Disposal have been fulfilled
“Consideration”	the total consideration for the sale and purchase of the Land, being RMB474,266,500
“CIC”	長沙國中星城置業有限公司 (Changsha Interchina Star City Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company
“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
“Deposit”	RMB60,000,000, which constitutes part of the Consideration
“Directors”	the directors of the Company
“Disposal”	the disposal of the Land
“EGM”	extraordinary general meeting of the Company to be held to consider and to approve, among others, the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Land”	three parcels of land (Lot No. 1999983 located at Land Parcel R-18 South, Lot No. 1999985 located at Land Parcel R-11 West and Lot No. 1999986 located at Land Parcel R-11 East, New Sports City) situated on the south of the City Sports Park, north of Qutang Road, west of Baishawan Road and east of Gaoling Road, Yuhua District, Changsha, the PRC (長沙市雨花區市體育公園以南，曲塘路以北，白沙灣路以西，高嶺路以東) with an aggregate area of approximately 214,254.87 sq. m.
“Latest Practicable Date”	21 August 2008, 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
“PRC”	the People’s Republic of China
“Purchaser”	廣州市廣域實業有限公司 (Guangzhou Guang Yu Enterprises Limited*)
“Relocation Company”	長沙市土地開發建設有限責任公司 (Changsha City Land Development and Construction Company Limited*), the company shall be responsible for carrying out the relocation of remaining occupants on the Land
“SFO”	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
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metre

* for identification purpose only

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. Zhang Yang (*Chairman*)
Mr. Zhu Yongjun (*Deputy Chairman*)
Mr. Chan Wing Yuen, Hubert
Mr. Lam Cheung Shing, Richard

Registered office:

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

Independent non-executive Directors:

Mr. Wong Hon Sum
Ms. Ha Ping
Dr. Tang Tin Sek

26 August 2008

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

Dear Sir or Madam,

MAJOR TRANSACTION

INTRODUCTION

On 3 August 2008, CIC, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement in relation to the Disposal (being the disposal of the Land) at the Consideration (being RMB474,266,500), which shall be satisfied in cash.

The Disposal constitutes a major transaction for the Company under the Listing Rules and Completion is subject to the approval of the Shareholders at the EGM. As at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder will be required to abstain from voting at the EGM.

The purpose of this circular is to provide you with information in respect of, among other things, details of the Agreement and the transactions contemplated thereunder, the valuation report of the Land and a notice of the EGM.

LETTER FROM THE BOARD

THE AGREEMENT

Date

3 August 2008

Parties

Vendor : CIC, which is owned (i) as to 38.89% by the Company; and (ii) as to 61.11% by 國中(長沙)體育新城投資項目管理有限公司 (Interchina (Changsha) Investments and Management Company Limited), itself a wholly-owned subsidiary of the Company

Purchaser : the Purchaser, being 廣州市廣域實業有限公司 (Guangzhou Guang Yu Enterprises Limited*). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons (as defined in the Listing Rules). To the best of the Directors' knowledge each of the Purchaser, its ultimate beneficial owners and their respective associates (as defined in the Listing Rules) did not hold any Share as at the Latest Practicable Date. As informed by the Purchaser, the Purchaser is principally engaged in real estate development.

Assets to be disposed

The Land, being three parcels of land (Lot No. 1999983 located at Land Parcel R-18 South, Lot No. 1999985 located at Land Parcel R-11 West and Lot No. 1999986 located at Land Parcel R-11 East, New Sports City) situated on the south of the City Sports Park, north of Qutang Road, west of Baishawan Road and east of Gaoling Road, Yuhua District, Changsha, the PRC (長沙市雨花區市體育公園以南, 曲塘路以北, 白沙灣路以西, 高嶺路以東) with an aggregate area of approximately 214,254.87 sq. m.

As at the Latest Practicable Date, the Land had not yet been developed. Relocation of certain existing occupants (拆遷) are still in progress.

As at the Latest Practicable Date, the Land was under a charge to secure a bank loan obtained by the Group in the aggregate amount of RMB45,000,000 (the "**Bank Loan**").

Conditions precedent

The Disposal is subject to the following conditions:

1. the approval of CIC's shareholders in relation to the Agreement and the transactions contemplated thereunder having been obtained; and
2. the approval of the Shareholders at the EGM in relation to the Agreement and the transactions contemplated thereunder having been obtained.

LETTER FROM THE BOARD

As at the Latest Practicable Date, condition 1 above had been satisfied.

Other terms of the Agreement

1. Due diligence review

The Purchaser shall be entitled to conduct a due diligence review on the Land within 5 business days after the date of the Agreement. In the event the Purchaser is not satisfied with the results of the due diligence review, the Purchaser shall be entitled to terminate the Agreement.

As at the Latest Practicable Date, the due diligence review on the Land had not yet been completed, no repayment of the Bank Loan had been made and new land use right certificate of the Land had not been issued in the name of the Purchaser.

2. Relocation of remaining occupants

CIC shall be responsible for relocation of the remaining occupants. It shall procure execution of an agreement by CIC, the Purchaser and the Relocation Company within 15 days after the Conditions Fulfilment Date in relation to the relocation of the remaining occupants. CIC shall be solely responsible for the relocation costs in the amount below RMB55,000,000. In the event the relocation costs exceed RMB55,000,000, CIC shall bear 90% of the excess amount while the Purchaser shall bear 10% of the excess amount.

3. Payment of loan and documentation

Within 5 days after receipt of the Deposit (being RMB60,000,000), RMB15,000,000 shall be applied to pay up outstanding construction fees and RMB45,000,000 shall be applied to repay the Bank Loan in order to release the charge on the Land.

Within 40 days after the Conditions Fulfilment Date, CIC shall procure transfer of the land use right of the Land to the Purchaser and that the new land use right certificate be issued in the name of the Purchaser. In the event the new land use right certificate has not been obtained within 90 days after the Conditions Fulfilment Date, the Purchaser shall be entitled to terminate the Agreement and CIC shall pay an amount equivalent to 200% of the Deposit to the Purchaser.

Delivery of Land

Within 15 days after the Condition Fulfilment Date, CIC shall deliver the Land (except such portion which is still subject to relocation as set out in the paragraph headed “2. Relocation of remaining occupants” above) to the Purchaser.

In relation to the delivery of such portion of Land which is subject to relocation as set out in the paragraph headed “2. Relocation of remaining occupants” above, the Relocation Company shall be responsible for delivery.

LETTER FROM THE BOARD

Consideration

The Consideration in the amount of RMB474,266,500 is to be payable in cash, of which:

- (1) RMB160,000,000 (the “**First Instalment**”, which shall have included the Deposit in the amount of RMB60,000,000) shall be payable within 3 business days after the date on which the new land use right certificate of the Land has been obtained. The Deposit, however, is payable within 3 business days after completion of the due diligence review conducted by the Purchaser in accordance with the paragraph headed “1. Due diligence review” above;
- (2) RMB205,000,000 shall be payable within 3 months after payment of the First Instalment; and
- (3) RMB109,266,500 shall be payable after all costs and expenses in relation to, among others, the relocation of remaining occupants of the Land and repayment of outstanding loan (if any) in relation to the Land have been made. The aforesaid costs, expenses and repayments payable in relation to the Land (if any) shall be deducted and set off against such instalment of the Consideration. In the event the amount of such costs, expenses and repayments exceeds such instalment amount, CIC shall reimburse the Purchaser of the excess.

As at the Latest Practicable Date, no Consideration had been received by CIC.

As at the Latest Practicable Date, the construction area of the Land amounted to approximately 417,515 sq. m. and such amount has been warranted by CIC to the Purchaser in the Agreement. At the request of the Purchaser for its protection upon any breach of such warranty, it was agreed between CIC and the Purchaser that in the event the government shall reduce the construction area of the Land within 4 months after Completion, the Consideration shall be subject to reduction. It is intended that the Consideration be reduced by RMB1,100 per sq. m. in the event of any reduction of the construction area. As at the Latest Practicable Date, the Board did not expect there would be any material adjustment to the Consideration based on the above. In the event there should be any adjustment to the Consideration, the Company will publish an announcement to inform the Shareholders and the public.

The Consideration (including the adjustment mechanism) is determined after arm’s length negotiations between CIC and the Purchaser with reference to the valuation of the Land in the amount of RMB420,000,000, details of which are set out in Appendix II to this circular. The above valuation was conducted by a professional valuer which is a third party independent of the Group and its connected person. The Directors consider the terms of the Agreement (including the Consideration and the relevant adjustment mechanism) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

The Group is principally engaged in the investment in environmental protection and water treatment operation and city development and investment operation as well as strategic investment in Hong Kong and the PRC.

The Directors consider that, after the introduction of new macroeconomic control measures on property developers in the PRC and the recent stagnation in the economy, there is an increased uncertainty for favourable return which the Company may obtain from its investment in property development in the PRC. The Directors believe that the Disposal will provide the Group with additional working capital for the existing water treatment operations. The Group will continue to identify business opportunities in property investment in the PRC which will provide a stable and favourable return and as a result enhancing the earning base and investment value of the Group.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited consolidated management accounts of the Group as at 30 June 2008, the net book value of the Land was approximately RMB226,365,000 as at 30 June 2008. It is estimated that, upon completion of the Disposal, the Group will record a net gain, less all related expenses, of approximately RMB246,000,000, subject to the relevant tax expenses and audit adjustment (if any).

Upon Completion, it is estimated that the total assets of the Group will be increased by approximately RMB186,000,000 and the total liabilities of the Group will be decreased by approximately RMB60,000,000, which principally reflects the gain on the Disposal.

FINANCIAL AND TRADING PROSPECTS

Upon Completion, the Group will continue to engage in the environmental protection and water treatment operation, property investment operation and securities and financial operation. The Group will concentrate its investments in environmental protection and water treatment operation and property investment operation to pursue consistent and steady earning growth. Resources will be consolidated in core business and efforts will be made to add value to its assets and increase return from investments in order to maximise Shareholders' value.

USE OF PROCEEDS

Subject to any adjustment to the Consideration as set out above, the net proceeds of the Disposal is expected to amount to approximately RMB412,365,000, which is intended to be used as additional working capital for the Group's environmental protection and water treatment operation as well as for general working capital purpose.

LETTER FROM THE BOARD

GENERAL

The Disposal constitutes a major transaction for the Company under the Listing Rules. The Disposal is subject to the approval of the Shareholders at the EGM. As at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder had a material interest in the Disposal and no Shareholder was required to abstain from voting at the EGM.

The Directors consider that the proposed ordinary resolution for approval of the Disposal as set out in the notice of EGM is in the interests of the Company and the Shareholders as a whole. The Directors consider the Disposal is fair and reasonable. The Directors therefore recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of EGM.

The EGM will be held at Lavender Room, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong on 19 September 2008 at 9:00 a.m.. The notice of EGM is set out on pages 25 to 26 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the form of proxy and return it to the office of the share registrar of the Company in Hong Kong, 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 EGM or any adjourned meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the EGM or any adjourned meeting should you so wish.

Pursuant to article 73 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Pursuant to the circular of the Company and the notice of extraordinary general meeting of the Company dated 13 August 2008, an extraordinary general meeting of the Company has been convened to be held at 9:45 a.m. on 6 September 2008 to consider, and if thought fit, approve the amendment of the articles of association of the Company. This

LETTER FROM THE BOARD

shall include an amendment to article 73 of the articles of association of the Company in relation to the poll procedures at any general meetings of the Company. Such amendment is summarised as follows:

A resolution put to the vote of a general meeting of the Company shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) in accordance with the Listing Rules, by any Director who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at such meeting.

In the event the Shareholders have approved of the amendment of the articles of association of the Company at the above extraordinary general meeting of the Company, the amended provisions of the poll procedures shall apply to the EGM.

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

Yours faithfully,
By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Director and Company Secretary

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this Circular received from RHL Appraisal Ltd., an independent valuer, in connection with their valuation as at 31 July 2008 of the property interest of the Land which is contracted to be disposed by the Group

永利行 評值顧問有限公司 | RHL Appraisal Ltd

Surveying Practices - Corporate Valuation and Property Consultancy
License No.: C-015672

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26 August 2008

The Board of Directors
Interchina Holdings Company Limited
Room 701, 7/F
Aon China Building
29 Queen's Road Central
Hong Kong

Dear Sirs,

Re: Three parcels of land (Lot No. 1999983 located at Land Parcel R-18 South, Lot No. 1999985 located at Land Parcel R-11 West and Lot No. 1999986 located at Land Parcel R-11 East, New Sports City) situated on the south of the City Sports Park, north of Qutang Road, west of Baishawan Road and east of Gaoling Road, Yuhua District, Changsha City, Hunan Province, the People's Republic of China (the "PRC")

INSTRUCTIONS

In accordance with your instructions for us to value the captioned land (the "Land") which is contracted to be disposed to Guangzhou Guang Yu Enterprises Limited (廣州市廣域實業有限公司) (the "Purchaser") by Interchina Holdings Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Land as at 31 July 2008 (the "date of valuation").

BASIS OF VALUATION

Our valuations of the Land represent the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

VALUATION METHODOLOGY

In our valuation, direct comparison method is adopted where comparison based on prices realized on actual sales of comparable land is made assuming sale of the Land in their existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the subject localities as well as the relevant benchmark land prices.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the Land in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the Land.

As the Land is held by the owner on long term land use right contracts, we have assumed that the owner of the Land has free and uninterrupted right to use the Land for the whole of the unexpired term of its land use right period subject to payment of annual land use fees, and all outstanding land premium/purchase consideration (if any).

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Land valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its values.

Other special assumptions of the Land, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

VALUATION CONSIDERATIONS

In valuing the Land, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

TITLE INVESTIGATION

We have been shown copies of various title documents including State-owned Land Use Rights Grant Contract, State-owned Land Use Right Certificates and official plans relating to the Land and have made relevant enquiries. However, we have not examined the original documents to verify the existing titles to the Land in the PRC and any material encumbrances that might be attached to the Land or any lease amendments. We have relied

considerably on the information given by the Group and the Company's PRC legal adviser – Jiao Yang Law Firm of Hunan China (湖南驕陽律師事務所), concerning the validity of the Group's titles to the Land.

LIMITING CONDITIONS

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Land but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
RHL Appraisal Ltd.

Serena S. W. Lau
FHKIS, AAPI, RPS (GP)
Managing Director

Shirley Y. F. Yeung
MEcon BSc (Surveying) MRICS MHKIS RPS (GP)
Associate Director

Ms. Serena S.W.Lau, is a Registered Professional Surveyor with over 17 years' experience in valuation of properties in Hong Kong, the PRC and the Asia Pacific Region. Ms. Lau is an Associate of Australian Property Institute, a Fellow of the Hong Kong Institute of Surveyors as well as a Registered Real Estate Appraiser in the PRC.

Ms. Shirley Y. F. Yeung is a Registered Professional Surveyor with over 8 years' experience in valuation of properties in Hong Kong, the PRC and the Asia Pacific Region. Ms. Yeung is a member of the Royal Institute of Chartered Surveyors as well as a member of the Hong Kong Institute of Surveyors.

VALUATION CERTIFICATE

PROPERTY HELD FOR FUTURE DEVELOPMENT BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 July 2008 RMB										
Three parcels of land (Lot No. 1999983 located at Land Parcel R-18 South, Lot No. 1999985 located at Land Parcel R-11 West and Lot No. 1999986 located at Land Parcel R-11 East, New Sports City) situated on the south of the City Sports Park, north of Qutang Road, west of Baishawan Road and east of Gaoling Road, Yuhua District, Changsha City, Hunan Province, the PRC	<p>The Land comprises three parcels of land with a total site area of approximately 214,254.87 sq.m. with the breakdown as follows:</p> <table> <tr> <th>Land Parcel</th> <th>Site Area <i>approx. (sq.m.)</i></th> </tr> <tr> <td>R-18 South (Lot No. 1999983)</td> <td>42,770.92</td> </tr> <tr> <td>R-11 West (Lot No. 1999985)</td> <td>86,694.82</td> </tr> <tr> <td>R-11 East (Lot No. 1999986)</td> <td><u>84,789.13</u></td> </tr> <tr> <td>Total:</td> <td><u>214,254.87</u></td> </tr> </table> <p>The land use rights of the Land were granted for a term of 70 years expiring on 20 February 2073 for residential use.</p>	Land Parcel	Site Area <i>approx. (sq.m.)</i>	R-18 South (Lot No. 1999983)	42,770.92	R-11 West (Lot No. 1999985)	86,694.82	R-11 East (Lot No. 1999986)	<u>84,789.13</u>	Total:	<u>214,254.87</u>	<p>The property is currently vacant occupied with some temporary structures.</p> <p>As advised by the Group, relocation of certain occupants are still in progress.</p>	420,000,000
Land Parcel	Site Area <i>approx. (sq.m.)</i>												
R-18 South (Lot No. 1999983)	42,770.92												
R-11 West (Lot No. 1999985)	86,694.82												
R-11 East (Lot No. 1999986)	<u>84,789.13</u>												
Total:	<u>214,254.87</u>												
(the “Land”)													

Notes:

1. Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司) is a company incorporated in the PRC and a wholly owned subsidiary of the Company, 38.9% shareholding of which is owned directly by the Company and 61.1% shareholding of which is owned by Interchina (Changsha) Investments and Management Company Limited, a company incorporated in the PRC and is wholly owned by the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract – No. 2003066 dated 20 February 2003 entered into between Changsha City State Land Resources Bureau and Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司) and a Construction Land Agreement dated 10 June 2003 entered into between Changsha City Land Development and Construction Company Limited (長沙市土地開發建設有限責任公司) and Changsha Interchina Star City Company Limited, the land use rights of 5 parcels of land (Land Parcels R-18 South, R-18 North, R-11 West, R-11 East and R-06 South) with a total site area of approximately 427,926.14 sq.m., including granted land of approximately 336,202.77 sq.m., were granted to Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司) for a term of 70 years commencing from 20 February 2003 for commercial/residential use at a consideration of RMB288,848,000.

As advised by the Group, the Land form part of the land as stipulated in the aforesaid State-owned Land Use Rights Grant Contract.

3. According to a Supplementary Agreement dated 16 November 2007, entered into between Changsha City Land Development and Construction Company Limited (長沙市土地開發建設有限責任公司) (Party A) and Changsha Interchina Star City Company Limited (Party B), the consideration for Land Parcels R-11 West, R-11 East and R-18 South is RMB65,000,000. (Remarks: The RMB65,000,000 is the apportioned consideration for the above three parcels of land out of the total consideration of

RMB288,848,000 as stated in note 2.) Party B agreed to pay an additional sum of RMB20,000,000 as the relocation and compensation costs. Party A has to complete the relocation on or before 30 October 2008 and handover the Land to Party B on or before 31 December 2008.

4. Pursuant to three State-owned Land Use Rights Certificates dated 16 May 2003 issued by the Changsha City Land Resources Bureau, the land use rights of the Land with a total site area of approximately 214,254.87 sq.m. were granted to Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司) for a term of 70 years expiring on 20 February 2073 for residential use. The details are as follows:

State-owned Land Use Rights Certificate No.	Land Parcel	Site Area (approx.) (sq.m.)
Chang Guo Yong (2006) Zi Di No. 005442	R-18 South (Lot No. 1999983)	42,770.92
Chang Guo Yong (2003) Zi Di No. 005440	R-11 West (Lot No. 1999985)	86,694.82
Chang Guo Yong (2003) Zi Di No. 005439	R-11 East (Lot No. 1999986)	84,789.13
Total		214,254.87

5. Pursuant to a Construction Land Planning Permit No. Chu (2003) 0015 issued by Changsha City Planning Management Bureau, the construction of Interchina Star City Residential Zone (國中星城住宅小區) with a total planned gross floor area of approximately 352,607.71 sq.m. has been approved for construction on the land of the property.

As advised by the Group, the Land forms part of the land for the development of Interchina Star City Residential Zone (國中星城住宅小區).

6. Pursuant to a Planning Amendment Permit and the attached plan dated 16 June 2005 issued by Changsha City Planning Bureau, the development parameters of the Land are as follows:

Land Parcel	Situated at Land Parcel	Portion of Site Area (sq.m.)	Use	Plot Ratio	Building Density	Height Restriction	Green Area Ratio
R-18 South (Lot No. 1999983)	M-07	42,770.92	R2	2.2	Less than 28%	50 m	Greater than 40%
R-11 West (Lot No. 1999985)	M-06	86,694.82	R2	1.6	Less than 22%	Less than 60 m	Greater than 40%
R-11 East (Lot No. 1999986)	M-06 M-07	73,539.13 11,250.00	R2 R2	1.6 2.2	Less than 22% Less than 28%	Less than 60 m Less than 50 m	Greater than 40%

*R2-Residential Land Type 2

7. Pursuant to the Document of Changsha City Development and Revolution Committee – Chang Fa Gai [2008] No. 114 dated 14th March 2008, portion of the Land with a site area approximately 104,178.4 sq.m. situated at Land Parcels R-11 West and R-11 East and the construction project of Interchina Star City Phase II with a planned total gross floor area of approximately 156,841.13 sq.m. have been approved. The details are as follows:

Item/Use	Gross floor area (approx.) (sq.m.)
Superstructure	
– Low-rise residential	42,543.00
– High-rise residential	89,566.43
– Commercial shop	8,008.48
– Property management and community facilities	1,442.11
– Kindergarten	2,528.00
Sub-total	144,088.02
Basement	12,753.11
Total	<u>156,841.13</u>

8. Pursuant to Mortgage Agreement No. 06-1269-10 and a Land Third Party Title Certificate – Chang Guo Tu Ta Xiang (2006) Zi Di No. 222, the land use rights of the Land were subject to a mortgage in favour of China Construction Bank Holdings Limited Changsha Huaxing Sub-branch (中國建設銀行股份有限公司長沙華興支行) for a term commencing from 20 September 2006 and expiring on 19 September 2008 for a loan of RMB85,000,000. As advised, the Land is under a charge to secure a bank loan obtained by the Group in the aggregate amount of RMB45,000,000.
9. We have been provided with a legal opinion regarding the Land by the Group's PRC legal advisers, which contains, *inter alia*, the following:
- (i) The land use rights of the Land and the development rights of the construction of Interchina Star City Phase II are legally owned by Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司);
 - (ii) Changsha Interchina Star City Company Limited (長沙國中星城置業有限公司) is entitled to freely transfer, lease, mortgage the Land within the residual term of its land use rights without payment of any additional land use rights grant fee and land premium;
 - (iii) All land use rights grant fees have been paid in full; and
 - (iv) The Land is subject to a mortgage agreement in favour of China Construction Bank Holdings Limited Changsha Huaxing Sub-branch (中國建設銀行股份有限公司長沙華興支行) for a term commencing from 20 September 2006 and expiring on 19 September 2008.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short position which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Name	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Approximately percentage of shareholding
Zhang Yang	The Company	Interests of controlled corporation (Note 1)	103,495,000 Shares (L)	0.51%
	The Company	Beneficial owner (Note 2)	13,389,130,000 Shares (L)	66%
Lam Cheung Shing, Richard	The Company	Beneficial owner	77,000,000 Shares (L)	0.38%
Chan Wing Yuen, Hubert	The Company	Beneficial owner	77,000,000 Shares (L)	0.38%

Name	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Approximately percentage of shareholding
Ha Ping	The Company	Beneficial owner (Note 3)	5,000,000 Shares (L)	0.02%
Wong Hon Sum	The Company	Beneficial owner (Note 4)	5,000,000 Shares (L)	0.02%
Tang Tin Sek	The Company	Beneficial owner (Note 5)	5,000,000 Shares (L)	0.02%

(L) denotes the long position held in the Shares

Notes:

1. These Shares are held by Wealth Land Development Corp., which is wholly and beneficially owned by Mr. Zhang Yang, who is a Director and the chairman of the Company.
2. These Shares represent (i) 4,389,130,000 Shares held by Mr. Zhang Yang; (ii) 9,000,000,000 Shares to be allotted and issued to Mr. Zhang Yang upon the exercise in full of the conversion rights attaching to the convertible notes to be issued by the Company, details of which are set out in the announcement of the Company dated 6 July 2007.
3. These Shares represent the Shares which may be allotted and issued to Ms. Ha Ping upon the exercise in full of the subscription rights attached to the options granted by the Company.
4. These Shares represent the Shares which may be allotted and issued to Mr. Wong Hon Sum upon the exercise in full of the subscription rights attached to the options granted by the Company.
5. These Shares represent the Shares which may be allotted and issued to Dr. Tang Tin Sek upon the exercise in full of the subscription rights attached to the options granted by the Company.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and persons holding 5% interests

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities or in any options in respect of such capital were as follows:

Name of substantial Shareholder	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Approximate percentage of shareholding
Chan Tim Shing	The Company	Beneficial owner	1,565,000,000 Shares (L)	7.71%

(L) denotes the long position held in the Shares

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, there were no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

3. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors and proposed Directors had any direct or indirect interests in any assets which had since 31 March 2008 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, save for the subscription agreement dated 5 July 2007 in relation to the allotment and issue of 2,700,000,000 new Shares at the subscription price of HK\$0.10 per new Share to Mr. Zhang Yang and the grant of the convertible note options at the premium of HK\$20,000,000, being options to subscribe for two tranches of convertible notes at an aggregate principal amount of HK\$1,850,000,000 at the conversion price of HK\$0.10 per Share, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group.

4. SERVICE CONTRACT

As at the Latest Practicable Date, there was no existing or proposed service contract between any of the Directors or proposed Directors and the Company or any member of the Group, excluding contracts expiring or determinable by the Group within a year without payment of any compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors or their respective associates (within the meaning defined in the Listing Rules) had any interests in any business which competes or may compete with the business of the Group as at the Latest Practicable Date.

6. MATERIAL ADVERSE CHANGES

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2008 (being the date to which the latest published audited accounts of the Company were made up) to the Latest Practicable Date.

7. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. INDEBTEDNESS**Borrowings**

As at the close of business on 31 July 2008 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular), the Group had outstanding borrowings of approximately HK\$448,086,000 which comprised of bank borrowings of approximately HK\$341,292,000, other borrowings of approximately HK\$100,657,000 and amount due to a related company of approximately HK\$6,137,000.

As at 31 July 2008, the Group's bank borrowings of approximately HK\$341,292,000 comprised of approximately HK\$49,425,000 which were guaranteed but not secured and approximately HK\$291,867,000 which were secured but not guaranteed. The Group's other borrowings of approximately HK\$100,657,000 were guaranteed and secured. The Group's amount due to a related company of approximately of HK\$6,137,000 was unguaranteed and unsecured.

As at 31 July 2008, the Group's bank borrowings of approximately HK\$291,867,000 and other borrowings of approximately HK\$100,657,000 were secured by the Group's assets with carrying values of approximately HK\$878,663,000

comprising of investment properties of approximately HK\$249,900,000, property, plant and equipment of approximately HK\$289,559,000, interest in leasehold land of approximately HK\$43,204,000 and equity interest in an associate of the Group of approximately HK\$296,000,000.

Save as referred to as above and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, term loan, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees, convertible bonds or other material contingent liabilities as at the close of business of 31 July 2008.

The Directors confirmed that there had been no material change in the indebtedness and contingent liabilities of the Group since 31 July 2008.

9. WORKING CAPITAL

The Directors are of the opinion that taking into account the Group's present available internal resources, the Group has sufficient working capital for at least 12 months from the date of this circular in the absence of any unforeseen circumstances.

10. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
RHL Appraisal Limited	professional valuers
Jiao Yang Law Firm of Hunan China	PRC legal advisers

RHL Appraisal Limited and Jiao Yang Law Firm of Hunan China have given and have not withdrawn their written consents to the issue of this circular with the experts' statement included in the form and context in which they are included and the references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, RHL Appraisal Limited and Jiao Yang Law Firm of Hunan China did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2008, being the date of the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the Latest Practicable Date:

- (a) the framework agreement (“**Framework Agreement**”) dated 19 October 2006 entered into between the Company and Shanghai Lam Hong (Group) Company Limited (“**Lam Hong**”) for the sale and purchase of the entire equity interest in Burlingame (Shanghai) Investment Limited (“**BSI**”), the entire equity interest in Interchina (Changsha) Investments And Management Company Limited (“**ICIM**”), 38.9% equity interest in CIC, the shareholder’s loan (“**BIC Shareholder Loan**”) owing by BSI to Burlingame International Company Limited (“**BIC**”), the shareholder’s loan (“**CAI Shareholder Loan**”) owing by BSI to Chinese Asial Investments Limited (“**CAI**”) and the shareholder’s loan (“**ICIM Shareholder Loan**”) owing by ICIM to the Company at a total consideration of HK\$617,870,000;
- (b) the sale and purchase agreement (“**BSI Agreement**”) dated 19 October 2006 entered into between BIC, CAI and Mr. Zhang Yang in relation to the disposal of the entire equity interest in BSI, the BIC Shareholder Loan and the CAI Shareholder Loan at a total consideration of HK\$219,000,000;
- (c) the two sale and purchase agreements (“**ICIM and CIC Agreements**”) dated 19 October 2006 entered into between the Company and Tangible Wealth Investments Limited (“**TWI**”) in relation to the disposal of the entire equity interest in ICIM, the 38.9% equity interest in CIC and the ICIM Shareholder Loan at a total consideration of HK\$398,870,000;
- (d) the subscription agreement dated 12 February 2007 entered into between the Company and Mr. Sun Yi in relation to (i) tranche 1 convertible note in an aggregate principal amount of HK\$60,000,000; and (ii) tranche 2 convertible note in an aggregate principal amount of HK\$51,698,000, both at the conversion price of HK\$0.10 per Share;
- (e) the termination agreement dated 28 March 2007 entered into between the Company, Lam Hong, BIC, CAI, Mr. Zhang and TWI for the termination of the Framework Agreement, the BSI Agreement and the ICIM and CIC Agreements;
- (f) the head sale and purchase agreement entered into between the Company and Lam Hong on 28 March 2007 in relation to the disposal of 100% equity interest in the capital of BSI together with the BIC Shareholder Loan and the CAI Shareholder Loan at a total consideration of HK\$206,000,000;
- (g) the sale and purchase agreement entered into between BIC, CAI and Mr. Zhang Yang on 28 March 2007 in relation to the disposals of the entire equity interest in the capital of BSI, the BIC Shareholder Loan and the CAI Shareholder Loan at a total consideration of HK\$206,000,000;

- (h) the sale and purchase agreement dated 11 June 2007 entered into between the Company and Mr. Li Gong Tao (“**Mr. Li**”) in relation to the acquisition of a 60% equity interest in Money Capture Investments Limited together with Mr. Li’s interest in shareholder’s loan at a total consideration of HK\$195,039,455;
- (i) the subscription agreement dated 5 July 2007 entered into between the Company and Mr. Zhang Yang in relation to (i) the allotment and issue of 2,700,000,000 new Shares at the share subscription price of HK\$0.10 per Share; and (ii) grant of the convertible note options at the premium of HK\$20,000,000, being options to subscribe for the first tranche convertible notes, up to the aggregate principal amount of HK\$650,000,000, and the second tranche convertible notes, up to the aggregate principal amount of HK\$1,200,000,000, at the conversion price of HK\$0.10 per Share;
- (j) the agreement entered into between the Company and Mr. Li on 6 August 2007 whereby the Company shall (i) pay an amount of HK\$4,189 in cash; and (ii) issue the convertible notes in principal amount of HK\$132,676,800 at the conversion price of HK\$0.131 per Share in order to satisfy balance payment of the Company’s acquisition of 60% equity interest in Money Capture Investments Limited;
- (k) the sale and purchase agreement dated 5 October 2007 entered into between the Company and Mega Winner Investments Limited in relation to the acquisition of the entire issued share capital of Success Flow International Limited and the shareholder’s loan at an aggregate consideration of HK\$167,000,000;
- (l) the conditional agreement entered into between Interchina (Tianjin) Water Treatment Company Limited (“**Interchina (Tianjin)**”) (a wholly-owned subsidiary of the Company) and Heilong Group Limited (“**Heilong Group**”) on 17 May 2007 in relation to the acquisition of approximately 70.21% of the issued share capital of Black Dragon at a total consideration of RMB420,000,000 (“**Black Dragon Share Transfer Agreement**”);
- (m) the share transfer agreement dated 30 April 2007 entered into between the Company and North China Municipal Engineering Design & Research Institute in relation to the acquisition of a 5.95% equity interest in Interchina (Tianjin) at a consideration of RMB14,000,000;
- (n) the conditional agreement entered into between Interchina (Tianjin) and Black Dragon on 17 May 2007 in relation to the disposal of the entire equity interest in Interchina Water Treatment at a consideration of US\$10,000 (“**Interchina Water Treatment Share Transfer Agreement**”);
- (o) the supplemental agreement dated 29 June 2007 entered among Heilong Group, Interchina (Tianjin) and Black Dragon to amend the terms of the Black Dragon Share Transfer Agreement and the Interchina Water Treatment Share Transfer Agreement;

- (p) the second supplemental agreement dated 15 November 2007 entered into between Interchina (Tianjin) and Heilong Group further amending and supplementing the terms of the Black Dragon Share Transfer Agreement (as amended and supplemented by the supplemental agreement dated 29 June 2007);
- (q) the agency agreement dated 15 November 2007 entered into among Interchina (Tianjin), Black Dragon and Heilong Group, whereby Black Dragon agreed to appoint Interchina (Tianjin) to act as its agent to handle the acquisition of water projects and Interchina (Tianjin) will provide the loan not exceeding the amount of approximately RMB173,000,000 to Black Dragon for payment of consideration of water projects;
- (r) the termination agreement dated 15 November 2007 entered into between Interchina (Tianjin) and Black Dragon to terminate the Interchina Water Treatment Share Transfer Agreement;
- (s) the third supplemental agreement dated 17 December 2007 entered into between Interchina (Tianjin) and Heilong Group further amending and supplementing the terms of the Black Dragon Share Transfer Agreement (as amended and supplemented by the supplemental agreement dated 29 June 2007 and the second supplemental agreement dated 15 November 2007);
- (t) the acquisition agreement dated 18 December 2007 entered into between Maxable International Enterprises Limited and the Company in relation to the acquisition of the 3,700,000,000 shares of HK\$0.002 each in the capital of China Pipe Group Limited at the consideration of HK\$296,000,000; and
- (u) the Agreement.

12. MISCELLANEOUS

- (a) The registered office and head office of the Company is at Room 701, 7/F, Aon China Building, 29 Queen's Road Central, Hong Kong.
- (b) The share registrar of the Company is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Mr. Lam Cheung Shing, Richard, who is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants.
- (d) The qualified accountant of the Company is Mr. Lau Chi Lok, Freeman, who is member of Hong Kong Institute of Certified Public Accountants and CPA Australia (as required under Rule 3.24 of the Listing Rules).
- (e) The English text of this circular shall prevail over the Chinese text.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Room 701, 7/F, Aon China Building, 29 Queen's Road Central, Hong Kong during 9:00 a.m. to 6:00 p.m. on any business day, from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed "Material contracts" in this appendix;
- (c) the valuation report prepared by RHL Appraisal Limited, the text of which is set out on pages 10 to 15 in this circular;
- (d) the consent letters from the experts referred to in the paragraph headed "Qualification and consent of experts" in this Appendix; and
- (e) the audited consolidated accounts of the Company for the two years ended 31 March 2008.

NOTICE OF EGM



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 extraordinary general meeting of Interchina Holdings Company Limited (“**Company**”) will be held at 9:00 a.m. on 19 September 2008 at Lavender Room, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong (or an adjournment thereof) for considering, and if thought fit, passing the following resolution as ordinary resolution of the Company:

“THAT:

- (a) the sale and purchase agreement dated 3 August 2008 (the “**Agreement**”) entered into between 長沙國中星城置業有限公司 (Changsha Interchina Star City Company Limited) (a wholly-owned subsidiary of the Company) and 廣州市廣域實業有限公司 (Guangzhou Guang Yu Enterprises Limited*) in relation to the sale and purchase of three parcels of land (Lot No. 1999983 located at Land Parcel R-18 South, Lot No. 1999985 located at Land Parcel R-11 West and Lot No. 1999986 located at Land Parcel R-11 East, New Sports City) situated on the south of the City Sports Park, north of Qutang Road, west of Baishawan Road and east of Gaoling Road in Changsha, the People’s Republic of China (長沙市雨花區市體育公園以南，曲塘路以北，白沙灣路以西，高嶺路以東) with an aggregate area of approximately 214,254.87 square metres, copy of which have been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification, be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to do all such things and acts and sign all such documents as they may consider necessary, desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Agreement and any of the transactions contemplated thereunder.”

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

Hong Kong, 26 August 2008

* for identification purpose only

NOTICE OF EGM

Registered office:

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

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint a proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company (the “**Share**”), any one such persons may vote at the meeting, 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 meeting 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 share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
4. As at the date of this notice, the executive Directors are Mr. Zhang Yang, Mr. Zhu Yongjun, Mr. Chan Wing Yuen, Hubert and Mr. Lam Cheung Shing, Richard, and the independent non-executive Directors are Mr. Wong Hon Sum, Ms. Ha Ping and Dr. Tang Tin Sek.