
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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**INTERCHINA HOLDINGS COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

**PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Interchina Holdings Company Limited to be held at Room Monet, Basement 1, Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 26 August 2006 at 9:00 a.m. 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 share registrars, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, 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 preclude you from subsequently attending and voting at the annual general meeting or any adjourned meetings should you so wish.

31 July 2006

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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, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein 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 12 to 15 of this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at Room Monet, Basement 1, Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 26 August 2006 at 9:00 a.m., to consider and, if appropriate, to approve the ordinary resolutions set out in the AGM Notice or any adjournment thereof;
“associate(s)”	has the same meaning as ascribed thereto 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 shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 20 August 2005 to allot, issue and deal with Shares not exceeding 20% of the aggregate of the nominal amount of the issued share capital of the Company as at 20 August 2005;
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 20 August 2005 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issue and share capital of the Company as at 20 August 2005;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	21 July 2006, 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;
“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 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;
“Re-electing Directors”	Mr. Lam Cheung Shing, Richard, Mr. Hui Ho Ming, Herbert, J.P. and Mr. Wu Wai Chung, Michael;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars; and
“%”	per cent..

LETTER FROM THE BOARD



INTERCHINA HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

Executive Directors:

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

Non-executive Director:

Mr. Hui Ho Ming, Herbert, J.P.

Independent non-executive Directors:

Mr. Wu Wai Chung, Michael
Mr. Wong Hon Sum
Ms. Ha Ping

Registered Office:

45th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

31 July 2006

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

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of, among other matters, the ordinary resolutions to be proposed at the Annual General Meeting for the approval of (a) proposed re-election of the Re-electing Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; and (d) extending the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF RE-ELECTING DIRECTORS

At the Annual General Meeting, (i) Mr. Lam Cheung Shing, Richard, an executive Director; (ii) Mr. Hui Ho Ming, Herbert, J.P., a non-executive Director; and (iii) Mr. Wu Wai Chung, Michael, an independent non-executive Director, all being the Re-electing Directors, shall retire from office and shall be eligible for re-election. Brief biography of each of the Re-electing Directors is 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 20 August 2005, ordinary resolutions were passed to grant 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, among other matters, they are revoked or varied by ordinary resolution 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 Mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the Proposed Repurchase Mandate is set out in 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.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held at Room Monet, Basement 1, Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 26 August 2006 at 9:00 a.m. is set out on pages 12 to 15 of this circular.

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 branch share registrar of the Company in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours

LETTER FROM THE BOARD

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.

Pursuant to article 73 of the articles of association of the Company, a poll may be demanded in relation to a resolution put to the vote of any general meeting before or on the declaration of the result of the show of hands:

- (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 in the Company 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.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of (a) proposed re-election of the Re-electing Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; and (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 are in line with the requirements under the Listing Rules and in the interests of the Company and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of the ordinary resolutions as set out in the AGM Notice.

GENERAL INFORMATION

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

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

(1) Mr. Lam Cheung Shing, Richard

Mr. LAM Cheung Shing, Richard, aged 48, was appointed as a Director and the deputy chief executive officer of the Company in August 2001. In addition, he was appointed as a company secretary of the Company in March 2004. He was also appointed as a director and chief executive officer of Guo Xin Group Limited, the issued shares of which are listed on the Stock Exchange, since December 2001. Mr. Lam is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. Mr. Lam spent over ten years in PriceWaterhouseCoopers, an international accounting firm, and is equipped with extensive experience in accountancy, taxation and corporate finance. Prior to joining the Group, Mr. Lam held senior positions in a number of listed companies in Hong Kong, including Sun Hung Kai & Co., Limited, Kingsway SW Asset Management Limited and U-Cyber Technology Holdings Limited. Mr. Lam was also appointed as an independent non-executive director of Leadership Publishing Group Limited (now known as SMI Publishing Group Limited), the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange, during the period from April 2004 to March 2005. Save as disclosed herein, Mr. Lam did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Mr. Lam has not been appointed for a specific term. The aggregate emoluments paid to Mr. Lam for the year ended 31 March 2006 amounted to approximately HK\$1,925,000. Mr. Lam's emoluments are determined by the Board with reference to Mr. Lam's duties, responsibilities and performance. Save as being an executive Director, Mr. Lam does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lam did not hold any interests in Shares within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed here, there is no information in relation to Mr. Lam 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. Lam that need to be brought to the attention of the Shareholders.

(2) Mr. Hui Ho Ming, Herbert, J.P.

Mr. HUI Ho Ming, Herbert, J.P., FHKIoD, L.L.B.(HK), aged 48, joined the Company as executive Director in March 2002 and subsequently was re-designated as non-executive Director in August 2002. He has been the deputy and vice chairman of the Ocean Grand Holdings Limited and Ocean Grand Chemicals Holdings Limited, the issued shares of both companies are listed on the Stock Exchange, since May 2001. Mr. Hui has extensive commercial experience both in corporate finance and securities regulation. Mr. Hui holds a

number of public positions. Mr. Hui also serves on the boards of a number of public and private companies, including companies listed in Hong Kong - as independent non-executive director of Bank of Communications Company Limited (since April 2005, the issued shares of which are listed on the Stock Exchange), as independent non-executive director of Hsin Chong Construction Group Limited (since June 1997, the issued shares of which are listed on the Stock Exchange), as independent non-executive director of Dynasty Fine Wines Group Limited (since December 2004, the issued shares of which are listed on the Stock Exchange), as independent non-executive directors of Citic 21CN Company Limited (since November 2005, the issued shares of which are listed on the Stock Exchange) and as independent non-executive director of a company listed in Singapore, being Roly International Limited (from since December 2003). Mr. Hui was appointed a Justice of the Peace in Hong Kong in 2004. Save as disclosed herein, Mr. Hui did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Mr. Hui has not been appointed for a specific term. The aggregate emoluments paid to Mr. Hui for the year ended 31 March 2006 amounted to approximately HK\$600,000. Mr. Hui's emoluments are determined by the Board with reference to Mr. Hui's duties, responsibilities and performance. Save as being a non-executive Director, Mr. Hui does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Hui did not hold any interests in Shares within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed here, there is no information in relation to Mr. Hui 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. Hui that need to be brought to the attention of the Shareholders.

(3) Mr. Wu Wai Chung, Michael

Mr. WU Wai Chung, Michael, aged 56, was appointed as an independent non-executive Director of the Company in March 2002. He was the deputy chairman of the Shanghai Stock Exchange and a Commissioner in the Strategy & Development Committee of the China Securities Regulatory Commission in the People's Republic of China. Prior to joining the Group, he was the deputy chairman, chief operating officer and executive director responsible for the Intermediaries Division of the Securities & Futures Commission. Mr. Wu is appointed as a non-executive director of SW Kingsway Capital Holdings Limited since January 2005 and an independent non-executive Director of Shenzhen Investment Limited since October 2002, the issued shares of which are listed on the Stock Exchange. Mr. Wu has also been appointed as an independent non-executive director of First Mobile Group Holdings Limited since August 2000 and International Financial Network Holdings Limited since June 2005, the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange. Save as disclosed herein, Mr. Wu did not hold any other directorships in listed public companies in the three years immediately prior to the date of this circular. Mr. Wu has not been appointed for a specific term. The aggregate emoluments paid to Mr.

Wu for the year ended 31 March 2006 amounted to approximately HK\$600,000. Mr. Wu's emoluments are determined by the Board with reference to Mr. Wu's duties, responsibilities and performance. Save as being an independent non-executive Director, Mr. Wu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wu did not hold any interests in Shares within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed here, there is no information in relation to Mr. Wu 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. Wu 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 5,584,923,632 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 558,492,363 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 of the Company 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 or earnings per Share 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 annual report of the Company for the financial year ended 31 March 2006, being the date to which the latest published accounts of the Company were made up. The Directors do not propose to exercise the 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 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 twelve months immediately preceding the Latest Practicable Date.

Month	Highest trade price <i>HK\$</i>	Lowest trade price <i>HK\$</i>
2005		
July	0.098	0.025
August	0.077	0.029
September	0.058	0.030
October	0.036	0.027
November	0.035	0.027
December	0.031	0.021
2006		
January	0.025	0.019
February	0.029	0.022
March	0.050	0.027
April	0.062	0.034
May	0.047	0.038
June	0.043	0.030
July (up to and including the Latest Practicable Date)	0.035	0.028

(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 has been 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 of the Company.

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 has been 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.

As at the Latest Practicable Date and so far as was known to the Directors, there was no substantial Shareholder.

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 being held in public hands.

The Company and its subsidiaries had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



INTERCHINA HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

NOTICE IS HEREBY GIVEN that an annual general meeting of the Interchina Holdings Company Limited (“**Company**”) will be held at Room Monet, Basement 1, Grand Stanford Hotel, 70 Mody Road, Kowloon, Hong Kong on 26 August 2006 at 9:00 a.m. (or an adjournment thereof) for the following purposes:–

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2006;
2. To approve the non-occupation of the vacated office in the event any retiring directors do not avail themselves for re-election, 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:–

(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 authorize 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 per cent. of the aggregate nominal amount of the share capital of the Company in issue 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;

NOTICE OF ANNUAL GENERAL MEETING

“**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 of Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized 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 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolutions 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

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

- (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 of the Company (“**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 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

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

Hong Kong, 31 July 2006

Notes:–

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one 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, 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 registrars, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queens’ Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.