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Interchina Holdings Company Limited

中國控股有限公司

(Incorporated in Hong Kong with limited liability)

Announcement

This announcement is made in relation to the recent decrease in the price and increase in the trading volume of the shares of the Company.

The board of directors ("**Board**") of Interchina Holdings Company Limited ("**Company**") notes the recent decrease in the price and increase in the trading volume of the shares of the Company and wishes to state that the Board is not aware of any reasons of such decrease and increase, save that the Company was informed through notice served on 24 February 2004 pursuant to the Securities and Futures Ordinance by Qiang Sheng (HK) Company Limited ("**Qiang Sheng HK**"), a subsidiary of 上海強生集團有限公司 Shanghai Qiang Sheng Group Co. Ltd. ("**Shanghai Qiangsheng**"), that Qiang Sheng HK had recently acquired 279,070,000 shares ("**Shares**") in the capital of the Company, representing approximately 6.1% of the entire issued share capital of the Company, at an average price of HK\$0.33 per Share and a highest price of HK\$0.38 per Share.

The Company entered into an agreement dated 28 October 2003 with Shanghai Qiangsheng in respect of the acquisition of a 12.87% interest in 上海強生控股股份有限公司 Shanghai Qiangsheng Holdings Co. Ltd. ("**Qiangsheng Holdings**"), a subsidiary of Shanghai Qiangsheng (as disclosed in the Company's announcement dated 28 October 2003). Save as the aforesaid, the Company has no other interest in Shanghai Qiangsheng and Qiangsheng Holdings. Qiang Sheng HK, and its ultimate beneficial owners, are not connected persons (as defined in The Rules Governing the Listing of Securities on the Stock Exchange) of the Company. The said agreement has not been completed subject to fulfilment of certain conditions precedent thereunder. In addition, there was no provision in the said agreement that Shanghai Qiangsheng or its subsidiaries will acquire any shares of the Company.

The Board also noted that certain articles were published on newspapers in China that Mr. Liu Shunxin ("**Mr. Liu**"), a former director of the Company, had been detained by the police bureau of the mainland China for alleged involvement in serious commercial crimes and that Mr. Zhang Yang, the Chairman of the Company, had also been alleged to have been involved in the matter. The Board wishes to clarify that Mr. Liu ceased to be the director and Honorary Chairman of the Company after 17 September 2003 by not offering himself for re-election at the Annual General Meeting of the Company held on 17 September 2003 for personal reasons and since then Mr. Liu has no other connection, relationship or whatsoever with the Company. Our Chairman, Mr. Zhang Yang, confirmed to the Board that he is not in anyway associated with Mr. Liu's alleged breach of laws in China. To the best knowledge of the Board, Mr. Liu did not hold any shares in the capital of the Company during his tenure as a director and Honorary Chairman of the Company. The Board further considers that the aforesaid allegation do not have any adverse impact on the Group.

Other than disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement and neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board who individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
Yip Kar Hang, Raymond
Company Secretary

Hong Kong, 25 February 2004

Please also refer to the published version of this announcement in The Standard dated 26 February 2004.