

CHINA INTERNATIONAL HOLDINGS LIMITED
(Company Registration No: 23356)
(Incorporated in Bermuda)

REPLY TO QUERY FROM SINGAPORE EXCHANGE LIMITED

The Board of Directors of China International Holdings Limited (the “Company”) would like to respond to the following query raised by Singapore Exchange Limited (“SGX”) on 16 August 2011 (“SGX Query”) in relation to the Company’s announcement of 12 August 2011 on the second quarter 2011 results, as follows:

Query: In the Company’s statement of comprehensive income, we note that “Other Income” decreased from RMB5.87 million for the three-month period ended 30 June 2010 to RMB570,000 for the corresponding quarter ended 30 June 2011. Please provide a breakdown of items under “Other Income”, and explain the changes from the previous quarter ended 30 June 2010. Please address the above via an SGXNET announcement by Thursday (18 August 2011).

Company’s response

	2ndQuarter 2011	2ndQuarter 2010	Increase /
Other Income	RMB’000	RMB’000	(Decrease)
Interest income	1,178	1,797	(34.4%)
Rental income	248	309	(19.7%)
Gain on disposal of subsidiaries	-	3,911	NM
Exchange gain / (loss)	(1,241)	(137)	805.8%
Sundry income / (loss)	385	(7)	NM
	<u>570</u>	<u>5,873</u>	

NM – not meaningful

As illustrated in the above breakdown table of Other Income for Q2 2011 and Q2 2010 of the Group, other income for Q2 2011 was RMB570,000, a decrease of RMB5,303,000 compared with other income of RMB5,873,000 in Q2 2010. The decrease was mainly due to the gain on disposal of subsidiaries in the amount of RMB3,911,000 in Q2 2010, which is non existent in Q2 2011, the increase of exchange loss in Q2 2011 to RMB1,241,000 as compared with that of RMB137,000 in Q2 2010 mainly due to Singapore dollar’s appreciation since the declaration of dividend on China International Holdings Limited’s stock at the end of 2010 and the actual payout of dividend in late May 2011, as well as decrease of interest income to RMB1,178,000 in Q2 2011 as compared with that of RMB1,797,000 in Q2 2010 due to the decrease of bank deposit balance in Q2 2011 as compared with that of Q2 2010.

BY ORDER OF THE BOARD

Shan Chang
Non-Executive Chairman

18 August 2011