

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

ANNOUNCEMENT

**ACQUISITION OF 95% SHAREHOLDING OF BEIJING SHIJI LONGQUAN REAL ESTATE
DEVELOPMENT COMPANY LIMITED**

Introduction

The Board of Directors of China International Holdings Limited (the “**Company**”) wishes to announce that the Company had on 20 August 2010 entered into a sale and purchase agreement (the “**Agreement**”) with Tianjin City Ningqu Industrial Development Co., Ltd (天津市宁渠实业发展有限公司) (the “**Vendor**”) to acquire 95% of the registered share capital of Beijing Shiji Longquan Real Estate Development Co., Ltd (北京世纪龙泉房地产开发有限公司) (“**BJSJLQ**”) (the “**Sale Shares**”) from the Vendor, subject to the terms and conditions of the Agreement (the “**Proposed Acquisition**”). The remaining 5% of the registered share capital of BJSJLQ is held by 北京信原兴业房地产经纪有限公司.

Information on BJSJLQ

BJSJLQ was incorporated in the People’s Republic of China on 23 November 2005, and is in the business of real estate development focusing on preliminary land development projects in Beijing. The unaudited net tangible assets of BJSJLQ as at 31 July 2010 was RMB10.7 million.

Aggregate Consideration

The consideration for the acquisition of the Sale Shares is RMB9.5 million (the “**Consideration**”) payable by cash upon completion. The Consideration was arrived at on a willing-buyer-willing-seller basis, taking into account, amongst others, the net tangible asset of BJSJLQ as at 31 July 2010 and the valuation of BJSJLQ as at 31 July 2010 performed by an independent valuation firm 北京恒信诚资产评估有限公司 obtained by CIHL.

The Company will finance the Consideration through internal sources of funds.

Financial Effects of the Proposed Acquisition

The Proposed Acquisition is not expected to have any material impact on net earnings per share or the net tangible assets per share of the Company for the financial year ending 31 December 2010. Upon completion of the Proposed Acquisition, BJSJLQ will become a subsidiary of the Company.

This announcement is made under Rule 704(15)(c) of the Listing Manual.

Rationale for the Proposed Acquisition

The Management believes the Proposed Acquisition is in the ordinary course of business, will complement the Company's existing real estate business and will enable the Company to develop real estate business opportunities more rapidly in the local market.

Interests of Directors and Substantial Shareholders

Zhang Rong Xiang is a Director of the Vendor but he has no equity interest, direct or indirect, in the Vendor. Save as disclosed above, none of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition.

By order of the Board

Shan Chang
Chairman

20 August 2010