

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

REPLY TO QUERIES FROM SINGAPORE EXCHANGE LIMITED

Terms not otherwise defined in this announcement shall bear the meanings ascribed to them in the announcements by the Company dated 29 February 2012 and 7 September, 18 July and 27 May 2011 as applicable.

The Board of Directors would like to respond to the following queries raised by Singapore Exchange Limited (“**SGX**”) on 6 March 2012 (“**SGX Query**”) in relation to the Company’s announcement of 29 February 2012 on the FY 2011 results, as follows:

Query 1: Under the Group’s Statement of Cash Flows, we note that under investing activities, the Group paid RMB290 million for structured bank deposits. Please elaborate on the nature of these structured bank deposits, the use of these deposits, and whether there are risks in investing in such products.

Company’s response

During Q3 and Q4 2011, the Group made structured bank deposits with maturities less than 45 days at 1.9% - 5.0% annual return rates. There were three subsidiaries of the Group which made such structured bank deposits with their banks. The total maximum net balance of actual capital employed for such structured bank deposits amounted to RMB290 million. The interest income generated from the structured bank deposits amounted RMB2.04 million in 2011. As of 31 December 2011, all of the above structured bank deposits have matured.

The nature, use and risks of these structured bank deposits are similar to those of short-term deposits with Chinese banks, although at slightly higher interest rates than regular short-term deposits.

Query 2: We refer to Section 10 of the announcement, where the Company has provided a commentary on factors or events which may affect the Group in the next reporting period and the next 12 months. The Company has stated that “subsequent to the announcement made on 3 January 2012, the Group resumed its toll collection operation on 17 February 2012.” Please advise the basis for the change.

Company’s response

The Group resumed its toll collection on 17 January 2012 as a result of management’s successful dialogues with the employees at Andi Bridge for resuming operations of toll collection.

Query 3: In addition, we note from the Group's Statement of Cash Flows – Financing Activities, that the Group advanced loans to its associates amounting to RMB44.75 million for FY2011. This constitutes more than 5% of the Group's audited Net Tangible Assets as at 31 December 2010. Please advise us whether the Company has complied with Chapter 9 of the Listing Manual, and the basis for the view.

Company's response

The Company made announcements on 27 May 2011 and 7 September 2011 for the loans each in the amount of US\$3 million to its associate company FTHL, totaling US\$6 million, approximately RMB37.89 million. As stated in the foregoing announcements, (i) the Company's wholly-owned subsidiary PCL had entered into a Loan Agreement with FTHL, and (ii) none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the transaction. On this basis, because no party to the transaction is an Interested Person (as defined in the Listing Manual of the SGX-ST ("**Listing Manual**")), Chapter 9 of the Listing Manual does not apply, and correspondingly, the Company has complied with Chapter 9 of the Listing Manual.

The Company made an announcement on 18 July 2011 on the equity investment in Yukun Gold Mine, an associate company, and the pro-rata shareholder loan assumption in the amount of RMB6.86 million. As stated in the foregoing announcement, (i) the Company had entered into an Acquisition and Debt Assumption Agreement and Supplemental Agreement with the Seller, and (ii) none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the transaction. On this basis, because no party to the transaction is an Interested Person (as defined in the Listing Manual), Chapter 9 of the Listing Manual does not apply, and correspondingly, the Company has complied with Chapter 9 of the Listing Manual.

BY ORDER OF THE BOARD

Shan Chang
Non-Executive Chairman

7 March 2012