GREAT CHINA INTERNATIONAL HOLDINGS, INC.

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

T QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period June 30, 2010

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from to

Commission File No. 0-23015

GREAT CHINA INTERNATIONAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**87-0450232**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

C Site 25-26F Presidential Building, No. 69 Heping North Street
Heping District, Shenyang 110003, People's Republic of China
(Address of Principal Executive Offices)

0086-24-22813888
(Issuer's telephone number)

Not Applicable
(Former name, address and fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-3 of the Exchange Act). (check one)

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the number of shares outstanding of each of the issuer's classes of common equity: As of August 14, 2010, there were 11,759,966 shares of common stock outstanding.

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GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2010 AND DECEMBER 31, 2009
(UNAUDITED)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and equivalents	$ 8,123,680	$ 9,933,271
Accounts receivable, net	260,237	117,487
Prepayment & other receivable, net	620,724	217,085
Properties held for resale	1,446,584	2,060,146
Total current assets	10,451,225	12,327,988
Property and equipment, net	1,189,309	1,590,183
Rental property, net	49,044,553	49,802,284
Total assets	$ 60,685,087	$ 63,720,456
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank loans	$ 19,435,228	$ 19,308,700
Accounts payable	4,198,258	4,170,921
Accrued expenses & Other payable	2,039,754	2,026,956
Payable to disposed subsidiaries	774,379	769,337
Commission payable	--	1,784,105
Advances from buyers	1,115,029	1,392,027
Taxes payable	9,068,910	9,065,238
Total current liabilities	36,631,559	38,517,285
Stockholders' equity:		
Common stock, $.001 par value 50,000,000 shares authorized, 11,759,966 issued and outstanding as of June 30, 2010 and December 31, 2009	11,760	11,760
Additional paid in capital	4,566,156	4,566,156
Statutory reserve	638,128	638,128
Accumulated other comprehensive income	2,214,720	2,251,110
Retained earnings	16,622,764	17,736,017
Total stockholders' equity	24,053,528	25,203,171
Total liabilities and stockholders' equity	$ 60,685,087	$ 63,720,456

The accompanying notes are integral part of these unaudited consolidated financial statements.

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME/(LOSS)
FOR THE THREE MONTH AND THE SIX MONTH PERIODS ENDED JUNE 30, 2010 AND 2009
(UNAUDITED)

	Three month periods ended		Six month periods ended	
	June 2010	**June 2009**	**June 2010**	**June 2009**
Revenues				
Real estate sales	$ 448,112	$ 299,320	$ 691,740	$ 480,376
Rental income	1,061,164	974,842	2,149,275	1,958,439
Management fee income	465,856	470,779	924,468	926,152
Total revenues	1,975,132	1,744,942	3,765,483	3,364,966
Cost of revenues	1,420,710	1,344,798	2,970,966	2,655,150
Gross profit	554,422	400,144	794,517	709,816
Operation expenses				
Selling expenses	8,669	163,782	27,843	226,995
General and administrative expenses	365,661	456,664	907,780	1,319,769
Depreciation and amortization	47,852	45,359	94,792	91,626
Total operation expenses	422,182	665,805	1,030,415	1,638,389
Income (loss) from operations	132,240	(265,662)	(235,898)	(928,573)
Other income (expense)				
Land leveling income	--	107,663	--	2,126,358
Other income, net	65,318	171,156	99,093	314,079
Interest and finance costs	(498,069)	(488,887)	(976,447)	(969,422)
Total other income, net	(432,751)	(210,067)	(877,354)	1,471,015
Income (loss) before income taxes	(300,511)	(475,729)	(1,113,252)	542,442
Provision for income taxes	--	137	--	258,729
Net income (loss)	(300,511)	(475,867)	(1,113,252)	283,713
Other comprehensive income (loss):				
Foreign currency translation adjustment	(71,503)	4,367	(36,390)	(43,663)
Comprehensive income (loss)	$ (372,014)	$ (471,500)	$ (1,149,642)	$ 240,050
Net income (loss) per share				
Basic	$ (0.03)	$ (0.04)	$ (0.09)	$ 0.02
Diluted	$ (0.03)	$ (0.04)	$ (0.09)	$ 0.02
Weighted average number of shares outstanding				
Basic	11,759,966	11,759,966	11,759,966	11,759,966
Diluted	11,759,966	11,759,966	11,759,966	11,759,966

The accompanying notes are integral part of these unaudited consolidated financial statements.

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2010 AND 2009
(UNAUDITED)

	June 30, 2010	June 30, 2009
Cash flows from operating activities:		
Net income (loss)	$ (1,113,253)	$ 283,713
Adjustments to reconcile net income (loss) to operating activities - net cash provided by operating activities		
Depreciation and amortization	1,552,465	1,464,642
Provision for doubtful accounts	58,120	121,093
Accounts receivable and other receivable	(199,415)	237,260
Advances to suppliers	(399,404)	(22,263)
Prepaid expenses	--	(140,887)
Properties held for resale	623,031	318,629
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(1,782,607)	(289,045)
Advances from buyers	(284,281)	(351,715)
Income and other taxes payable	(22,490)	167,089
Net cash provided by (used in) operating activities	(1,567,834)	1,788,516
Cash flows from investing activities:		
Purchases/(disposal) of property & equipment	(56,722)	46,203
Effect of exchange differences	(185,034)	35,290
Net increase/(decrease) in cash and cash equivalents	(1,809,591)	1,870,009
Cash and cash equivalents, beginning of period	9,933,271	8,214,381
Cash and cash equivalents, end of period	$ 8,123,680	$ 10,084,390
Supplemental disclosures of cash flow information:		
Interest paid	$ 976,447	$ 249,665
Income taxes	$ --	$ --

The accompanying notes are integral part of these unaudited consolidated financial statements.

1. Description of business

Nature of organization

Great China International Holdings, Inc., (the “Company”) was incorporated in the State of Nevada on December 4, 1987, under the name of Quantus Capital, Inc., and in 1992, it changed its name to Red Horse Entertainment Corporation.

Effective July 5, 2005, the Company completed the acquisition of Silverstrand International Holdings Limited (“Silverstrand”), a Hong Kong limited liability company, by issuing 10,102,333 shares of its common voting stock to the former stockholders of Silverstrand in exchange for all of the capital stock of Silverstrand. For financial reporting purposes the acquisition was treated as a recapitalization of Silverstrand. On September 15, 2005, the Company changed its name to Great China International Holdings, Inc. from Red Horse Entertainment Corporation.

Silverstrand was incorporated on September 30, 2004 in Hong Kong Special Administrative Region, PRC, and is the holding company of Shenyang Maryland International Industry Company Limited, formerly Shenyang Malilan Audio Equipment Company, Limited (“Shenyang Maryland”). Shenyang Maryland was originally registered as a limited liability Sino-foreign joint investment enterprise on December 15, 1989, in Shenyang, Liaoning Province, PRC. In October 2004, Silverstrand acquired all of the registered equity of Shenyang Maryland, and this transfer and the reclassification of Shenyang Maryland as a “wholly foreign-owned enterprise” (“WFOE”) was approved in November 2004 by the Liaoning Provincial Bureau of Foreign Trade and Economic Cooperation. This approval was subsequently registered, and a business registration certificate (No. 111103721 (1-1)) was issued to Shenyang Maryland as a WFOE in April 2005 by the Shenyang Municipal Administration of Industry and Commerce. The original business licenses for Shenyang Maryland described our business scope as real estate development, sales, leasing, and property management. In January of 2010, the Company modified the business scope to real estate leasing, property management, and consulting.

The Company, through its various subsidiaries, has engaged in commercial and residential real estate leasing, management, consulting, investment, development and sales in the city of Shenyang, Lianing Province, in the People’s Republic of China (“PRC”).

2. Summary of significant accounting policies

Unaudited Interim Financial Information – The accompanying unaudited financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the interim periods are not necessarily indicative of the results for any future period. These statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the fiscal year ended December 31, 2009. The results of the six month periods ended June 30, 2010 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2010

Foreign currency translation - The Company uses the United States dollar for financial reporting purposes. The Company's subsidiaries maintain their books and records in their functional currency - Chinese Yuan Renminbi (CNY), being the primary currency of the economic environment in which their operations are conducted. Such financial statements were translated into United States dollars in accordance with ASC 830 (Originally issued as Statement of Financial Accounts Standards ("SFAS") No. 52, "Foreign Currency Translation"). According to the Statement, all assets and liabilities are translated at the current exchange rate, stockholder's equity are translated at the historical rates and income statement and statement of cash flows items are translated at the average exchange rate for the period. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet. The resulting translation adjustments are reported under other comprehensive income in accordance with ASC 220 (Originally issued as SFAS No. 130, "Reporting Comprehensive Income") as a component of shareholders' equity.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements have been translated and presented in United States Dollars ($) on the basis set forth below.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company transactions and balances within the Company are eliminated in consolidation.

Cash and cash equivalents - The Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

Allowance for Doubtful Accounts - The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and other receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. As of June 30, 2010 and December 31, 2009, the Company reserved $3,387,490 and $7,238,597 respectively, for other receivable bad debt, and $309,912 and $312,009, respectively, for accounts receivable bad debt.

Real Estate Held for Development or Sale –The Company capitalizes as real estate held for development or sale, the direct construction and development costs, property taxes, interest incurred on costs related to land under development and other related costs (i.e. engineering, surveying, landscaping, etc.) until the property reaches its intended use. In first quarter of 2010, the company moved one building that amounted $374,548(RMB 2,540,000) to properties held for rental. As of June 30, 2010 and December 31, 2009, real estate held for development or sale amounted to $1,446,584 and $2,060,146, respectively.

Properties held for rental –Properties include buildings held for rental and land use rights, which are being depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line basis over 20-26 years. As of June 30, 2010 and December 31, 2009, net property held for rental amounted to $49,044,553 and $49,802,284 respectively. Accumulated depreciation of rental properties amounted to $16,943,091 and $15,383,654 respectively as of June 30, 2010 and December 31, 2009.

Property and equipment – Property and equipment is being depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line basis over useful lives as follows:

Buildings	8-26 years
Leasehold improvements	20 years
Equipment	5 years
Automobile	5 years
Office furniture and fixtures	5 years

As of June 30, 2010 and December 31, 2009, Property, Plant & Equipment consist of the following:

	June 30, 2010	December 31, 2009
Building	$ 1,089,139	$ 1,454,158
Automobile	1,085,881	1,078,811
Office equipment & Furniture	502,454	442,466
	$ 2,677,474	2,975,435
Accumulated depreciation	(1,488,165)	(1,385,252)
Property and equipment, net	$ 1,189,309	$ 1,590,183

Depreciation expense for the three month periods ended June 30, 2010 and 2009 totaled $94,792 and $91,626 respectively.

Repairs and maintenance costs are normally charged to the statement of and comprehensive income in the year in which they are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalized as an additional cost of the asset.

Property and equipment are evaluated annually for any impairment in value. Where the recoverable amount of any property and equipment is determined to have declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. There were no property and equipment impairments recognized during the six month periods ended June 30, 2010 and 2009.

As of June 30, 2010 fixed assets and rental property totaling $27,839,904 have been pledged as collateral to various banks in respect of borrowings totaling $19,435,228.

Construction-in-progress – Properties currently under development are accounted for as construction-in-progress. Construction-in-progress is recorded at acquisition cost, including land rights cost, development expenditure, professional fees and the interest expenses capitalized during the course of construction for the purpose of financing the project. Upon completion and readiness for use of the project, the cost of construction-in-progress is to be transferred to properties held for sale.

Construction-In-Progress is valued at the lower of cost or market. Management evaluates the market value of its properties on a quarterly basis by comparing selling prices of its properties with those of other equivalent properties in the vicinity offered by other developers reduced by anticipated selling costs and associated taxes. In the case of construction in progress, management takes into consideration the estimated cost to complete the project when making the lower of cost or market calculation.

As of June 30, 2010 and December 31, 2009, the Company had zero and zero construction-in-progress balance, respectively.

Revenue Recognition

Real estate sales

Real estate sales are reported in accordance with the provisions of ASC 360, "Accounting for Sales of Real Estate." Profit from the sales of development properties, less 5% business tax, is recognized by the full accrual method when the sale is consummated. A sale is not considered consummated until (1) the parties are bound by the terms of a contract, (2) all consideration has been exchanged, (3) any permanent financing of which the seller is responsible has been arranged, (4) all conditions precedent to closing have been performed, (5) the seller does not have substantial continuing involvement with the property, and (6) the usual risks and rewards of ownership have been transferred to the buyer. Sales transactions not meeting all the conditions of the full accrual method are accounted for using the deposit method of accounting. Under the deposit method, all costs are capitalized as incurred, and payments received from the buyer are recorded as a deposit liability.

Real Estate Capitalization and Cost Allocation

Real estate held for development or sale is stated at cost or estimated net realizable value, whichever is lower. Costs include land and land improvements, direct construction costs and development costs, including predevelopment costs, interest on indebtedness, real estate taxes, insurance, construction overhead and indirect project costs. Selling and advertising costs are expensed as incurred. Total estimated costs of multi-unit developments are allocated to individual units based upon specific identification methods.

If the real estate is determined to be impaired, it will be written down to its fair market value. Real estate held for development or sale costs include the cost of land use rights, land development and home construction costs, engineering costs, insurance costs, wages, real estate taxes, and interest related to development and construction. All costs are accumulated by specific projects and allocated to residential and commercial units within the respective projects. The Company leases the land for the residential unit sites under land use rights with various terms from the government of the PRC. The Company evaluates the carrying value for impairment based on the undiscounted future cash flows of the assets. Write-downs of inventory deemed impaired would be recorded as adjustments to the cost basis. No depreciation is provided for construction in progress.

Rental income and management fee income

The Company recognizes the rental income on the straight-line basis over the terms of the tenancy agreements. The management fee, including the service fee mainly for property management, maintenance and repair, and security, is recognized quarterly over the terms of the tenancy agreements.

Capitalization of Interest

In accordance with ASC 835, interest incurred during construction is capitalized to construction in progress. All other interest is expensed as incurred. During the six month periods ended June 30, 2010, the Company did not have any such interest to be capitalized.

Other income

Other income consists of land leveling income, parking income, cleaning income and etc, of which land leveling income was a one-time service performed at the request of our customers, and gain on settlement of debt. These revenues were recognized as the services were performed and the settled amount has been paid in accordance with the terms of the agreement.

Earnings Per Share - Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average number of common shares and dilutive potential common shares outstanding during the period.

As of June 30, 2010 and 2009, there were no outstanding securities or other contracts to issue common stock, such as options, warrants or conversion rights, which would have a dilutive effect on earnings per share as the effect of options outstanding at that time was anti- dilutive.

Income taxes – The Company utilizes ASC 740 (Originally issued as SFAS No. 109, “Accounting for Income Taxes”), which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the difference are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company accounts for income taxes using an asset and liability approach which allows for the recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

The Company records a valuation allowance for deferred tax assets, if any, based on its estimates of its future taxable income as well as its tax planning strategies when it is more likely than not that a portion or all of its deferred tax assets will not be realized. If the Company is able to utilize more of its deferred tax assets than the net amount previously recorded when unanticipated events occur, an adjustment to deferred tax assets would increase the Company net income when those events occur.

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of business and credit risk – Financial instruments that potentially subject the Company to concentrations of credit risk are cash and cash equivalents, accounts receivable and other receivables arising from its normal business activities. The Company places its cash and cash equivalents in what it believes to be credit-worthy financial institutions. The Company has a diversified customer base, most of which are in China.

The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

Statement of cash flows - In accordance with ASC 230 (Originally issued as SFAS No. 95), “Statement of Cash Flows,” cash flows from the Company's operations is calculated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet.

Subsequent Events – For purposes of determining whether a post-balance sheet event should be evaluated to determine whether it has an effect on the financial statements for the period ending June 30, 2010 pursuant to ASC 855(Originally issued as SFAS No. 165), subsequent events were evaluated by the Company as of August 15, 2010, the date on which the Form 10-Q, which included the unaudited consolidated financial statements at and for the six month periods ended June 30, 2010, was available to be issued.

Recent accounting pronouncements –

In June 2009, the FASB issued ASC 810 (previously SFAS No. 167) for determining whether to consolidate a variable interest entity. These amended standards eliminate a mandatory quantitative approach to determine whether a variable interest gives the entity a controlling financial interest in a variable interest entity in favor of a qualitatively focused analysis, and require an ongoing reassessment of whether an entity is the primary beneficiary. These amended standards are effective for us beginning in the first quarter of fiscal year 2010 and we are currently evaluating the impact that adoption will have on our consolidated financial statements.

In October 2009, the FASB issued an amendment to the accounting standards related to certain revenue arrangements that include software elements. This standard clarifies the existing accounting guidance such that tangible products that contain both software and non-software components that function together to deliver the product's essential functionality, shall be excluded from the scope of the software revenue recognition accounting standards. Accordingly, sales of these products may fall within the scope of other revenue recognition standards or may now be within the scope of this standard and may require an allocation of the arrangement consideration for each element of the arrangement. This standard, for which the Company is currently assessing the impact, will become effective on January 1, 2011.

In February 2010, FASB issued ASU No. 2010-9 – Amendments to Certain Recognition and Disclosure Requirements. This update addresses certain implementation issues related to an entity's requirement to perform and disclose subsequent-events procedures, removes the requirement that public companies disclose the date of their financial statements in both issued and revised financial statements. According to the FASB, the revised statements include those that have been changed to correct an error or conform to a retrospective application of U.S. GAAP. The amendment is effective for interim and annual reporting periods in fiscal year ending after June 15, 2010. The Company does not expect the adoption of this ASU to have a material impact on the Company's consolidated financial statements.

Reclassifications – Certain amounts in the 2009 financial statements may have been reclassified to conform to the 2010 presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

3. Real estate held for development or sale

Properties held for resale at June 30, 2010 and December 31, 2009 by project are as follows:

	June 30, 2010	December 31, 2009
Qiyun New Village	$ 361,179	$ 610,096
Peacock Garden	86,499	85,936
Chenglong Garden	493,498	861,345
President Building	220,158	218,724
Maryland Building	270,206	268,447
Others	15,044	15,598
Total	$ 1,446,584	$ 2,060,146

The Company introduced a "Five-year Trial Accommodation Program" (the "Program") to attract potential buyers when initial sales at the project did not meet expectations. Under the Program, property buyers were required to pay a 10% refundable deposit based on the sale price of the property or $7,373 (RMB50,000) and another 20%, based on the sale price of the property which is non-refundable, over 5 years by monthly installments, totaling 30% throughout the trial period. The remaining 70% of the consideration shall be due and payable immediately after the trial period when the property buyers exercise their option whether or not to complete the purchase. If the buyer chooses not to buy the property, the 10% refundable deposit or $7,373 (RMB50,000) will be refunded to the buyers (less any unpaid rental due) and monthly installments received over the 5-year trial period will have been recognized as rental income in the year in which they arose.

As of June 30, 2010 and December 31, 2009, $220,766 and $532,833 respectively worth of properties held for sale in Qiyun New Village were occupied by individuals who agreed to buy the properties without having fully paid the purchase consideration. $28,790 and $87,894 were included in advance from buyers for this Program as of June 30, 2010 and December 31, 2009 respectively.

4. Accrued expenses

Accrued expenses consisted of following as of June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Payroll and welfare payable	$ 105,873	$ 97,898
Accrued expenses	8,420	65,249
Total	$ 114,293	$ 163,147

5. Tax payables

Tax payables consist of the following as of June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Income tax payable	$ 6,179,514	$ 6,169,230
Business tax	626,623	633,292
Land VAT payable	2,212,655	2,199,205
Other levies	50,118	63,511
Total	$ 9,068,910	$ 9,065,238

6. Payable to disposed subsidiary

The Company has a payable to a disposed subsidiary, Loyal Best Property Development Limited, amounting to $10,494,449 as of December 31, 2007.

Subsequently, the Company paid $9,725,112 to Loyal Best during 2008 and had a balance due as of June 30, 2010 and 2009 in the amount of $774,379 and $769,337 respectively.

7. Short-term loans

Short-term loans as of June 30, 2010 and December 31, 2009 consist of the following:

Nature	Due on	Interest per Annum	June 30, 2010
Bank loan	10-13-2010	10.395%	13,536,828
Bank loan	6-12-2011	8.775%	5,898,400
Total			$ 19,435,228

Nature	Due on	Interest per Annum	December 31, 2009
Bank loan	10-13-2010	10.395%	13,448,700
Bank loan	6-12-2010	8.775%	5,860,000
Total			$ 19,308,700

The above loans are secured by fixed assets and land use rights the Company owns.

For the six month periods ended June 30, 2010 and 2009, the Company incurred interest and finance costs amounting to $976,447 and $969,422, respectively.

8. Statutory Reserve

As stipulated by the Company Law of the People's Republic of China (PRC), net income after taxation can only be distributed as dividends after appropriation has been made for the following:

i. Making up cumulative prior years' losses, if any;

ii. Allocations to the "Statutory Surplus Reserve" of at least 10% of income after tax, as determined under PRC accounting rules and regulations, until the fund amounts to 50% of the Company's registered capital;

iii. Allocations of 5% to 10% of income after tax, as determined under PRC accounting rules and regulations, to the Company's "Statutory Common Welfare Fund", which is established for the purpose of providing employee facilities and other collective benefits to the Company's employees; and statutory common welfare fund is no longer required per the new cooperation law executed in 2006.

iv. Allocations to the discretionary surplus reserve, if approved in the stockholders' general meeting.

The Company accrued zero and zero statutory reserve during 2010 and 2009, respectively.

9. Stock Options

On January 31, 2008, the Company issued a non-incentive stock option for 10,000 shares to a non-employee director with an exercise price of $0.65. The option was fully vested on the date granted and was scheduled to expire in January 2010. The holder of the option surrendered the option for cancellation on January 31, 2010, when he resigned as a director.

Risk-free interest rate	6.00%
Expected life of the options	2 year
Expected volatility	121.79%
Expected dividend yield	0%

On January 31, 2007, the Company issued a non-incentive stock option for 10,000 shares to a non-employee director with an exercise price of $4.65. The options were vested and exercisable over a term of two years that expired on January 31, 2009.

Risk-free interest rate	8.25%
Expected life of the options	2 year
Expected volatility	83.76%
Expected dividend yield	0%

No options to purchase the Company's common stock were outstanding at June 30, 2010.

A summary of option activity as of June 30, 2010, and changes during the period then ended is presented below:

	Shares
Outstanding on December 31, 2008	20,000
Granted	--
Exercised	--
Forfeited or expired	20,000
Outstanding on December 31, 2009	--
Granted	--
Exercised	--
Forfeited or expired	--
Outstanding on June 30, 2010	--
Exercisable on June 30, 2010	--

10. Disposal of subsidiaries and discontinuance of subsidiaries

Shenyang Xinchao Property Company Limited ("Xinchao") and Shenyang Yindu Property Company Limited ("Yindu") were registered in August 2005 in Shenyang, Liaoning Province, in the PRC 2016. Xinchao and Yindu were formed and capitalized as indirect subsidiaries of the Company to acquire and develop a certain tract of property located in the Heping District of Shenyang with an area of almost 500,000 square meters known as the Xita Project. Following transfer of the land use rights to the tract, the local government decided to pursue an alternative development plan for the area and negotiated for reacquisition of the land use rights from Xinchao and Yindu. Heping District refunded the purchase price for the land use rights paid by Xinchao and reimbursed the development costs incurred by Xinchao. The Company decided to discontinue Xinchao and Yindu in October 2008. As of December 15, 2008, the operations of Xinchao and Yindu were discontinued. In 2009, 70% of the assets and liabilities were transferred to Shenyang Maryland International and the other 30% of the assets and the liabilities were transferred to Silverstrand.

11. Income Tax

The Company is registered in the State of Nevada and has operations in primarily three tax jurisdictions – the People's Republic of China, Hong Kong and the United States. For operation in the US, the Company has incurred net accumulated operating losses for income tax purposes. The Company believes that it is more likely than not that these net accumulated operating losses will not be utilized in the future. Therefore, the Company has provided full valuation allowance for the deferred tax assets arising from the losses at these locations as of June 30, 2010. Accordingly, the Company has no net deferred tax assets.

The provision for income taxes from continuing operations on income consists of the following for the years ended June 30, 2010 and 2009:

	For Six Months Ended June 30,	
	2010	**2009**
US current income tax expense (benefit)		
Federal	$ --	$ --
State	--	--
HK current income tax expense	--	--
PRC current income tax expense (benefit)	$ --	$ 258,729
Total provision for income tax	$ --	$ 258,729

The following is a reconciliation of the provision for income taxes at the U.S. federal income tax rate to the income taxes reflected in the Statement of Operations:

	June 30, 2010	**June 30, 2009**
Tax expense (credit) at statutory rate - federal	35%	35%
State tax expense net of federal tax	0%	0%
Changes in valuation allowance	(35%)	(35%)
Foreign income tax – HK	16.5%	16.5%
Valuation allowance	(16.5%)	(16.5%)
Foreign income tax expense – PRC	25%	25%
Valuation allowance	(25%)	(25%)

United States of America

As of June 30, 2010, the Company in the United States had approximately $607,742 in net operating loss carry forwards available to offset future taxable income. Federal net operating losses can generally be carried forward 20 years. The deferred tax assets for the United States entities at June 30, 2010 consists mainly of net operating loss carry forwards and were fully reserved as the management believes it is more likely than not that these assets will not be realized in the future.

The following table sets forth the significant components of the net deferred tax assets for operation in the US as of June 30, 2010 and December 31, 2009.

	June 30, 2010	December 31, 2009
Net operation loss carry forward	$ (607,742)	$ (585,540)
Total deferred tax assets	212,710	204,939
Less: valuation allowance	(212,710)	(204,939)
Net deferred tax assets	--	--
Change in valuation allowance	$ 7,771	$ (40,159)

Hong Kong

As of June 30, 2010, the Company in Hong Kong had approximately $142,266 in net operating loss carry forwards available to offset future taxable income. There is no time limit for the losses to carry forward. The deferred tax assets for the Hong Kong entities at June 30, 2010 consists mainly of net operating loss carry forwards and were fully reserved as the management believes it is more likely than not that these assets will not be realized in the future.

The following table sets forth the significant components of the net deferred tax assets for operation in Hong Kong as of June 30, 2010 and December 31,2009.

	June 30, 2010	December 31, 2009
Net operation loss carry forward	$ (142,266)	$ (139,387)
Total deferred tax assets	23,474	24,392
Less: valuation allowance	(23,474)	(24,392)
Net deferred tax assets	--	--
Change in valuation allowance	$ (918)	$ (2,644)

People's Republic of China (PRC)

Pursuant to the PRC Income Tax Laws, the Company's subsidiary is generally subject to Enterprise Income Taxes ("EIT") at a statutory rate of 25% since January 1, 2008. The Company's applicable EIT rate under new EIT law is 25% which was approved by local Tax department.

As of June 30, 2010 and December 31, 2009, the Company's PRC subsidiary had net operating loss carry forwards which can be carried forward 5 years to offset future taxable income. The deferred tax assets for Shenyang Maryland on June 30, 2010 consist mainly of net operating loss carry forwards and they were fully reserved as the management believes they are more likely than not that these assets will not be realized in the future.

The following table sets forth the significant components of the net deferred tax assets for operation in PRC as of June 30, 2010 and December 31, 2009.

	June 30, 2010	December 31, 2009
Net operation loss carry forward	$ (5,979,675)	$ (4,891,502)
Total deferred tax assets	1,494,919	1,222,875
Less: valuation allowance	(1,494,919)	(1,222,875)
Net deferred tax assets	--	--
Change in valuation allowance	$ 272,044	$ (363,897)

Aggregate net deferred tax assets

The following table sets forth the significant components of the aggregate net deferred tax assets of the Company as of June 30, 2010 and December 31, 2009:

	June 30, 2010	December 31, 2009
Aggregate		
Total deferred tax assets	$ 1,731,103	$ 1,452,206
Less: valuation allowance	(1,731,103)	(1,452,206)
Net deferred tax assets	--	--
Change in valuation allowance	$ 278,897	$ (406,700)

12. Segment Information

ASC 280 requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

During the years ended June 30, 2010 and 2009, the Company is organized into two main business segments: (1) Property for sale, and (2) Rental income and Income of management fee of commercial buildings. The following table presents a summary of operating information and certain year-end balance sheet information as of June 30, 2010 and 2009:

	June 30, 2010		June 30, 2009	
Revenues from unaffiliated customers:				
Selling of properties	$	691,740	$	480,376
Rental income & Management fee		3,073,742		2,884,590
Consolidated	$	3,765,482	$	3,364,966
Operating income (loss):				
Selling of properties	$	(4,904)	$	(703,377)
Rental income & Management fee		355,178		214,533
Corporation (1)		(586,174)		(439,729)
Consolidated	$	(235,899)	$	(928,573)
Net income (loss) before taxes:				
Selling of properties	$	(981,351)	$	(1,712,401)
Rental income & Management fee		355,178		214,448
Corporation (1)		(487,081)		2,040,440
Consolidated	$	(1,113,253)	$	542,487
Identifiable assets:				
Selling of properties	$	7,543	$	6,455,594
Rental & Management fee		51,116,663		49,808,857
Corporation (1)		9,560,882		9,922,432
Consolidated	$	60,685,088	$	66,186,883
Depreciation and amortization:				
Selling of properties	$	83,251	$	--
Rental & management fee		1,457,672		1,464,642
Corporation (1)	$	11,541	$	--
Consolidated	$	1,552,465	$	1,464,642
Capital expenditures:				
Selling of properties	$	--	$	--
Rental & management fee		57,996		(21,389)
Corporation (1)		--		(24,829)
Consolidated	$	57,996	$	(46,219)

(1). Unallocated loss from operating income (loss) and net income before provision for income taxes are primarily related to general corporate expenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(1) Caution Regarding Forward-Looking Information

The following discussion and analysis should be read in conjunction with our consolidated financial statements prepared in accordance with accounting principles generally accepted in the USA. Unless otherwise indicated, references in this discussion to "we", "our" and "us" are to Great China International Holdings, Inc., and its subsidiaries.

Any statements in this discussion that are not historical facts are forward-looking statements that involve risks and uncertainties; actual results may differ from the forward-looking statements. Sentences or phrases that use such words as "believes", "anticipates", "plans", "may", "hopes", "can", "will", "expects", "is designed to", "with the intent", "potential" and others indicate forward-looking statements, but their absence does not mean that a statement is not forward-looking. Factors that could have a material and adverse impact on actual results are described in our annual report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission on April 15, 2010. We do not undertake any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

(2) Executive Summary

Great China International Holdings Inc., ("the Company", "We", "Our") through its various subsidiaries, has been engaged in commercial and residential real estate leasing, management, consulting, investment, development and sales. We conduct all our operation in the People's Republic of China through our direct and indirect wholly owned subsidiaries; Shenyang Maryland International Industry Company Limited and Silverstrand International Holdings Company Limited.

(3) Results of Operations

Comparison of operations for six month periods ended June 30, 2010 with those for the same period ended June 30, 2009 :

The Company incurred a net loss of $1,113,252 for the six-month period ended June 30, 2010 compared to a net income of $542,442 for the six-month period ended June 30, 2009, representing a 305% decrease at $1,655,694. Factors that contributed to this decrease are discussed below.

Sales revenues increased by $400,516 or 11.90% from $3,364,966 for the six-month period ended 2009 to $3,765,483 for the same period ended June 30, 2010. The real estate sales increased by $211,364 or 44.00% from $480,376 to $691,740, which is attributed to the Company's enhanced marketing efforts in 2010. Nevertheless, ee expect that real estate sales revenues will diminish in future periods as our current inventory of units available for sale is sold and decreases, and since we do not have projects in development at the present time that would add to our inventory of units. Rental income increased by $190,836 or 9.74% for the six-month period ended June 30, 2010 compared with the same period ended June 30, 2009. The increase is attributable to marketing strategies implemented in 2010 to maintain and improve occupancy at prevailing rental rates.

Cost of properties sold amounted to $2,970,966 for the six-month period ended June 30, 2010 compared to $2,655,150 for the same period of 2009. The cost of properties sold increased by $315,816 or 11.89%.

Selling expenses decreased by $199,152 or 87.73% to $27,843 for the six-months ended June 30, 2010 from $226,995 for the same period of 2009. The main reason for this decrease was because of reduced advertising expense.

General and administrative expenses decreased by $411,989 or 31.22% to $907,780 for the six month period ended June 30, 2010 from $1,319,769 for the same period of 2009. During the first six months of 2010 the Company was not engaged in any significant project development activity compared to the development activity in the first six months of 2009, which resulted in a reduction of staff and allowed the Company to implement other cost-cutting measures.

Depreciation expense increased by $3,167 or 3.46% to $94,792 for the six-month period ended June 30, 2010 from $91,626 for the same period of 2009. The increase was due to new equipment purchased after the first half year of 2009 that is being depreciated in subsequent periods, including 2010.

The project that generated land leveling income in 2009 ended, so no similar income was generated in 2010. Consequently, $2,126,358 of land leveling income recognized in the first half of 2009 did not recur in the first half of 2010.

The other income decreased by $214,986 or 68.45% to $99,093 for the six-month period ended June 30, 2010 from $314,079 for the same period of 2009. The decrease was primarily the result of lower penalties charged to tenants and customers for their late payments.

Interest and finance costs remained stable in amount. These costs dropped to $976,447 for the six-month period ended June 30, 2010 from $969,422 for the same period of 2009, reflecting a decrease of $7,025 or 0.72%.

Cash Flow Discussion

Net cash used in operating activities for the six-month period ended June 30, 2010 amounted to $1,567,834, compared to net cash provided by operating activities of $1,788,516 for the same period in 2009. Less cash was generated from operations in the first six months of 2010 primarily because land leveling income recognized in the first half of 2009 did not recur in the first half of 2010.

Net cash used in investing activities for the six-month period ended June 30, 2010 was $56,722, compared to that provided by investing activities for the same period of 2009, which amounted to $46,203. This change was primarily the result of new equipment purchases in 2010 and the absence of cash flow from investment in construction and development activities.

(4) Liquidity and Capital Resources

Current liabilities exceeded current assets by $26,180,334 as of June 30, 2010. The working capital deficit is mainly a result of short term loans of $19,435,228, which represents bank borrowings secured by certain of the Company’s real estate assets that have due dates in October 2010 and June 2011. It has become common practice in the PRC for banks and companies to renegotiate loan extensions on an annual basis. Lending banks customarily work out with borrowers loan extensions or restructurings annually within the administrative guidelines of the government. The Company has no reason to believe this practice will not continue so long as the banking customs in the PRC remain unchanged, there are no significant changes in governmental regulation of the practice, the security for the Company’s loans retains adequate value, and the Company acts responsibly in addressing reduction of interest and principal balances when it has liquidity. There is no assurance, however, that the practice of annual extensions will continue indefinitely, so management expects it will continue to seek opportunities to reduce its bank indebtedness in future periods.

(5) Contractual Obligations

The following table was a summary of the Company’s contractual obligations as of June 30, 2010:

	Total	Less than one year	1-3 Years	Thereafter
Short-Term Debt	$ 19,435,228	$ 19,435,228	$ --	$ --
Long-Term Debt	--	--	--	--
Amounts due to related parties	--	--	--	--
Construction commitments	--	--	--	--
Total Contractual Cash Obligations	$ 19,435,228	$ 19,435,228	$ --	$ --

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Disclosure under this item is not required of a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in rules and forms adopted by the Securities and Exchange Commission (“SEC”), and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this report, Great China International's management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, reassessed the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2010. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that Great China International's disclosure controls and procedures were effective as of the end of the fiscal quarter on June 30, 2010, to ensure that information that is required to be disclosed by Great China International in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within Great China International to disclose information that is otherwise required to be set forth in its periodic reports.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three-month period ended June 30, 2010, that have materially affected, or are likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

Copies of the following documents are included or furnished as exhibits to this report pursuant to Item 601 of Regulation S-K.

Exhibit No.	SEC Ref. No.	Title of Document
31.1	31	The certification of chief executive officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	31	The certification of chief financial officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	32	The certifications required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350

SIGNATURES

In accordance with the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREAT CHINA INTERNATIONAL HOLDINGS, INC.

Date: August 14, 2010	By: /s/ Jiang Peng Jiang Peng, Chairman of the Board (Principal Executive Officer)
Date: August 14, 2010	By: /s/ Sun Dongqing Sun Dongqing, Chief Financial Officer (Principal Financial and Accounting Officer)

Certification

I, Jiang Peng, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great China International Holdings, Inc. for the period ended June 30, 2010;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) of the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 14, 2010

By: /s/ Jiang Peng
Jiang Peng, Chairman of the Board
(Principal Executive Officer)

Certification

I, Sun Dongqing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great China International Holdings, Inc. for the period ended June 30, 2010;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) of the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 14, 2010	By:	/s/ Sun Dongqing
		Sun Dongqing, Chief Financial Officer
		(Principal Financial and Accounting Officer)

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of Great China International Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jiang Peng, Chairman of the Board (Principal Executive Officer) of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2010

By: /s/ Jiang Peng
Jiang Peng
Chairman of the Board
(Principal Executive Officer)

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of Great China International Holdings, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sun Dongqing, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2010

By: /s/ Sun Dongqing
Sun Dongqing, Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Great China International Holdings, Inc. and will be retained by Great China International Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.