

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 queries raised by Singapore Exchange Limited (“SGX”) on 12 May 2011 (“SGX Query”) in relation to the Company's announcement of 10 May 2011 on the first quarter 2011 results page 10 Section 8, as follows:

Query 1: To elaborate how did the revisions made to the M&A of CIHL Water in October 2010 result in a lapse of minority veto right.

Company's response

On 1 October 2010, the Group obtained control of CIHL Water following the amendments in the Memorandum and Article of Association (“M&A”) of CIHL Water, specifically paragraph 24 and 25 of the M&A, which enables the Company to control the financial and operating matters of CIHL Water.

Query 2: To explain whether the Company made the announcement in October 2010 when control over CIHL Water was obtained.

Company's response

The Company was unable to determine the financial effects when control over CIHL Water was obtained by it in October 2010 until a valuation report was completed. A Hong Kong valuation firm, Roma Appraisal Limited (“Roma”), acceptable by our external auditors was appointed to carry out the valuation report to meet the requirements under the accounting standards. After Roma finalized the valuation report on 24 February 2011, the Company made the announcement on 25 February 2011 based on the valuation report prepared by Roma.

BY ORDER OF THE BOARD

Shan Chang
Non-Executive Chairman

16 May 2011