

CHINA INTERNATIONAL HOLDINGS LIMITED
(BERMUDA COMPANY REGISTRATION NO. 23356)
(INCORPORATED IN BERMUDA)

PROPOSED PLACEMENT OF 150,000,000 NEW ORDINARY SHARES
IN THE CAPITAL OF CHINA INTERNATIONAL HOLDINGS LIMITED
AT A PLACEMENT PRICE OF S\$0.051 PER PLACEMENT SHARE (THE "PLACEMENT")

1. INTRODUCTION

The Board of Directors of China International Holdings Limited (the "**Company**") and together with its subsidiaries "**Group**") wishes to announce the proposed issue or placement of 150,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at S\$0.051 for each Placement Share by way of a private placement.

2. THE PROPOSED PLACEMENT

The Company has entered into a subscription agreement on 26 April 2014 ("**Subscription Agreement**") with Wisdom Accord Ltd (the "**Subscriber**"). Pursuant to the Subscription Agreement, the Company has agreed to allot and issue an aggregate of 150,000,000 Placement Shares at an issue price of S\$0.051 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of S\$7,650,000, subject to the terms and conditions of the Subscription Agreement.

The Placement is non-underwritten and there is no placement agent appointed for the purpose of this Placement.

3. THE PLACEMENT SHARES AND THE PLACEMENT PRICE

The Placement Price of S\$0.051 per Placement Share represents a discount of approximately 1.92% to the volume weighted average price of S\$0.052 for each Share for trades in the Shares done on Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 25 April 2014 (being the last full market day preceding the execution of the Subscription Agreement).

The Placement Shares will represent approximately 17.15% of the existing issued share capital of the Company as at the date of this Announcement; and (ii) approximately 14.64% of the enlarged issued and paid-up share capital of the Company after the issue of the Placement Shares.

The Placement Shares shall be issued free from encumbrances (and shall rank *pari passu* in all respects with and carry all rights similar to the existing ordinary shares in the capital of the Company (the "**Shares**") except that they will not rank for any dividends, rights, allotments or other distributions or other entitlements, the book closure date ("**BCD**") of which falls on or before the date of completion of the allotment and issue of the Placement Shares.

4. GENERAL MANDATE

The Placement Shares will be issued pursuant to the general mandate (“**General Mandate**”) granted by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 25 April 2013 (“**Date of 2013AGM**”) which authorises the Directors to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Rules of Mainboard of the Listing Manual of the SGX-ST (“**Mainboard Rules**”).

Pursuant to the General Mandate, the Directors are authorised to, inter alia, issue new Shares, other than on a pro rata basis to Shareholders, of up to 20% of the total number of issued Shares (excluding treasury shares) of up to 174,920,750 Shares.

As at the date of this Announcement, the Company has not utilised the General Mandate obtained on the Date of 2013 AGM for the allotment and issue of any new Shares. When completed, the Placement will increase the issued and paid up share capital of the Company from 874,603,750 Shares to 1,024,603,750 Shares.

As such, the proposed issue and allotment of 150,000,000 Placement Shares will be within the limits of the General Mandate.

5. INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment company incorporated in the British Virgin Islands in July 2010 with its operating office in Hong Kong. The sole director and shareholder is Zheng Dagang (“**Mr Zheng**”). Mr Zheng is a seasoned investor with in-depth experience investing in companies operating in PRC. The principal activity of the Subscriber is investing in equities listed on the stock exchanges of Hong Kong and Taiwan. The Subscriber is managed by a team of investment professionals who adopts a balanced and long term investment approach in their investment strategies. Since its incorporation, the Subscriber has invested in non-controlling stakes in energy and infrastructure companies in Hong Kong.

A representative of the Subscriber approached a director of the Company, indicating the Subscriber’s interest in investing in the Company. The Board of Directors believe it is a good opportunity to utilise the general mandate to raise capital for the Company.

Pursuant to the Subscription Agreement, the Subscriber has represented that, *inter alia*, it is not a person falling within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1) of the Mainboard Rules. In addition the Subscriber has represented that it is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Takeover Code and Mergers).

Prior to the date of the Subscription Agreement, the Subscriber has no connections (including any business relationship) with the Company, its subsidiaries, its Directors and substantial Shareholders.

No commission or any other additional payment will be made in relation to the Placement.

4. CONDITIONS PRECEDENT

The Placement is conditional upon the following:

- (i) the submission of the additional listing application to the SGX-ST for the listing of and quotation for the Placement Shares on the Mainboard of the SGX-ST;
- (ii) the receipt by the Company of the approval in-principle for the admission to and listing and quotation of the Subscription Shares from the SGX-ST (as the case may be) being granted and such approval not having been revoked or amended, and where such approval is subject to conditions, such conditions being acceptable to the Subscriber;
- (iii) the subscription, allotment and issue of the Subscription Shares on Completion Date not being prohibited by any statute, order, rule or regulation promulgated after the date of this Agreement by any legislative executive or regulatory body or authority of Singapore which is applicable to the Company; and
- (iv) there having been, as at Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in Clause 5 of the Subscription Agreement if they were repeated on and as of the Completion Date. In the Subscription Agreement, Completion Date would fall on 25 June 2014, being the date falling 60 days after the date of this Agreement (or such other date as may be agreed between the parties).

5. ADDITIONAL LISTING APPLICATION

The Company will also making an application to the SGX-ST for the admission to and the listing of and quotation for the Placement Shares on the Mainboard of the SGX-ST, and will make the necessary announcement when the Company receives the approval-in-principle for the same from the SGX-ST.

6. USE OF PROCEEDS

The estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S\$7.6 million (after deducting expenses of approximately S\$50,000 incurred by the Company in connection with the Placement).

The Company intends to utilise 100% of the Net Proceeds for working capital purposes of Group.

Use of Proceeds	Percentage Allocation
General Working Capital for the Group	100%

Pending the deployment of the Net Proceeds for the purposes mentioned above, the

Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such funds are materially disbursed, and provide a status report on the use of such proceeds in the Company's annual report. The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in such announcements and annual reports.

7. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Placement based on the following bases and assumptions:

- (i) The audited consolidated financial statements of the Company for the financial year ended 31 December 2013; and
- (ii) The financial impact on the consolidated net tangible assets ("**NTA**") per Share of the Company is computed based on the assumption that the Placement was completed on 31 December 2013 and in relation to the Company's consolidated earnings per Share ("**EPS**"), computed based on the assumption that the Placement was completed on 1 January 2013.

	Before the Placement	After the Placement
Share Capital		
- Issued and paid up share capital (S\$)	43,730,187.50	51,230,187.50
- Number of Shares	874,603,750	1,024,603,750
NTA (S\$) ⁽³⁾	139,546,210.00	147,196,210.00
NTA per Share (cents) ⁽³⁾	15.96	14.37
Earnings attributable to equity holders of the Company (S\$) ⁽³⁾	2,941,170.00	2,941,170.00
EPS (cents) ⁽¹⁾⁽³⁾	0.34	0.29
Weighted average number of shares used to calculate diluted EPS ⁽²⁾⁽³⁾	874,603,750	1,024,603,750

Notes:

- (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.
- (2) Weighted average number of ordinary shares was computed based on the 874,603,750 ordinary shares in issue at the beginning of the period.
- (3) Based on the exchange rate of S\$1.00 : RMB4.900927

The financial effects of the Placement on the Company are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company after the completion of the Placement.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial Shareholders of the Company (other than in their capacity as Director or Shareholders of the Company) has any interest, direct or indirect, in the Placement.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at SGX Centre 2, #17-01 4 Shenton Way Singapore 068807 during normal office hours for a period of three months from the date of this Announcement:

- (i) Subscription Agreement; and
- (ii) Annual Reports of the Company for the financial years ended 31 December 2012 and 31 December 2013.

BY ORDER OF THE BOARD

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Shan Chang

Chairman

27 April 2014