



China International Holdings Limited
中翔國際集團有限公司
(Incorporated in Bermuda with limited liability)
(Bermuda Company Registration No. 23356)

RESPONSE TO SGX QUERY ON FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

The Board of Directors of China International Holdings Limited (the “**Company**”), or together with its subsidiaries (the “**Group**”) refers to the Company’s financial results for its first quarter ended 31 March 2016 (“**Q1 FY2016 Results**”) released to Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 10 May 2016. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 10 June 2016:-

SGX Query 1

In the Company’s announcement of its Financial Results for its First Quarter Ended 31 March 2016, the Company disclosed finance cost had decreased by 44.5% to RMB7.91 million. Please reconcile this against the Company’s announcement on 6 May 2015 regarding the profit guidance in which the Company announced that “loss for 1Q 2016 mainly due to interest expense incurred on its term facilities which were utilized for working capital purposes and to finance the Company’s property development business”.

Company’s response

The company recorded a net loss of RMB5.75 million for Q1 FY2016. Notwithstanding a 44.5% drop compared to the same quarter of the previous year, this quarter’s finance costs of RMB 7.91million remains a significant factor accounting for the net loss of RMB5.75 million recorded for Q1 FY2016.

SGX Query 2

The Company disclosed on page 6 that “Borrowings from non-related parties” amounted to RMB 60.0 million.

Please provide further disclosure on the following:

- a) Identity and relationship of the non-related parties;
- b) Details and terms of the borrowings; and
- c) Reasons why this 3rd party is extending loans to the Company.

Company’s response

- a) The non-related party is New Times Trust Co., Ltd (新时代信托股份有限公司) (“**New Times Trust**”). New Times Trust is a non-bank financial institution, whose principal business activities consist of the provision of financial services and facilities in China.

Save as disclosed above, none of the directors and/or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in New Times Trust.

b) Details and terms of the borrowings are set out in the table below:

| | |
|-----------------------|--|
| Borrower | CIHL (Tianjin) City Development Limited |
| Principal of the loan | RMB 60 million |
| Duration | 25 January 2016 to 25 January 2017 |
| Interest rate | 15% per annum |
| Security | (i) share charge over 25% of the equity interest in Yichang Xinshougang Property Development Company Limited held by Beijing Kaiyuan Wanjia Consulting Company Limited, a subsidiary of the Group; and (ii) first mortgage over the land use right for Yichang held by Yichang Xinshougang Property Development Company Limited, a subsidiary of the Group. |

c) Please refer to the Company's response to Question 2(a)

SGX Query 3

The Company disclosed on page 6 that "Borrowings from a related party" had increased to RMB 21.8 million. Please disclose who these related party is. Please also disclose the terms and the reasons why the Company has to borrow from the related party.

Company's response

The related company is Beijing Jinglongshidai Investment Co., Ltd (北京津隆时代投资有限公司). The Company had previously disclosed the relationship between the Company and BJIL in the Company's announcements on 12 June 2015 and 5 May 2016, an extract of which is set out below:

Beijing Jinglongshidai Investment Co., Ltd (北京津隆时代投资有限公司) ("BJIL") is an investment company established in the PRC. Mr. Zhang is a non-executive director of BJIL.

The shareholders of BJIL are Beijing Longaoxintong Jianzhuzhuangshi Co. Ltd (北京隆澳新通建筑装饰有限公司) ("BLJC") and CIH (Tianjin) Haihe Development Limited (中翔(天津)海河发展有限公司) ("CIHTHD").

CIHTHD is an urban infrastructure construction and engineering management company established in the PRC. Both Mr. Shan and Mr. Zhang are non-executive directors of CIHTHD.

Save as disclosed above, none of the directors and/or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in BLJC and CIHTHD.

The Group borrowed monies from BJIL to fund the construction costs of the property development project in Yichang as BJIL offered the best available terms to the Group. Details and terms of the borrowings are set out in the table below:

| | |
|-----------------------|---|
| Borrower | CIHL (Tianjin) City Development Limited |
| Principal of the loan | RMB 21.8 million |
| Duration | 3 February 2016 to 3 August 2016 |
| Interest rate | 8.35% per annum |
| Security | Nil |

SGX Query 4

The Company disclosed on page 6 that “Repayment of borrowings from non-related parties” had increased from RMB 12.0 million to RMB59.8 million.

Please provide further disclosure on the identity and relationship of the non-related parties.

Company’s response

The non-related party is the New Times Trust. Please refer to the Company’s response to Question 2(a) for further details.

**BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED**

**Shan Chang
Chairman**

14 June 2016