



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 ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors of China International Holdings Limited (the “Company”), or together with its subsidiaries (the “Group”) refers to the Company’s Annual Report (the “Annual Report”) for the financial year ended 31 December 2016 (“FY2016”) released to Singapore Exchange Securities Trading Limited (“SGX-ST”) on 12 April 2017. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 15 May 2017:-

SGX Query

We refer to page 128 of the Company’s FY2016 Annual Report in relation to the Company’s Related Party Transactions.

The Company recorded:-

- a) Cash received by Related Parties on behalf of the Group amounting to RMB9.674 million;
- b) Architectural Service Fee paid/payable to Related Parties amounting to RMB1.846 million;
- c) Borrowings from Related Parties amounting to RMB40.1 million; and
- d) Interest expenses paid/payable to Related Parties amounting to 6.749 million.

Please disclose:-

- a) The identities of the Related Parties in each of the above Related Parties Transactions;
- b) The reason(s) for having the Related Parties receive cash on behalf of the Group and when does the Company actually receive the cash;
- c) The terms of the Borrowings from the Related Parties and as well as what the loan(s) were used for; and
- d) The transactions for which the Interest Expenses Paid/Payable to the Related Parties were related to.

Company’s response

- a) The Related Parties who had entered into transactions referred to on page 128 of the Annual Report for items (a) to (d) above are:

- a) Jing Wealth Investment Enterprises Limited (‘JWIEL’);
- b) Cigis (China) Limited;
- c) Beijing Jinglongshidai Investment Co., Ltd (北京津隆时代投资有限公司) (‘BJIL’); and
- d) BJIL.

- b) As previously disclosed in the Company’s announcement of 5 May 2016, JWIEL acted as an intermediary to facilitate the transfer of RMB8.942 million in cash from a wholly-owned subsidiary of the Company, CIHL (Tianjin) City Development Limited (“CCDL”), to another wholly-owned subsidiary, China Infrastructure Management (Hong Kong) Limited (“CIM”) during the financial year ended 31 December 2015.

JWIEL again acted as the intermediary to facilitate the transfer of the said RMB9.674 million in FY2016 from CCDL to CIM. The Company receives the funds within two days from the transfer.

Like the previous transaction JWIEL did not charge any fees for acting as an intermediary.

c) Details and terms of the borrowings from BJIL are as follows:

Period of borrowings: 12 months;
Amount: less than RMB100 million;
Interest rate: 8.35% per annum;
Collateral: Nil.

In management's view, BJIL's terms of borrowings best meet the interest of the Group. The funds were used primarily to pay for construction costs of development properties in the Yichang project.

d) For FY2016, aggregate interest expenses paid or payable to BJIL in respect of above borrowings amounted to RMB6.749 million.

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

**Shan Chang
Chairman**

17 May 2017