



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)

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**PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN YICHANG ZHONGXIANG PROPERTY MANAGEMENT COMPANY LIMITED (宜昌中翔物业管理有限公司)**

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**1. INTRODUCTION**

The Board of Directors (the **“Board”**) of China International Holdings Limited (the **“Company”**, and together with its subsidiaries, the **“Group”**) wishes to announce that Yichang Xinshougang Property Development Company Limited (**“Yichang XSG”**), has on 20 September 2017, entered into a sale and purchase agreement (the **“Sale and Purchase Agreement”**) with Beijing Hongkun Ruibang Property Management Company Limited (北京鴻坤瑞邦物業管理有限公司) (the **“Purchaser”**) in relation to the disposal of its entire equity interests in Yichang Zhongxiang Property Management Company Limited (宜昌中翔物業管理有限公司)(**“YZPMCL”**) to the Purchaser (the **“Sale Shares”**), for an aggregate cash consideration of RMB200,000 (**“Consideration”**) (equivalent to approximately SGD40,980 as at the date of this announcement) (the **“Proposed Disposal”**). Both Yichang XSG and YZPMCL are associated companies of the Group, indirectly held through various entities.

**2. INFORMATION ON PURCHASER**

The Purchaser is a limited liability company established in the People’s Republic of China on 18 June 2003 and is engaged in the business of property management. The entire equity interests of the Purchaser is held by Beijing Hongkunweiye Property Development Company Limited (北京鴻坤偉業房地產開發有限公司) (**“Beijing HKWY”**). The directors and shareholders of the Purchaser are parties unrelated to the Company, its directors and controlling shareholders. In the announcement issued by the Company on 8 May 2017, Beijing HKWY had acquired 5% of the equity and debt interests of the then Group’s subsidiary, Beijing Kaiyuan Wanjia Management Consulting Company Limited (**“Beijing Kaiyuan”**) on 7 May 2017 (**“Beijing Kaiyuan Acquisition”**).

**3. INFORMATION ON THE TARGET COMPANY, YZPMCL**

YZPMCL is a limited liability company incorporated in the People’s Republic of China on 21 November 2012. As at the date of this announcement, the entire equity interests of YZPMCL is held by Yichang XSG, which is in turn held by Beijing Kaiyuan. Following the Beijing Kaiyuan Acquisition, Beijing Kaiyuan and Yichang XSG have ceased to be subsidiaries of the Company. Beijing HKWY holds 50% equity interests in Beijing Kaiyuan, with the balance 50% indirectly held by the Group through CIHL (Tianjin) City Development Limited, a wholly-owned subsidiary of the Company.

YZPMCL is principally engaged in the business of property management, in particular it was incorporated for the purpose of managing the property development project carried out by Yichang XSG in Meiziya village, Xiaoxita, Yiling District, Yichang City, Hubei Province, the PRC (the “**Project**”). Save for the management of the Project, YZPMCL do not engage in any other business activities.

#### 4. CONSIDERATION

The Consideration for the Sale Shares shall be an aggregate sum of RMB200,000, which was arrived at on a willing buyer willing seller basis after arm’s length negotiations between Yichang XSG and the Purchaser, after taking into account, *inter alia*, (a) the negative net asset value of YZPMCL; (b) the current book value of YZPMCL; and (c) the past performance of YZPMCL.

The Consideration shall be satisfied by the Purchaser by way of a lump sum cash payment of RMB200,000 upon completion.

Based on the Company’s second quarter and half-year financial statements, as announced on 11 August 2017, the Company’s investment capital in YZPMCL was RMB250,000. YZPMCL has been largely loss-making since its incorporation and has recorded an accumulated loss of RMB 3,274,000, of which 50% of the said loss is attributable to the Company.

#### 5. NON-DISCLOSEABLE TRANSACTION

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Mainboard Rules (“**Listing Manual**”) are as follows:

Rule 1006 of the Listing Manual	Bases	Relative Figures (%)
(a)	The negative net asset value of the assets to be disposed of, compared with the Group’s net asset value. This basis is not applicable to an acquisition of the assets.	(0.46) <sup>(1)</sup>
(b)	The net profits attributable to the assets disposed, compared with the Group’s net profits.	(1.79) <sup>(2)</sup>
(c)	The aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	0.21 <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>

Notes:

- (1) Based on the negative net asset value of the Sale Shares and the net asset value of the Group for the 6 month period ended 30 June 2017 being RMB1,387,000 and RMB303,170,000 respectively, as announced in the Company's second quarter and half-year financial statements on 11 August 2017.
- (2) Based on the net loss of YZPMCL and the net profit of the Group for the 6 month period ended 30 June 2017 being RMB283,000 and RMB15,870,000 respectively, as announced in the Company's second quarter and half-year financial statements on 11 August 2017.
- (3) Based on the consideration of RMB200,000 and market capitalisation of the Company of RMB95,581,690, determined by multiplying the issued share capital of the Company of 71,233,533 Shares in issue with the weighted average price of S\$0.275 transacted on the Mainboard of SGX-ST on 19 September 2017 (being the last market day for which the Shares were traded prior to the day the Agreement was entered into) and based on an exchange rate of S\$1: RMB4.8793.
- (4) No securities in the Company are proposed to be issued in consideration for the Proposed Disposal.

Rule 1007 of the Listing Manual provides that where any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 may still be applicable to the Proposed Disposal at the discretion of the Exchange.

The Company will be submitting a written application to the Exchange to seek consultation on whether Chapter 10 of the Listing Manual is applicable to the Proposed Disposal. The Proposed Disposal is not expected to have a material impact on the net tangible assets and earnings per share of the Group for the year ending 31 December 2017.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests, if any, in the Company.

### **BY ORDER OF THE BOARD**

Shan Chang

Chairman

27 September 2017