



RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2017 (“**FY2017**”) released to Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 11 April 2018. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 30 April 2018:-

SGX Query

Please provide the NC’s basis of assessment for the independence of Mr. Chee Teck Kwong Patrick and Mr. Teo Woon Keng John, and explain why the two directors should be considered independent.

Company’s response

In accordance with Guideline 2 of the Code of Corporate Governance, the Nominating Committee (“**NC**”) had considered the following confirmations received from Mr. Chee Teck Kwong Patrick and Mr. Teo Woon Keng John whereby Mr. Chee and Mr. Teo had each confirmed that:

- (a) they are not Executive Directors of the Company or any of its related corporations⁽¹⁾ and have not been employed by the Company or any of its related corporations⁽¹⁾ for the current or any of the past three financial years;
- (b) they do not have an immediate family⁽²⁾ member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations⁽¹⁾ and whose remuneration is determined by the Remuneration Committee;
- (c) they or any immediate family member have not accepted any significant compensation from the Company or any of its related corporations⁽¹⁾ other than fees for acting as a Director of the Company for the current or immediate past financial year;
- (d) they, or any immediate family member are not:
 - (i) a 10% shareholder⁽⁴⁾ of, or
 - (ii) a partner in (with 10% or more stake), or
 - (iii) an executive officer of, or
 - (iv) a director of,

any organisation to which the Company or any of its subsidiaries made, *or from which the Company or any of its subsidiaries received, significant payments⁽³⁾ or material services (which may include auditing, banking, consulting and legal services) in the current or immediate past financial year;

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- (e) they or an immediate family member is not a 10% shareholder⁽⁴⁾ of the Company;
 - (f) they have not been directly associated⁽⁵⁾ with a 10% shareholder⁽⁴⁾ of the Company, in the current or any of immediate past financial year;
 - (g) they do not have any relationship with the Company, its related corporations⁽¹⁾, its 10% shareholder or its officers that could interfere or be reasonably perceived to interfere, with my exercise of independent business judgment with a view to the best interests of the Company and in carrying out my functions as an independent director and as a member of any Board committee(s); and
 - (h) they are able to carry out their duties as Directors of the Company and to address any competing time commitments that may arise, despite their multiple board representations.

Based on the above, the NC had assessed the independence of Mr. Chee and Mr. Teo and considered that each of Mr. Chee and Mr. Teo is, and continues to be, independent in character and judgment and there are no relationships or circumstances which are likely to affect, or could appear to affect, each of their judgment. Mr. Chee and Mr. Teo, each being a member of the NC, had abstained from the deliberations in respect of the assessment on his own independence. The Board has concurred with the NC's assessment and recommendation.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman
3 May 2018

Notes:

- ⁽¹⁾ *The term “**related corporation**”, in relation to the Company, shall have the same meaning as currently defined in the Companies Act, i.e. a corporation that is the company’s holding company, subsidiary or fellow subsidiary.*
- ⁽²⁾ *The term “**immediate family**” shall have the same meaning as currently defined in the Listing Manual of the Singapore Exchange, i.e. the person’s spouse, child, adopted child, step-child, brother, sister and parent.*
- ⁽³⁾ *As a guide, payment aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.*
- ⁽⁴⁾ *The term “**10% shareholder**” shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. “Voting shares” exclude treasury shares.*
- ⁽⁵⁾ *A director will be considered “**directly associated**” with a 10% shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the 10% shareholder in relation to the corporate affairs of the corporation. A director will not be considered “directly associated” with a 10% shareholder by reason only of his appointment having been proposed by that 10% shareholder.*