



**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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## RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2019

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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 2019 (“**FY2019**”) which was uploaded on the website of the Singapore Exchange Trading Limited (“**SGX-ST**”) on 9 June 2020 and would like to provide the following additional information in response to the queries raised by SGX-ST on 22 June 2020:-

### **SGX Query 1**

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2019 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **Company’s response**

The remuneration policies, level and mix of remuneration, procedure of setting remuneration and the relationships between remuneration, performance and value creation for Executive Directors are disclosed on Pages 24 to 25 under Provisions 7.

The Company has disclosed in the FY2019 Annual Report that the remuneration of Executive Directors comprise a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of profit-sharing or a variable bonus that is linked to the performance of the Group and the individual performance for the preceding financial year. The Company has also disclosed the names, amounts and breakdown of remuneration of each individual director in bands no wider than S\$250,000.

For FY2019, the Company did not have any key executive officer who is not also a Director of the Company. Hence, no further disclosure of remuneration is required under Guideline 8.1 of the Code. The CFO of the Company is Mr Shen Xia, who is also a Director of the Company.

The Company has also disclosed that there are no employees of the Group who are immediate family members of a Director or a substantial shareholder, and whose remuneration exceeds S\$100,000 during FY2019.

In view of the confidentiality and sensitivity attached to remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration received by each Executive Director of the Company, but in the bands of S\$250,000 as disclosed in the Annual Report.

Accordingly, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code, as well as appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company pursuant to Principle 7 of the Code.

### **SGX Query 2**

Listing Rule 1207(c) states that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the Issuer financial statements for each of the first three quarters of its financial year and one month before the announcement of the Issuer's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the Issuer's half year and full year financial statements (if not required to announce quarterly financial statements). While we note that securities dealing policy has been established to govern dealings by the Company's directors and staff, there was no mention with regards to the dealings by the Company itself. Please be reminded that this is a listing rule requirement and it should be disclosed in annual report going forward.

### **Company's response**

The Company had disclosed on page 33 of its FY2019 Annual Report under Dealings in Securities that it is prohibited from dealing in the Company's shares during the black-out period.

The Group has procedures in place prohibiting the Company, its directors and officers from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results ("Prohibited Periods"), or if they are in possession of unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside of the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

The Company confirms that it has complied with Listing Rule 1207(19)(c).

### **SGX Query 3**

The Company extended loans to related parties and associates which amounted to RMB70.18 million in FY2019. Please disclose the identities of the counterparties and also disclose the nature and terms of these loans.

### **Company's response**

On page 125 of the Company's Annual Report FY2019, under the item titled "Related party transactions", the Company disclosed that repayment of loans and interest of RMB70.18 million has been received from a related company in FY2019. The related company is Yichang Xinshougang Property Development Company Limited ( "XSG" ), an associated company of the Group. The sum of RMB70.18 million repaid by XSG in FY2019 comprised repayment of part principal and part interest arising from shareholders' loans.

BY ORDER OF THE BOARD  
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang  
Chairman  
24 June 2020