



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)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Pursuant to Rule 704(5) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board of Directors ("Board") of China International Holdings Limited ("Company", and together with its subsidiaries, the "Group") wishes to highlight that the Company's independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) has issued a disclaimer of opinion (the "Disclaimer of Opinion") in its Independent Auditor's Report dated 6 April 2023 (the "Independent Auditor's Report") in respect of the audited financial statements of the Group for the financial year ended 31 December 2022 ("AFS 2022").

The basis for the Disclaimer of Opinion is contained in the Independent Auditor's Report, a copy of which together with the extract Note 33 to the AFS 2022 is annexed to this announcement.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman

6 April 2023

Independent Auditor's Report to the Members of China International Holdings Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of China International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 41 to 143.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

(i) Independent review

As disclosed in Note 33 (d) to the financial statements, on 4 April 2023, the Board of Directors of the Company announced that in consultation with Singapore Exchange Regulation ("SGX RegCo"), the Company has appointed an Independent Reviewer to perform an independent review on the disposal of the Group's 50% equity interest in Beijing Kaiyuan Wanjia Management Consulting Company Limited (the "Independent Review"). The Independent Reviewer will report its findings to SGX Regco and the Audit Committee of the Company.

As at the date of this report, the Independent Review has not commenced and the outcome is unknown. Accordingly, we are unable to ascertain the extent of pervasiveness and/or significance of any adjustments that may arise from the Independent Review on the consolidated financial statements of the Group, if any.

(ii) Frozen bank account

As disclosed in Note 33 (b) to the financial statements, the Group has on 30 March 2023, become aware that the bank account of its wholly owned subsidiary, CIHL (Tianjin) City Development Limited ("CIHL Tianjin") was frozen upon a request by the Yiling District Public Security Bureau of Yichang City in Hubei Province ("YPSB") for the period from 28 March 2023 to 27 September 2023.

**Independent Auditor's Report to the Members of
China International Holdings Limited
(Cont'd)**

Bases for Disclaimer of Opinion (Cont'd)

(ii) Frozen bank account (Cont'd)

On 4 April 2023, the Group's representative in Yichang City was invited to meet with YPSB to provide information on the tax affairs of its former associate, Yichang Xinshougang Real Estate Development Co. Ltd ("Xinshougang"). Management has represented that based on the discussion in that meeting, it appears that neither CIHL Tianjin nor any of its employees were the target of the investigations by YPSB. Management understands that further meetings will be held between YPSB and CIHL (Tianjin) in the near future.

Further details of this matter are disclosed in Note 33(b) to the financial statements.

As at the date of this report, the Group has not received any documents from any judicial or government authority in the People's Republic of China such as the Court, the Prosecutor's Office or the Public Security Bureau. The Board of Directors have assessed that at this juncture it is premature to determine the financial impact on the Group in relation to the freezing of the bank account, if any. Accordingly, we were unable to quantify the possible adjustments, if any, and related information that may be required to be disclosed, which could have significant impact on the consolidated financial statements of the Group.

Because of the significance of the uncertainties and potential adjustments arising from the matters described above, we are unable to express an opinion on the accompanying financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Independent Auditor's Report to the Members of
China International Holdings Limited
(Cont'd)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with IESBA Code.

The engagement director on the audit resulting in this independent auditor's report is Chan Siew Ting.

**CLA Global TS Public Accounting Corporation
(Formerly known as Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants**

Singapore
6 April 2023

<Extracted from Note 33 to the AFS 2022>

33. Events occurring after reporting date

(b) Frozen bank account in China

On 2 April 2023, the Board of Directors (the "Board") of the Company announced that the Yiling District Public Security Bureau of Yichang City, Hubei Province ("YPSB") has frozen the bank account of the Group's wholly-owned subsidiary, CIHL (Tianjin) City Development Limited ("CIHL Tianjin").

The affected bank account is maintained with the China Bohai Bank. The total balance in the affected bank account as at 30 March 2023 is RMB18,640,000.

On 4 April 2023, the Board of the Company further announced that on 4 April 2023 morning, the Group's representative in Yichang City was invited to meet the YPSB to provide information on the tax affairs of its former associate, Yichang Xinchougang Real Estate Development Co. Ltd). From the meeting, it appears that neither CIHL Tianjin nor any of its employees were the target of the investigations by the YPSB. Management understands that further meetings will be held between the YPSB and CIHL (Tianjin) in the near future.

As at the date of this report, CIHL Tianjin has not received any documents from any judicial or government authority in China such as the Court, the Prosecutor's Office or the Public Security Bureau. CIHL Tianjin will be appointing legal counsel to facilitate the resolution of this matter if and when deemed appropriate.

The Board is of view that it is premature to determine the financial impact on the Group relating to the freezing of the bank account. However, the Board has assessed and is of the view that the Group has sufficient funds to be able to settle any obligations or liabilities payable to the Group's vendors and their employees in the People's Republic of China.

<Extracted from Note 33 to the AFS 2022>

33. Events occurring after reporting date (Cont'd)

(d) Appointment of an Independent Reviewer

On 4 April 2023, the Board of the Company announced that further to its announcements dated 21 December 2022, 27 December 2022, 3 January 2023, 9 January 2023, 12 January 2023 and 17 January 2023 relating to the disposal of the Group's 50% interest in Beijing Kaiyuan Wanjia Management Consulting Company ("Disposal") and the Company's responses to queries from the Singapore Exchange Securities Trading Limited ("SGX-ST") in relation to the Disposal.

The Board wishes to update that in consultation with Singapore Exchange Regulation ("SGX RegCo"), the Company has appointed RSM Corporate Advisory Pte Ltd as the independent reviewer ("Independent Reviewer") to carry out an independent review relating to the Disposal.

The Independent Reviewer will report its findings to SGX RegCo and the Audit Committee of the Company ("AC") and keep SGX RegCo and the AC updated on the status of its review as work progresses, particularly any significant events and/or transactions that are material to the Company or the Group in the course of its work.

As at the date of this report, the Independent Review has not commenced.