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 QUERIES ON THE DISPOSAL OF 50% INTEREST IN BEIJING KAIYUAN WANJIA MANAGEMENT CONSULTING COMPANY LIMITED

The Board of Directors of China International Holdings Limited (the "Company"), and together with its subsidiaries (the "Group"), refers to the Company's announcement in relation to the disposal of 50% interests in Beijing Kaiyuanwanjia Management Consulting Company Limited released to Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 December 2022. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 23 December 2022.

SGX Query 1

The Company disclosed in its 1H2022 financial results that the carrying amount due from KYWJ Group is RMB102.61 million. We note that this includes provision of a loss allowance of RMB 22.18 million. Please disclose whether and how much of this amount of RMB 124.79 million due from KYWJ Group has been collected by the Company. Please also disclose the arrangement that is in place for the Company to recover this significant amount due from KYWJ Group in view of the disposal of its 50% stake in the KYWJ Group.

Company's Response

Prior to 18 December 2022, the KYWJ Group had repaid a sum of RMB107.50 million due to the Company by way of cash, completed property units, and shares in the company holding the Exhibition Assets. Part of the allowance of RMB22.18 million was no longer required and as such was written back in the books. The Company will provide more details in the Financial Statements for the six months and full year ending 31 December 2022.

SGX Query 2

The Company disclosed in its 1H2022 financial results that the negative equity of the KYWJ Group increased to RMB58.42 million as at 30 June 2022 from RMB 44.35 million as at 31 December 2021. The Company also stated that "Management expects that this situation is likely to improve as the KYWJ Group completes the development of "new" Phases 3 3 and SA by the second half of 2022 when pre-sales revenue of approximately RMB546 million included in the trade and other payables as at 30 June 2022 could be recognised in the income statement in 4Q of 2022". In view of this, please disclose the Board's considerations and views on how it arrived at its decision to proceed with the proposed disposal of the Company's 50% stake in the KYWJ Group before the impending revenue recognition and how the proposed disposal at this point in time is in the best interest of shareholders.

Company's Response

The KYWJ Group completed the development of "new" Phases 3-3 on 31 August 2022 and accordingly accumulated pre-sales of approximately RMB660 million were recognized as revenue in the period ended 30 September 2022. Additional development costs were realized with this revenue recognition, resulting in an overall loss for the period for the KYWJ Group. The valuation of the Sale Shares on 30 September 2022 includes the results of the completion of Phase 3-3.

As disclosed on 23 December 2022, the Proposed Disposal offers an efficient and cost-effective exit for the Group from the Yichang Project and allows management to focus its time and resources on the Group's other business endeavours. Having taken account of current market conditions, the Board believes the Disposal at this point is in the best interests of the shareholders.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman
27 December 2022