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)

ADDITIONAL INFORMATION TO THE SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2015

The Board of Directors of China International Holdings Limited (the "**Company**", or together with its subsidiaries the "**Group**") refers to the Group's second quarter financial results released on the SGXNet on 12 August 2015 ("Announcement"). The Company would like to provide the following additional information in response to the queries received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 17 August 2015:-

SGX Query 1

In paragraph 8 of Announcement, the Company announced that "Other operating expenses in Q2 2015 was RMB5.34 million, a decrease of RMB1.22 million as compared with other operating expenses of RMB6.56 million in Q2 2014, representing a decrease of 18.6%, which was mainly due to a reversal on impairment on trade receivables arising from a sales return in Yichang Xinshougang Property Development Company Limited".

Please provide a status update on this development including the following:
i) Percentage completion and completion date of the project;
ii) Percentage of sale to date; and
iii) Reasons for the sales return and whether this is reflective of any problems faced on the development.

Company's response

The following is the status update of the property development project in Yichang:

Project Stages	Percentage of completion	Completion date/target completion date	Percentage of sales as at 30 June 2015
Phase 1			
Stage 1 – residential units	100%	29 June 2013	45%
Stage 2 – residential units	90% (as at 30 June 2015)	31 March 2016	7%
Stage 3 – residential and commercial units	100%	26 December 2012	Residential – 95% Commercial – 71%
Convention center	90% (as at 30 June 2015)	End of 2016	N.A.
Phase 2 Residential units	30% (as at 30 June 2015)	31 March 2017	4%

Phase 3	) have not	N.A.	N.A.
	) commenced		
Phase 4	) construction	N.A.	N.A.

Yichang Xinshougang Property Development Company Limited ("**YXPD**"), a subsidiary of the Company, had sold a residential unit on 17 December 2013 and booked the sale proceeds as revenue in FY2014. As the buyer was not able to settle the balance of the consideration pursuant to the terms of the sales contract, in FY 2014, YXPD made an impairment provision of RMB1.43 million. On 14 May 2015, YXPD entered into a settlement/side agreement with the aforementioned buyer where the buyer had agreed to return the residential unit back to YXPD resulting in a refund of all prior payments made back to the buyer. Following this refund, the impairment provision of RMB1.43 million was reversed in the books of YXPD.

All payments relating to the other residential units have been paid in full, save for three units with a total of RMB 3.38 million in arrear for which YXPD provided full provisions in FY2014. As such the Company is of the view that this represents an isolated case and does not reflect any operational problems of YXPD or of the property development project in Yichang.

SGX Query 2

In paragraph 8 of the Announcement, the Company announced that "Loss from discontinued operations for 1H2015 was RMB0.19 million, representing a decrease of 62.0% as compared to RMB0.50 million for 1H 2014, mainly due to decrease in administrative expenses in CCI Andi Bridges Co., Ltd".

As the bridge toll has discontinued operations since 31 December 2012, please provide further disclosure on the administrative expenses incurred.

Company's response

CCI Andi Bridges Co., Ltd had ceased operations in 2012. Following the cessation, the Company had incurred an administrative expenses of RMB1.56 million as at 30 June 2015 in relation to the settlement process. The settlement process is expected to complete by 30 September 2015.

SGX Query 3

In paragraph 8 of the Announcement, the Company announced "Borrowings increased to RMB623.26 million as at 30 June 2015 from RMB452.76 million as at 31 December 2014 mainly due to borrowings in China Infrastructure Management (Hong Kong) Limited, which were mainly used for financial activities for the financial period ended 30 June 2015".

Please provide details of what these financial activities are which were funded by the increase in borrowings of RMB 170.5 million.

Company's response

China Infrastructure Management (Hong Kong) Limited had a loan payables equivalent to RMB 147.62 million as at 31 December 2014 (which was not classified as borrowings), which was refinanced with a borrowings equivalent to RMB 148.05 million as at 30 June 2015. The liabilities of China Infrastructure Management (Hong Kong) Limited remain substantially unchanged as result of

this refinancing activity. The increase in the Borrowings is mainly due to the refinancing of the loan payables which was re- classified as borrowings.

SGX Query 4

In paragraph 9, the Company is required to disclose whether there are any variance between the prospects disclosed in paragraph 10 of its 1Q2015 Results announcement. This disclosure is applicable. Please disclose accordingly.

Company's response:

No forecast or prospect statement was made in 1st quarter 2015 Results Announcement of the Company.

SGX Query 5

Provide an update on the status, milestones, take-up rates/sales, trend of the Company's (i) property development projects; and also (ii) the water development projects.

Company's response

In addition to the disclosure made in Note 10 of the result announcement released to SGX-ST on 12 August 2015, the Company wishes to provide the following update:

i) The Company's Yichang property development project has commenced pre-sales of the residential units for Stage 2 of Phase I as well as Stage 1 of Phase II in the first half of 2015.

ii) The Company's property development in Tianjin Jixian will commence construction in the third quarter of 2015 and expects to commence the pre-sales of 168 units in the last quarter of 2015 or the first half of 2016.

iii) Tianjin Water unit has a steady increase in water sales and a significant recovery of connection services.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman
20 August 2015