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 BANK ACCOUNT FROZEN IN CHINA

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 frozen bank account of CIHL (Tianjin) City Development Limited in China released to Singapore Exchange Securities Trading Limited ("SGX-ST") on 2 April 2023. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 3 April 2023:

SGX Queries

The Group announced that a bank account of the Group's wholly owned subsidiary, CIHL (Tianjin) City Development Limited ("天津新中城市实业发展有限公司") ("CIHL Tianjin"), with the China Bohai Bank ("渤海银行") has been frozen by the Yiling Public Security Bureau. The Group noted that it has enquired with the Yiling Public Security Bureau on the reason(s) for freezing the bank account.

Please disclose:

(i) when the freezing of the bank account took effect and when the management of the Group and the Board were informed of the freezing;

(ii) the section of the law in PRC which empowers the Yiling Public Security Bureau to exercise powers of freezing bank accounts and the potential breach of the law stated in the notice of seizure;

(iii) to provide the details stated in the notice of seizure;

(iv) to provide details of the matter under investigation, the authorised signatories of the bank account, the legal rep of CIHL Tianjin and the person(s) involved in the investigations; and

(v) the NAV of CIHL Tianjin and its major asset.

Company's Response

(i-iii) The freezing of the China Bohai Bank ("the Bank") account of CIHL (Tianjin) City Development Limited ("CIHL Tianjin") was first discovered by the Company's financial personnel while undertaking routine account operations on 30 March 2023. This was promptly reported to the Company's management. The Company's management immediately contacted the Bank to understand the situation. China based Directors were immediately notified about this matter. After consultation with the Chairman of Audit Committee on 31 March 2023, management initiated urgent discussions with the Company's PRC lawyers. After studying the written views of the PRC lawyers, the Board on 2 April 2023 instructed management to release an announcement before market opens the next day.

On 4 April 2023 morning, CIHL's representative in Yichang City was invited to meet the Yiling District Public Security Bureau of Yichang City in Hubei Province ("YPSB") to provide information on the tax affairs of Yichang Xinshougang Real Estate Development Co. Ltd ("Xinshougang"). From the meeting, it would appear 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.

CIHL Tianjin was an indirect shareholder of Xinshougang, and the latter was part of the Beijing Kaiyuan Wanjia Management Consulting Company Limited ("KYWJ") group of companies. The CIHL Group had on 18 December 2022 disposed of its entire interest in KYWJ.

(iv) Mr Zhang Rongxiang, the Managing Director of the Group, is also the Chairman and the Legal Representative of CIHL (Tianjin) and is the sole signatory for this bank account. CIHL (Tianjin) is an investment holding company and utilizes this bank account only for investment related transactions. Up till now, 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. Other bank accounts of CIHL (Tianjin) have not been frozen.

(v) As at 31 December 2022, net assets of CIHL Tianjin amounted to RMB151.30 million. Apart from cash, the main assets are investment in a joint venture with book value of RMB96.91 million, investment properties with book value of approximately RMB32.91 million and long-term receivables of RMB30 million. The Company will utilize its existing resources to mitigate any short-term impact arising from the freezing of the said bank account.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman
4 April 2023