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Executive Summary

Independent Review of a Disposal Transaction Report to the Audit Committee of China International Holdings Limited

Private and Confidential

9 March 2026



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This executive summary provides a concise overview of the key matters addressed in the main report. It should be read in conjunction with the accompanying glossary of terms and abbreviations.

1 Introduction

1.1 Background

1.1.1 China International Holdings Limited ("**CIHL**" or the "**Company**") is listed on the main board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company is an exempted company incorporated in Bermuda with limited liability under the Companies Act of Bermuda. The principal place of business is in the People's Republic of China (the "**PRC**"), and the principal activity of the Company is that of an investment holding company.

1.1.2 The group consisting of CIHL and its subsidiaries (the "**CIHL Group**"), once held the land use rights of a property in Jixian, Tianjin which it acquired from the Jixian Government through a public tender on 29 July 2010 ("**Tianjin Jixian Property Project**"). The project was loss-making and was subsequently divested to Beijing Hongkunweiye Property Development Co. Ltd ("**Hong Kun**") on 29 September 2016 in order to rationalise its financial and capital resources.

1.1.3 On 15 September 2012, CIHL (Tianjin) City Development Limited (天津新中城市实业发展有限公司) ("**CCDL"** or the "**Vendor**"), a wholly-owned subsidiary of CIHL, entered into a share transfer agreement with China Resources and Transportation Group Limited ("**CRTG**"), a publicly listed company in Hong Kong, to acquire 55% of Beijing Kaiyuan Wanjia Management Consulting Company Limited (北京开元万嘉管理咨询有限公司) ("**KYWJ**", formerly known as Shoukong (Beijing) Management Consulting Company Limited ("**SMCCL**")) together with its subsidiaries (collectively referred to as the "**KYWJ Group**"). CCDL entered into the agreement on 15 September 2012 ("**55% Share Transfer Agreement**") and completed the acquisition of 55% equity interest, obtaining control of KYWJ on 16 September 2013. As a result of the acquisition, KYWJ Group was 55% and 45% effectively owned by CCDL and CRTG respectively.

1.1.4 The consideration of Hong Kong Dollars ("**HKD**") 550,000,000 from this transaction comprised equity and debt interests linked to the planned development of the Yichang Three Gorges International Convention and Exhibition Centre (the "**Exhibition Asset**"), The Three Gorges State Guest House and the Three Gorges State Guest Garden Commercial Property (collectively, the "**Yichang Project**").

1.1.5 On 28 April 2017, Hong Kun bought the 45% stake in KYWJ Group from CRTG and became the other shareholder of KYWJ Group. Following that, on 7 May 2017, CCDL sold 5% out of its 55% shareholding in KYWJ to Hong Kun ("**5% Disposal Agreement**"). Hong Kun therefore became a 50-50 joint venture partner in KYWJ Group and assumed management control thereafter.

1.1.6 On 18 December 2022, CCDL entered into a four party share transfer agreement ("**Four Party Share Transfer Agreement**"), with KYWJ, Hong Kun and Yichang Zeyou Real Estate Development Co. Ltd (宜昌泽佑地产开发有限公司)[1] (the "**Project Company"** or **"Yichang Zeyou"**), a wholly-owned subsidiary of KYWJ, to dispose of its remaining equity interest representing 50% of the registered share capital of KYWJ to Hong Kun ("**Disposal"**), for a total consideration of Renminbi ("**RMB**") 2,000,000 which was arrived at "after arm's length negotiations between CCDL and Hong Kun, on a willing buyer and willing seller basis" as announced on SGXNet, a web-based secured platform by SGX-ST, on 21 December 2022.

1.1.7 We illustrate below the changes in shareholdings in KYWJ Group based on publicly available information:

Date	Shareholdings % in KYWJ Group		
	CCDL	CRTG	Hong Kun
Before 16 September 2013[2]	-	100%	-
16 September 2013	55%	45%	-
28 April 2017	55%	-	45%
26 May 2017[3]	50%	-	50%
27 March 2023	-	-	100%

[1] Formerly known as Yichang Xinshougang Property Development Company Limited (宜昌新首钢房地产开发有限公司). For the purpose of and consistency in this report, the company will be referred to as the "**Project Company**" or "**Yichang Zeyou**".
[2] The 55% Share Transfer Agreement was signed between CIHL and CRTG on 15 September 2012. CCDL completed the acquisition of 55% equity interest and obtained control of KYWJ on 16 September 2013.
[3] On 7 May 2017, CCDL entered into 5% Disposal Agreement with Hong Kun. CIHL disclosed that the disposal was completed on 1 June 2017. Our background searches revealed that shareholdings were transferred to Hong Kun on 26 May 2017.

1.1.8 In its Financial Year ("**FY**") 2022 audited accounts, CIHL recorded the date of the Disposal as 19 December 2022. Public records showed that the legal transfer and the resignation of CIHL's managing director Mr Zhang Rong Xiang ("**Mr Zhang**") took effect on 27 March 2023 due to administrative delays associated with a change in KYWJ's business nature on 18 January 2023.

1.1.9 After the announcement by CIHL on 21 December 2022, the Singapore Exchange Regulation ("**SGX RegCo**") raised queries on 23 and 28 December 2022, and on 3, 9, 12 and 17 January 2023, requesting CIHL to clarify and provide additional information. The queries ("**Queries**") centred mainly on:

S/N	Main matter of the Queries
1	• CIHL Group's investment cost in the KYWJ Group since its acquisition of the latter in 2013 as well as movements in the investments and loan balances between the CIHL Group and the KYWJ Group and in what form these balances were settled between the parties.
2	• The details of the properties that were transferred to the CIHL Group as a form of the sales consideration, including the Exhibition Assets and the capital structure of Hubei Huike International Exhibition Service Co., Ltd ("**Huike**"), which is the special purpose vehicle ("**SPV**") set up to hold the Exhibition Assets in which CIHL Group has a 50% interest.
3	• Details of the bases adopted by the valuers and assumptions applied to arrive at the valuation of the Exhibition Assets.
4	• Identification of any interested or related parties involved in the Disposal.

1.2 Scope of work and approach

1.2.1 In view of the Queries raised by SGX RegCo, the Audit Committee (the "**AC**") of CIHL proceeded to engage RSM SG Corporate Advisory Pte Ltd ("**RSMCA**" or "**We**") to undertake an independent review of the Disposal ("**Review**"). We carried out the following the scope of work and approach as stipulated in Appendix A of the Letter of Engagement dated 4 April 2023, with reference to the relevant section of this executive summary on our observations:

S/N	Scope of Work	Approach	Section Reference
1	• Investments and repayments in respect of CIHL Group's investment in the KYWJ Group, for the period from September 2013 to December 2022 as set out in the Company's response to SGX-ST Query 4 (b) of the Company's SGXNet announcement dated 12 January 2023 ("**Investments and repayments in respect of CIHL Group's investment in the KYWJ Group**")	• Verify the quantum and mode of investment (cash or others) made by the CIHL Group in the KYWJ Group • Review the sources of funds (cash or others) made by CIHL in the KYWJ Group • Review the nature and circumstances giving rise to the carrying amount due from KYWJ Group as disclosed in CIHL's 1H2022 financial results • Verify the quantum and mode of repayment to the CIHL Group from KYWJ, including the dividends declared in FY2021 and FY2022 of RMB 105.6 million and RMB 59.5 million respectively. For amounts repaid in cash, to trace and review the use of cash received by CIHL from KYWJ • Based on the investments, loan balances and settlement between the parties, review CIHL Group's investment in the KYWJ Group, including all loss provisions made by the former in relation to the latter, since its acquisition of the latter in 2013 • Identify any potential contravention of the applicable listing rules, laws, and regulations	2

S/N	Scope of Work	Approach	Section Reference
2	• Status of the Exhibition Assets and other properties that were transferred to the CIHL Group	• Ascertain the movement of the RMB 97,000,000 (representing 50% of the purported valuation of the Exhibition Assets) between KYWJ Group, CCDL and the SPV i.e. Huike, including identifying the bank account holder(s) from which the amounts were paid and the identity(ies) of recipient(s) to which the bank remittances were sent. In particular, to verify the Company's claims that the sum of RMB 97,000,000 was repaid from KYWJ to CCDL in cash, which was then subsequently on-lent to Huike for the purchase of the Exhibition Assets (valued at RMB 194,000,000) from the KYWJ Group • Ascertain the number of completed but unsold residential units, stores and carpark spaces and their built-up floor areas as a proportion of the total built-up area of the Yichang Project as at 18 December 2022 • For the avoidance of doubt, Exhibition Assets and the other properties are referred to in CIHL's announcement in paragraph 1 (a) on 3 January 2023 and paragraphs 2(a) and 2(b) on 9 January 2023 on the SGXNet respectively	3
3	• Valuation of the Sale Shares ("**Review of the valuation report on KYWJ Group as at 30 September 2022 by Ravia")**	• Review the valuation report relating to the 50% equity interest in KYWJ and its wholly owned subsidiaries ("**Sale Shares**") as at 30 September 2022 commissioned by the Company and undertaken by Ravia Global Appraisal Advisory Limited ("**Ravia**") to determine if the valuation exercise had been properly carried out in accordance with accepted industry practices	4
	• Valuation of the Exhibition Assets ("**Review of the valuation report on the Exhibition Assets dated 30 June 2022 by Huarui**")	• Review the valuation report dated 30 June 2022 based on the valuation performed by Hubei Huarui Assets Real Estate Appraisal Co., Ltd ("**Huarui**") on the Exhibition Assets to determine if the valuation exercise had been properly carried out in accordance with generally accepted industry practices	5
4	• Interested party transactions ("**IPT**") and related party transactions ("**RPT**") under the Singapore Financial Reporting Standards, for the period from September 2013 to December 2022 ("**Interested party and related party transactions**")	• Perform background searches based on publicly available records on Beijing Hongkunweiye Property Development Co., Ltd, Hongkun Group Management Consulting Co. Ltd, Beijing Hongzhen Management Consulting Co. Ltd and Hongkun Group Co. Ltd. in respect of each entity's principal business, its major shareholders and key management • Review the nature and circumstances of the RPT/IPT (if any) between any of the CIHL directors, key officers or controlling shareholders and the Purchaser in the Disposal that may come to our attention in the course of our work. • Understand the internal approval process involving RPT/IPT. • Ascertain the number of transactions (if any), the quantum involved, whether they were conducted on normal commercial terms, and opine on the financial impact on the CIHL group. • Identify any potential contravention of the applicable listing rules, laws, and regulations.	6

1.2.2 The Review involved document inspection, interviews with management of CIHL consisting of Mr Zhang and Mr Shen Xia (Chief Financial Officer) (the "**Management**") and the lawyer representing CIHL, Mr Duan Gang (段刚) ("**Mr Duan**"). It also comprised an on-site visit to Yichang between 26 and 28 May 2023, and a Maxwellisation Process in which draft findings were provided to the Chairman of the Audit Committee of CIHL ("**AC Chairman**") on 19 January and 15 October 2024, with formal responses received on 26 January 2024 and 5 November 2024 respectively.

1.2.3 The report is based on information available up to 4 August 2023 unless otherwise stated.

1.3 Limiting Conditions and Constraints

1.3.1 The contents and findings set out in this report are based on information made available to us up to 4 August 2023 (unless stated otherwise). We have, where possible, taken steps to ensure that the information provided is complete. In cases where such steps have not been practicable, we have relied on the Company's representation (including that of its Board members) that such information provided is accurate, full and complete. We do not warrant, whether expressly or impliedly, the accuracy, veracity and / or completeness of such facts and information provided to us and relied upon in this report.

1.3.2 In the course of the Review, we have also conducted searches on companies incorporated in PRC, using public databases that were available. We have not independently verified the completeness or accuracy of the information obtained because of these searches and are therefore unable to confirm the accuracy, completeness and reliability.

1.3.3 We have used reasonable skill and care in rendering the services stated in our engagement letter dated 4 April 2023. In connection with our agreement to undertake the engagement, the Company shall at all times indemnify us and keep us indemnified against any claims and payments for which we may be liable in connection with or arising from this engagement.

2 Investments and repayments in respect of CIHL Group's investment in the KYWJ Group

2.1 Scope

2.1.1 This section sets out the quantum and mode of CIHL Group's investments in KYWJ since 2013, the movements in loans/receivables and dividends, the repayments (cash and in-kind) up to the Disposal, and the Review's procedures, limitations and key conclusions.

2.2 Initial investment and subsequent disposals.

2.2.1 On 16 September 2013, CIHL (through CCDL) completed the acquisition of 55% of KYWJ from CRTG for a consideration of HKD 550,000,000, settled over nine transfers between 17 September 2012 and 29 September 2014 for an aggregate of RMB 441,444,495.[4] Of this amount, RMB 327,001,924 was recorded as equity (after a RMB 2,140,000 exchange-loss adjustment) and RMB 112,302,571 as debt interest (assignment of 55% of CRTG shareholder loans).

2.2.2 CIHL also injected RMB 1,344,445[4] to increase KYWJ's share capital on 12 September 2013. On 7 May 2017, CCDL sold 5% to Hong Kun, and on 18 December 2022, it signed the Four-Party Share Transfer Agreement to dispose of the remaining 50% to Hong Kun for RMB 2,000,000, announced on 21 December 2022.

[4] The RMB 441,444,495 includes the RMB 1,344,445 additional investment injected into KYWJ Group on 12 September 2013, as RMB 1,344,445 is separate from the consideration amount of HKD 550,000,000 (i.e. which is RMB 440,100,050 or RMB 441,444,495 less RMB 1,344,445).

2.3 Receivable position up to 1H2022.

2.3.1 As at 30 June 2022, the amount due from KYWJ Group was RMB 102,615,904 and the movements from 2013 up to 1H 2022 are as follows:

Description	**Total (RMB)**
Initial acquisition	112,302,570.96
Net funds injected/(repaid)	(106,395,203.77)
Interest receivable	92,758,480.00
Interest repayment	(88,664,796.23)
Shareholder loan to KYWJ	300,000.00
Under-disclosure of liabilities	21,008,570.00
Disposal of 5% Debt interest	(10,209,324.63)
Disposal of 5% debt amount under-disclosed	(1,909,870.00)
Dividend receivable (declared in FY 2021)	105,601,876.15
Loss allowance	(22,176,398.23)
Closing balance for the year / period	**102,615,904.25**

2.4 Dividends declared (FY2021 and FY2022).

2.4.1 In 2021, KYWJ declared FY2021 dividends of RMB 105,601,876 to CCDL (50%), which reduced the investment carrying value (moving towards nil by 31 December 2021) and increased the amount due from KYWJ by the same amount.

2.4.2 FY2022 dividends of RMB 59,500,000 were declared to CCDL, settled by RMB 11,000,000 cash and RMB 48,764,490 in-kind by the transfer of six townhouses and one sales office. However, a February 2024 court judgment led to the in-kind properties being derecognised and the RMB 11,000,000 cash which was received by CIHL Group, had not been refunded and remained as a liability as at 31 December 2024 (for more details see paragraph ("**Para**") 2.5.1)

2.4.3 The court judgement happened after the Disposal date where legal proceedings were brought against CIHL Group by Mr. Zhang Zhaowang (a supervisor of a former associate to the Group, Yichang Zeyou) alleging that the profit distribution resolution made on 1 September 2022 by Board of Directors of Yichang Zeyou was in violation of tax regulations. Despite the derecognition, it does not affect the cash and non-cash flow tracing we have performed up to the Disposal date.

2.5 Repayments and in-kind settlements from September to December 2022

2.5.1 From September to 18 December 2022, the receivable of RMB 102,615,904 (as at 1H2022), after adding the FY2022 dividend (RMB 59,500,000), was reduced through:

(i) RMB 11,000,000 cash;

(ii) RMB 48,764,490 (six townhouses and one sales office);

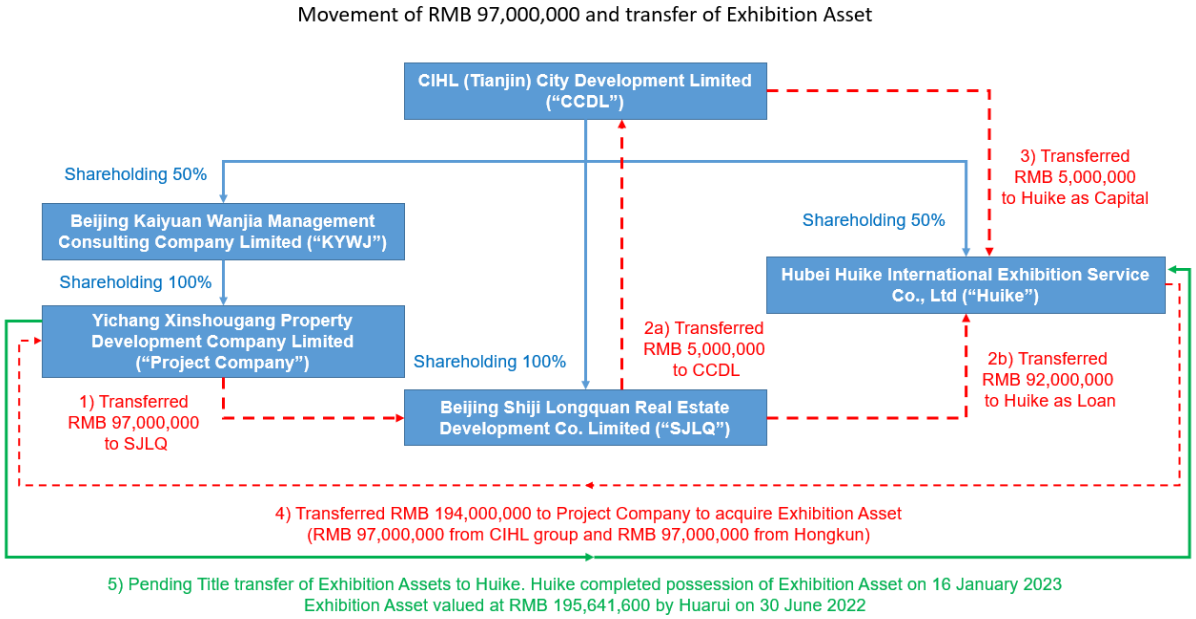
(iii) RMB 97,000,000 allocated to the Exhibition Assets via Huike (CIHL's 50%–owned SPV that paid RMB 194,000,000 to purchase the assets); and

(iv) RMB 10,235,510 (for 307 carparks and six store units), together with minor adjustments (RMB 1,992,301.57 due to KYWJ and RMB 75,086.83 interest recalibration).

2.6 Net position at Disposal date and accounting effect

2.6.1 After applying all repayments and adjustments, repayments exceeded the outstanding receivable by RMB 6,951,484 as at 18 December 2022. CIHL reversed this amount from the prior loss allowance in FY2022 and recorded it as a reversal of impairment loss on amount due from associates.

2.6.2 The Review traced and verified the cash and non-cash repayments to bank advices, ledgers and transaction documents, including the 19 transfers (12 to 19 October 2022) underpinning the RMB 97,000,000 Huike funding loop[5] and the 25 to 26 October 2022 carpark/store payments. We illustrate below this funding loop:



2.6.3 The RMB 11,000,000 cash dividend and the RMB 48,764,490 (six townhouses and one sales office) were also traced to bank advices, ledgers and transaction documents as part of the same procedures.

[5] The Huike funding loop relates to how the RMB 97,000,000 fund transfers were initiated from and ultimately returned to the Project Company. This was structured as such to comply with the PRC's legal framework and demonstrate that Huike had made actual cash payments to the Project Company as consideration for the purchase of the assets.

2.6.4 However, we could not independently verify a 2013 remittance of RMB 1,992,301.57 due to the absence of original bank advices though ledger entries were reviewed. This was because CIHL had handed over the relevant bank remittance advice to Hong Kun and did not maintain copies of the said document. Whilst the transfer from KYWJ to CIHL occurred in 2013 and has exceeded the mandatory 5 years record-keeping requirement in Section 83 (5) of the Bermuda Companies Act, we are not aware if this is in breach of any other relevant laws or regulations.

2.7 Disclosure accuracy observation

2.7.1 During our Review, we identified that certain information provided by CIHL in its response to SGX-ST in the 9 January 2023 announcement was inaccurate. Specifically, there was an omission of RMB 45,000,000 in reported fund injections and an overstatement of RMB 20,000,000 in fund repayments, amounting to a total discrepancy of RMB 65,000,000. These inaccuracies were only identified in the Company's announcement, and did not impact the Group's financial statements.

2.7.2 CIHL confirmed that the discrepancies above were inaccurate and agreed with RSMCA's analysis. CIHL explained that the finance department faced extreme time pressure as they had to check and extract payment records spanning 10 years within two days. This led the finance manager to inadvertently omit the two transfers (RMB 45,000,000 and RMB 20,000,000).

2.7.3 The above omission observation may constitute a potential breach of Rule 703(4)(a) read with paragraph 25(a) of Appendix 7.1 of the Listing Manual of SGX-ST ("**Listing Manual**").

2.8 Conclusion

2.8.1 Our Review validated the quantum and form of CIHL's investments and reconciled the receivable through the Disposal date. It also noted a documentation limitation where one 2013 remittance could not be independently verified due to unavailable original bank advices (see Para 2.6.4) and numerical inconsistencies in the Company's 9 January 2023 response to SGX-ST (see Para 2.7.1 to 2.7.2). Other than the above mentioned, there were no known irregularities identified in the accounting entries and financial statements.

3 Status of the Exhibition Assets and other properties that were transferred to the CIHL Group

3.1 Scope

3.1.1 The Review assessed the status, existence, and encumbrance position of assets transferred by the KYWJ Group to CIHL and / or its subsidiaries as part of settlements in 2022. These assets are namely the Exhibition Assets, six townhouses, one sales office, six store units, and 307 carpark spaces. It also aimed to verify the associated fund flows supporting the transfers.

3.2 Physical verification of possession

3.2.1 An on-site visit in Yichang from 26 to 28 May 2023 confirmed the existence of the listed assets. Access to the Exhibition Centre's interior was unavailable as the building was locked, so the team verified its presence externally. Possession of the Exhibition Assets had been handed over to Huike on 16 January 2023 with keys, security, and relevant documentation (design, construction, acceptance, equipment, and warranty files) recorded in a handover memorandum.

3.3 Title status of the Exhibition Assets

3.3.1 Despite possession, legal title to the Exhibition Assets has not been transferred from the Project Company to Huike. The transfer process was initially expected to take 6 to 12 months given third-party/governmental approvals. It was however subject to litigation, culminating in the Beijing No. 1 Intermediate People's Court decision dated 31 May 2024, which denied Huike's request to compel the title transfer. As of 17 April 2025, Management reported no operations or revenue generated from the Exhibition Assets while the title transfer remains outstanding.

3.4 Title status of the townhouses, sales office and stores

3.4.1 Only one townhouse (unit L7-102) has been successfully transferred to CIHL's subsidiary Yichang Zhongjia Xinye Asset Management Co. Ltd ("**ZJXY**"). The remaining five townhouses, sales office, and all six store units remained under the Project Company's title due to freeze orders identified on 25 May 2023 at the Yiling District Real Estate Registration Center.

3.4.2 The freezes, believed to be linked to tax arrears and litigation around the FY2022 dividend distribution, were dated 19 April 2023 and prevented transfer of the titles. Management was not formally notified of the freezes and only learned of them during a registry query.

3.5 307 Carpark Spaces

3.5.1 The 307 carpark spaces in the transfer list did not carry individual property titles in Yichang and were treated as right-of-use assets with a 20-year term, automatically renewable at no charge. "307" is the aggregate number of carpark spaces to be transferred to the CIHL Group across two (2) projects - Guobin No. 1 and Flower Villa.

3.5.2 A duplicate-lot issue (A092 and B037) was detected amongst the 307 carpark spaces, meaning only 305 unique spaces were effectively transferred. These two (2) carpark spaces were for Guobin No.1 Phase 2, which were RMB 15,000 per lot. This resulted in an RMB 30,000 reclassification from non-current assets to receivables, which was approximately SGD 5,628 using the 24 November 2023 MAS rate. This amount has been considered as immaterial.

3.5.3 Some spaces were observed to be occupied but no revenue was collected. ZJXY is also liable for monthly property-management fees of RMB 50 per lot at Guobin No.1 and RMB 60 per lot at Flower Villa. Management intends to address the duplicate-lot adjustment after all legal matters are resolved.

3.6 Fund flow verification

3.6.1 For the RMB 97,000,000 portion earmarked for the Exhibition Assets acquisition by Huike, our Review traced 19 bank transfers between 12 to 19 October 2022 from the Project Company to CIHL's wholly owned subsidiary Beijing Shiji Longquan Real Estate Development Co., Ltd ("**SJLQ**").

3.6.2 On these same days, we also sighted transfers from SJLQ to CCDL and Huike i.e. RMB 5,000,000 and RMB 92,000,000 respectively. We also observed the sum of RMB 5,000,000 being transferred from CCDL to Huike on the same day SJLQ transferred it to CCDL. These transactions were to evidence cash considerations consistent with PRC procedural requirements. From 13 to 20 October 2022, Huike then remitted RMB 194,000,000 to the Project Company as consideration for the purchase of the Exhibition Assets.

3.6.3 A similar structured flow was observed for the RMB 10,235,510 settlement for the 307 carparks and six stores via payments from ZJXY on 25 and 26 October 2022, with funds subsequently returning to CCDL the same day to complete the chain. CIHL explained that the transactions were structured in such a way so as to demonstrate to the relevant government authority that ZJXY had made actual cash payments for the purchase of the assets (which was owned by the Project Company) as consideration for the purchase of the assets. This was structured as such to comply with the PRC's legal framework and does not change the economic substance of settlement toward CIHL.

3.7 Litigation matters

3.7.1 Following the 2022 transfers, the Dianjun District People's Court in February 2024 ruled the Project Company's FY2022 dividend invalid (upheld on 18 June 2024), leading CIHL to reverse the previously recognised six townhouses and sales office, retaining the RMB 11,000,000 million cash as a liability. In parallel, freeze orders imposed on 19 April 2023 have blocked title transfers, where only one townhouse has been transferred (see Para 3.4.1). Until resolution, these developments impede the transfer of the titles

3.8 Conclusion

3.8.1 Aside from title freezes and the duplicate carparks, no material exceptions were identified. The Review also noted that carpark rights were transferable and intended for sale, but no revenue was recorded during the review period.

3.8.2 Our Review verified the physical existence and possession of a transferred asset, traced supporting fund flows (see Para 3.6.1 to 3.6.3), and quantified minor adjustments i.e. the duplicate carparks (see Para 3.5.2) which were immaterial in nature. We have also noted that the title to the Exhibition Assets and most of the in-kind residential/commercial units have not yet been transferred due to freeze orders and litigation (see Para 3.7.1), which restrict usage until resolution. Management has indicated that they will pursue rectifications after the legal proceedings conclude.

4 Review of the valuation report on KYWJ Group as at 30 September 2022 by Ravia

4.1 Scope

4.1.1 The Review assessed whether the valuation of KYWJ Group as at 30 September 2022 ("**Valuation Date**"), prepared by Ravia, was properly carried out and supported in accordance with generally accepted valuation standards, namely the International Valuation Standards ("**IVS**") and PN-001 (Practice Note 1 on *Minimum Requirements for Performing Valuations and Issuing Business Valuation Reports* ("**PN 001**") issued by the Institute of Valuers and Appraisers, Singapore) ("**IVAS**")

4.2 Background

4.2.1 Ravia was engaged by CIHL under an engagement letter dated 31 October 2022 and issued its valuation report on 5 December 2022 ("**Ravia's Report**"). The Ravia's Report was commissioned for the Company's internal reference in connection with the disposal of CIHL's interest in KYWJ Group.

4.3 Valuation of KYWJ Group

4.3.1 Ravia used an Asset based approach for the valuation. The Income Approach was not adopted because the future business development of KYWJ Group could not be reasonably forecasted. The Market Approach was considered unsuitable since the prior 12 months of operating results were not seen as representative of the project's intrinsic value.

4.3.2 Ravia's valuation used Depreciated Replacement Cost Approach for property, plant and equipment ("**PPE**"), Direct Comparison Approach for property development inventory, receivables were valued at carrying value less expected credit loss and deferred tax liabilities on the fair value gain on the "Property Development" account was estimated with reference to the prevailing tax regime in China.

4.3.3 On the Valuation Date, KYWJ Group was in a net liability position of RMB 179,700,000. After net upward fair value adjustments of around RMB 103,000,000, the revalued net liabilities remained around RMB 76,700,000. Ravia therefore assessed the fair value of 50% equity to be "nominal." The net asset value of KYWJ Group as presented in the Ravia's Report is set out below:

Balance sheet as at 30 September 2022	**Book Value**	**Fair Value Adjustments**	**Fair Value**
	RMB		
Non-Current Assets			
Property, plant & equipment	4,320,575	879,425	5,200,000
	4,320,575		5,200,000
Current Assets			
Property development	187,270,692	156,973,125	344,243,817
Prepayments, deposits and other receivables	19,788,055	(3,075,286)	16,712,769
Trade receivables	98,969,014	(880,510)	98,088,504
Due from intercompanies	81,037,283		81,037,283
Restricted bank balances	34,326,696		34,326,696
Cash and bank balances	16,387		16,387
	421,408,127		574,425,456
Total Assets	**425,728,702**		**579,625,456**
Non-Current Liabilities			
Deferred tax liability	-	50,867,920	50,867,920
	-		50,867,920
Current Liabilities			
Trade payables - constractors [sic]	78,694,632		78,694,632
Other payables	106,349,093		106,349,093
Accrued expenses	187,495,375		187,495,375
Receipt in advance	112,175,031		112,175,031
Amount due to intercompanies	60,000,000		60,000,000
Provision for income tax	31,652,638		31,652,638
Due to NC shdrs	15,224,914		15,224,914
Short term loan	2,875,214		2,875,214
Dividend payable	11,000,000		11,000,000
	605,466,897		605,466,897
Total Liabilities	**605,466,897**		**656,334,817**
Net Asset Value	**(179,738,195)**		**(76,709,361)**

Source: Ravia

4.4 Observations

4.4.1 Ravia performed a desktop assessment only, meaning there were no site inspections or title verifications and the analysis relied on information available remotely. They cited COVID related travel constraints for this choice of approach.

4.4.2 The report was also signed under the firm's name instead of identifying the responsible valuer with Ravia later clarifying that Mr Ng Chun Fai Elvis signed the report.

4.4.3 The desktop only nature of Ravia's work and the limited corroboration of on ground conditions meant the nature and extent of evidence assembled appeared insufficient relative to IVS and PN 001 expectations for valuation evidence.

4.4.4 Paragraph 5.9 of PN 001 requires identification of the responsible valuer which the Ravia's Report initially did not state, though Ravia subsequently confirmed the signatory.

4.4.5 While a single method may be acceptable where confidence in inputs is high, the uncertainty around KYWJ Group's forward outlook and the limited observable inputs indicated that consideration of multiple approaches and / or further procedures would ordinarily be expected to triangulate value under IVS 105 and PN 001.

4.5 Conclusion

4.5.1 After preliminary feedback, Ravia provided a written representation dated 25 August 2023 asserting that appropriate procedures were undertaken given COVID restrictions in the PRC at that time. Ravia highlighted that their team had sufficient familiarity with the project and that alternative procedures were conducted, including browsing internet information and collecting on-site pictures.

4.5.2 Given the apparent non-compliance with IVS and PN 001 as set out above, without re-performing the valuation, we are unable to comment on the impact, if any, on the valuation of KYWJ Group.

5 Review of the valuation report on the Exhibition Assets dated 30 June 2022 by Huarui

5.1 Scope

5.1.1 The Review assessed whether the valuation of the Exhibition Assets prepared by Huarui as at 30 June 2022 was properly carried out in accordance with generally accepted industry practices.

5.2 Background

5.2.1 CIHL engaged Huarui to perform a valuation on the Exhibition Assets and they were valued at RMB 195,641,600 as at 30 June 2022 ("**Exhibition Assets Valuation Report**").

5.2.2 We engaged Beijing North Asia Assessment Firm (Special General Partnership) (北京北方亚事资产评估事务所（特殊普通合伙）) ("**Beiya**") to assess and opine on the reasonableness of the Exhibition Assets Valuation Report.

5.3 Valuation of Exhibition Assets - Beiya's assessment

5.3.1 During their assessment, Beiya made an adjustment to Huarui's cost approach calculation, which resulted in the decrease in value of the Exhibition Assets from RMB 195,641,600 to RMB 194,720,100, reflecting a decrease of 0.47% in the overall valuation. Beiya opined that the above inconsistency had minimal impact on the valuation of the Exhibition Assets and the assessed value of the Exhibition Assets appears to be reasonable.

5.3.2 Beiya's full opinion can be found in their report dated 28 July 2023 ("**Beiya's Report**").

5.3.3 During our discussion with Beiya, they highlighted that Huarui applied the combination of two valuation figures, 50% from the value obtained from the cost approach and 50% from the income approach, to arrive at the valuation of RMB 195,641,600 for the Exhibition Assets. The calculation extracted from the Exhibition Assets Valuation Report is in the table below.

Income approach	Weightage	Cost approach	Weightage	Valuation
RMB'000		RMB'000		RMB'000
171,619	50%	219,664	50%	195,641

5.3.4 The Income Approach indicated RMB 171,619,100, while the Cost Approach indicated RMB 219,664,100, a difference of RMB 48,045,000. IVS 105 cautions that "*when different approaches and/or methods result in widely divergent indications of value, a valuer should perform procedures to understand why the value indications differ, as it is generally not appropriate to simply weight two or more divergent indications of value.*"

5.3.5 However, Huarui's method of averaging was noted by Beiya as permissible under PRC property valuation standards.

5.3.6 Beiya identified an inconsistency in how remaining life was treated across the two approaches. The cost approach applied a remaining economic life of 58.5 years for the building, whereas the income approach effectively reflected the remaining land use term of 24.65 years. Beiya opined that when land use term and building life differ, the shorter period should be adopted consistently across approaches.

5.3.7 Applying the shorter 24.65-years economic life, Beiya recalculated the valuation and found that the change reduced the valuation by RMB 921,500, a 0.47% decrease, resulting in an adjusted value of RMB 194,720,100. Beiya concluded that this inconsistency had a minimal quantitative impact and that the assessed value remains reasonable after correction.

5.4 Conclusion

5.4.1 Beiya stated that Huarui's valuation complied with relevant PRC laws and regulations, and after the life consistency adjustment, Beiya considered the valuation reasonable. We therefore accepted Beiya's opinion and did not propose further adjustments to the Huarui's valuation for the Exhibition Assets.

6 Interested party and related party transactions

6.1 Scope

6.1.1 The Review assessed whether the Disposal of CIHL's remaining 50% interest in KYWJ and the FY2022 dividend settlement, consisting of the RMB 11,000,000 cash and RMB 48,764,490 in-kind by the transfer of properties, involved any IPT or RPT requiring disclosure and / or approval under applicable rules, and whether the Company's governance, approval and disclosure processes around such transactions were adequate.

6.2 Background searches

6.2.1 We searched publicly available information from platforms such as TianYanCha and QiChaCha to conduct background searches on the CIHL Group, Hong Kun Group, CRTG and the construction companies associated with the Exhibition Assets.

6.2.2 We noted that Mr Zhang, who held indirect interests in Zhongxiang Zhengxing (Beijing) Technology Development Company Limited ("**Zhengxing**") through various entities was involved in the purchase and disposal of a 45% interest in KYWJ. We were advised that as there was no prior business dealing between CRTG and Hong Kun, Zhengxing acted as a trusted intermediary to facilitate the deal, with Zhengxing acquiring the 45% interest in KYWJ before transferring it to Hong Kun. It was noted that Zhengxing did not benefit from the transaction.

6.2.3 On 8 May 2017, CIHL made an announcement on SGXNet with the title "Joint Venture with an Interested Person" ("**Joint Venture with an Interested Person**"), relating to the transaction on the purchase and disposal of a 45% in KYWJ by CRTG to Zhengxing. The announcement states that Mr Zhang is deemed to be interested in 60% interests in Zhengxing held through various entities and thus Zhengxing is deemed an associate of him. Accordingly, the acquisition by Zhengxing of the 45% interest in KYWJ is an interested person transaction. The announcement also notes that this Joint Venture with an Interested Person is not subject to the Shareholders' approval required under Rule 906 of the Listing Manual.

6.2.4 According to the AC Chairman, directors and key management personnel are required to submit any RPT or IPT declarations at the quarterly AC and board meetings, which is a mandatory agenda item for all AC and board meetings. We noted that CIHL did not specifically prepare meeting minutes for the AC meetings. We reviewed the Sale and Purchase Agreements ("**SPAs**"), one between CRTG and Zhengxing and the second between Zhengxing and Hong Kun and did not find any breach in the internal control processes.

6.2.5 SGX-ST raised a query on 13 March 2019 relating to Trade and Other Receivables as at 31 December 2018. CIHL indicated that an amount of RMB 39,269,000 was due from a related party, Zhengxing. CIHL was of the view that the payment was not an IPT. Zhengxing accepted the payment on behalf of Hong Kun and the Management was of the view that Zhengxing only acted as an agent in this transaction, and Mr Zhang did not have any personal interest. Arising from our queries, the Management responded that the amount due from Zhengxing had increased to RMB 54,809,169 as at 18 December 2022.

6.3 Conclusion

6.3.1 After a cross-checking process, we did not come across any evidence or information that suggests the existence of related party transactions beyond the Joint Venture with an Interested Person. However, we recommend Management to consider preparing minutes for AC meetings, in particularly for matters relating to RPT and IPT.

7 Other matters that came to our attention during the course of the Review

7.1 Scope

7.1.1 This section contains subsequent events and ancillary issues that emerged during our engagement period and could potentially influence CIHL's financial position, disclosures, and regulatory posture. The three (3) main matters relate to the suit filed by the Mr Zhang Zhaowang, Supervisor of the Project Company (the "**Plaintiff**"), the frozen bank account and verification of CIHL's disclosure on the disposal of KYWJ Group as a "non-disclosable transaction".

7.2 Suit filed by the Supervisor of the Project Company

7.2.1 On 17 May 2023, CIHL announced that its subsidiaries CCDL and ZJXY were notified to participate as third-parties in litigation initiated by the Plaintiff challenging the FY2022 profit distribution and alleging violation of PRC tax regulations.

7.2.2 In February 2024, the Dianjun District People's Court ruled the FY2022 profit distribution invalid. Consequences include the derecognition of the six townhouses and one sales office previously transferred in kind and RMB 11,000,000 cash dividends being retained as a liability which remains unrefunded as at 31 December 2024. Related freezes also impeded title transfers for certain properties

7.3 Frozen bank account

7.3.1 We also noted that one of CIHL's bank accounts was frozen as announced on the SGXNet on 4 April 2023. The CIHL's bank account with China Bohai Bank, account number ending with 0263, had been frozen by the Yiling Public Security Bureau ("**Affected Bank Account**"). The freezing of bank account might be related to the ongoing litigation (see 1.9.2 to 1.9.3) as the RMB 11,000,000 dividend payments were being made to the Affected Bank Account.

7.3.2 At 31 December 2022, the Affected Bank Account held RMB 25,260,274.90, where it represented approximately 40% of CIHL Group's cash & cash equivalents and 25% of net current assets, indicating short-term liquidity risk but not an inability to operate, given other resources.

7.3.3 On 9 October 2023, CIHL announced on SGXNet that the freeze order on the Affected Bank Account had been lifted. It is also noted that RMB 18,760,000 was transferred on 28 September 2023 to Tianjin Greenwatt Environmental Technology Co., Ltd's (天津格林瓦特环境技术有限公司) ("**Tianjin Greenwatt**"), a wholly owned subsidiary of CIHL.

7.3.4 On 27 October 2023, CIHL announced on SGXNet that a finance staff member noted that the balance of RMB 11,353.57 in the Affected Bank Account on 26 October 2023 was subjected to another temporary freeze by the Yiling Public Security Bureau for the period from 18 October 2023 to 17 April 2024. Neither CIHL nor CCDL has received any formal notification from the relevant authorities on this matter[6].

7.3.5 While the freezes were temporary, they underscore the need for cash concentration and contingency planning to buffer litigation-related operational constraints.

7.4 Verification of CIHL's disclosure on the disposal of KYWJ Group as a "non-disclosable transaction"

7.4.1 The Disposal of CIHL's remaining 50% interest in KYWJ was voluntarily announced as a "non-disclosable transaction" by CIHL under SGX-ST Listing Manual Rule 1008. Per Rule 1008 of the Listing Manual, no announcement of the transaction is required if all of the relative figures computed on the bases set out in Rule 1006 amount to 5% or less. CIHL's computation on the bases outlined in Rule 1006 of the Listing Manual of the SGX-ST is as follows:

[6] As announced on SGXNet on 22 January 2024, CIHL Tianjin's bank account with China Bohai Bank was already operating normally, and the bank balance had remained unchanged except for a deduction of RMB 345.82 on 8 January 2024 that arose from a routine transaction.

Rule 1006	Bases	Relative Figures
a	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	0%
b	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	Not applicable
c	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	3.89%
d	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
e	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

7.4.2 We recomputed the above Rule 1006 ratios using 16 December 2022 market data-last trading day before the 18 December 2022 signing date and MAS exchange rates, deriving a 3.88% ratio under Rule 1006(c). For the rest of the bases set out in Rule 1006, we agree that the relative figures amount to 5% or less.

7.4.3 The classification as “non-disclosable” is hence reasonable based on the relative figures computed.

8 GLOSSARY OF TERMS AND ABBREVIATIONS

In this report, the following words or expressions shall have the following meanings except where the context otherwise requires:

Term(s)	Definition
5% Disposal Agreement	CCDL entered into a share purchase agreement dated 7 May 2017 with Hong Kun to transfer 5% of CCDL's shareholding in KYWJ to Hong Kun
55% Share Transfer Agreement	Share transfer agreement made on 15 September 2012 between CIHL and CRTG, to purchase 55% of all the issued and paid-up share capital in KYWJ which owns 100% interest in the Project Company
AC	Audit Committee of CIHL
AC Chairman	Teo Woon Keng John, AC Chairman of CIHL
Affected Bank Account	CIHL's bank account in China Bohai Bank, account number ending with 0263, which had been frozen by the Yiling Public Security Bureau
Beiya	Beijing North Asia Assessment Firm (Special General Partnership)
Beiya's Report	Report dated 28 July 2023 by Beiya to provide their opinion on the Exhibition Assets Valuation Report
CCDL or the Vendor	CIHL (Tianjin) City Development Limited, wholly-owned subsidiary of CIHL
CIHL or the Company	China International Holdings Limited
CIHL Group	CIHL and its subsidiaries
CRTG	China Resources and Transportation Group Limited
Disposal	Disposal of an equity interest representing 50% of the registered share capital of KYWJ to the Purchaser
Exhibition Asset	Yichang Three Gorges International Convention and Exhibition Centre
Exhibition Assets Valuation Report	Valuation report on the Exhibition Assets as at 30 June 2022 prepared by Huarui
Four Party Share Transfer Agreement	Share transfer agreement between CCDL, KYWJ, Hong Kun and the Project Company dated 18 December 2022
FY	Financial Year
HKD	Hong Kong Dollars
Hong Kun / Purchaser	Beijing Hongkunweiye Property Development Co. Ltd
Huarui	Hubei Huarui Assets Real Estate Appraisal Co., Ltd
Huike	Hubei Huike International Exhibition Service Co., Ltd
IPT	Interested party transactions
IVAS	Institute of Valuers and Appraisers, Singapore
IVS	International Valuation Standards
Joint Venture with an Interested Person	A sale and purchase agreement entered into between CRTG and Zhengxing through various entities. This

Term(s)	Definition
	transaction involved the purchase and disposal of a 45% interest in KYWJ by CRTG to Zhengxing.
KYWJ	Beijing Kaiyuan Wanjia Management Consulting Company Limited
KYWJ Group	KYWJ and its subsidiaries
Listing Manual	Listing Manual of SGX-ST
Management	The management of CIHL consisting of Mr Zhang (Group Managing Director), Mr Shen Xia (Chief Financial Officer)
Mr Duan	Mr Duan Gang (段刚), the lawyer representing CIHL Group
Mr Zhang	Mr Zhang Rong Xiang, Managing Director of CIHL
Para	Paragraph
Queries	Queries **SGX RegCo** raised on 23 and 28 December 2022, and on 3, 9, 12 and 17 January 2023, requesting CIHL to clarify and provide additional information
the Plaintiff	Mr Zhang Zhaowang, Supervisor of the Project Company
PN 001	Practice Note 1 on Minimum Requirements for Performing Valuations and Issuing Business Valuation Reports
PPE	Property, plant & equipment
PRC	People's Republic of China
Project Company or Yichang Zeyou	Yichang Zeyou Real Estate Development Co. Ltd, formerly known as Yichang Xinshougang Property Development Company Limited
Ravia	Ravia Global Appraisal Advisory Limited
Ravia's Report	Ravia's valuation report issued on 5 December 2022 to ascertain the value of the KYWJ Group as at Valuation Date
Review	Independent review of the Disposal
RMB	Renminbi
RPT	Related party transactions
RSMCA or We	RSM SG Corporate Advisory Pte Ltd
Sales Shares	The 50% equity interest in KYWJ and its wholly owned subsidiaries
SGX RegCo	Singapore Exchange Regulation
SGX-ST	Singapore Exchange Securities Trading Limited
SJLQ	Beijing Shiji Longquan Real Estate Development Co., Ltd, wholly owned subsidiary of CCDL
SMCCL	Shoukong (Beijing) Management Consulting Company Limited, currently known as KYWJ
SPAs	Sale and Purchase Agreements
SPV	Special purpose vehicle set up to hold the Exhibition Assets in which CIHL Group has a 50% interest

Term(s)	Definition
Tianjin Greenwatt	Tianjin Greenwatt Environmental Technology Co., Ltd's (天津格林瓦特环境技术有限公司), a wholly owned subsidiary of CIHL
Tianjin Jixian Property Project	Land use rights of a property in Jixian, Tianjin which CIHL Group acquired from the Jixian Government through a public tender on 29 July 2010
Valuation Date	30 September 2022
Yichang Project	The planned development of Yichang Three Gorges Interational Convention Centre, the Three Gorges State Guest House and the Three Gorges State Guest Garden Commercial Property
Zhengxing	Zhongxiang Zhengxing (Beijing) Technology Development Company Limited
ZJXY	Yichang Zhongjia Xinye Asset Management Co. Ltd, a wholly owned subsidiary of CCDL