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 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2025

The Board of Directors of China International Holdings Limited (the "**Company**"), and together with its subsidiaries (the "**Group**"), refers to the Company's condensed interim financial statements for the three months ended 31 March 2025 released to Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 14 May 2025. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 21 May 2025.

SGX Query 1

In Note 10 to the Financial Statements, the Company stated that intangible assets were not tested for impairment because there were no impairment indicators as at 31 March 2025. Please clarify what are the impairment indicators that the Company will take into account to test for impairment.

Company's Response

As at 31 March 2025, the Group's intangible assets mainly comprise goodwill of RMB20.30 million and land use rights of RMB14.43 million.

Goodwill arising from the business combination has been allocated to a cash-generating unit ("CGU") related to the Group's water supply service, specifically represented by CIHL (Tianjin) Water Development Company Limited in the PRC at the time of acquisition. This CGU is expected to derive the economic benefits associated with the business combination.

As at 31 December 2024, the Group performed an impairment assessment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount of the CGU was determined using the fair value less costs of disposal method. This valuation fell under level 3 of the fair value hierarchy and incorporated the following key assumptions:

1) the estimated growth rate for this CGU and,

2) estimated pre-tax discount rate applied to the discounted cash flows for this CGU.

The management determined that there were no new indicators of impairment and no significant changes in the assumptions used in the previous assessment that would suggest impairment is required.

With respect to the land use rights, the Group assessed the existence of impairment indicators as at 31 March 2025 and concluded that there were no impairment indicators based on the following:

1) the carrying amount of the land use rights remained unchanged, with no indication of reduction in economic value on 31 March 2025; and

2) the land use rights remained in active use and continue to provide economic benefits in Q1 2025 consistent with prior financial periods.

SGX Query 2

In relation to the four units of investment properties disposed during the period in Note 12 to the Financial Statements, please provide the following details:

a. the type of properties and their location(s);

b. when they were purchased and for how much;

c. who they were sold to and whether they are related to the Company, its directors, CEO, or controlling shareholders and their associates; and

d. the Board's assessment of the applicability of Chapter 10 of the Listing Manual to the disposal.

Company's Response

a. The four units of investment properties disposed during Q1 2025 are residential units, which were located in Zhong Shang-Po Xin Bay, Jingke Village, Yizhou Town, Yi County, Baoding City, Hebei Province, the PRC.

b. and c. Please refer a breakdown of the four units disposed in Q1 2025:

No.	Unit number	Date transferred	Original Amount	Fair value losses	Carrying value in books
			RMB'000	RMB'000	RMB'000
1	2-2-202	14 December 2020	1,146	(526)	620
2	2-2-201	14 December 2020	1,059	(499)	560
3	6-2-202	14 December 2020	1,914	(964)	950
4	6-2-201	14 December 2020	1,626	(816)	810

None of the directors (executive and non-executive), the general manager, the chief financial officer or any of the controlling shareholders or their associates are related to the buyers of the four units disposed in Q1 2025.

d. The Board is of the view that as the disposal of investment properties is carried out in the ordinary course of the Group's business, the transactions do not fall within the scope of Chapter 10 of the Listing Manual and therefore are not subject to its requirements.

SGX Query 3

In the Company's commentary on the next operating period and the next 12 months, it was disclosed that the Company has secured a new exploration license ("PPL 666") and will be reviewing the viability of this project. Please clarify whether this new exploration licence ("PPL 666") is the same petroleum prospecting license that was obtained in February 2021 by MKS Equities Ltd, a 78% owned subsidiary of the Company, for its oil and gas exploration project that was previously disclosed in past annual reports and which expires in February 2027. Please also disclose the quantum of the Group's previous investment in PPL 666 that was subsequently impaired and provide the reasons why the Group is reviewing the viability of this project despite such impairments being made.

Company's Response

The Company, through its 78% owned subsidiary MKS Equities Ltd., was awarded an exploration license ("PPL 666") in February 2021. In the period from 1Q 2021 to 1Q 2025, the Group has incurred approximately US$704,401 in relation to project maintenance and further feasibility study for the project covered by PPL 666. These amounts were recognised as expenses in the Group's financial statements. They were not capitalised, and therefore were not subject to impairment as non-financial assets. The Group acknowledged that exploration of mineral resources is a highly risky investment. The Group is seeking co-investors to bring in expertise and share the financial risk in the project.

By Order Of The Board
China International Holdings Limited

Shan Chang
Executive Chairman
23 May 2025