



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 IN RELATION TO THE ANNOUNCEMENT ON EMPHASIS OF MATTER BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of China International Holdings Limited (“**Company**”) would like to provide the following additional information in reply to the queries raised by SGX-ST on 5 April 2016:-

SGX Query 1

We refer to the “Emphasis of Matter by Independent Auditors on Financial Statements for the Financial Year Ended 31 December 2015 of China International Holdings Limited announced on 1 April 2016.

The Independent Auditor had opined that “These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.”

For the Exchange’s consideration under Rule 1303(3)(c) and noting the Independent Auditor’s “Emphasis of Matter” on the Company’s ability to operate as a going concern, please provide the following information:-

- a) the Board’s opinion if the Company will be able to operate as going concern and basis for the Board’s view.
- b) the Board’s confirmation that all material disclosures have been provided for trading of the Company’s shares to continue.

Company’s response

- (a) The Board is of the opinion that the Company will be able to operate as a going concern after taking into consideration the following factors (reproduced in Note 3 of the Company’s financial statements for the financial year ended 31 December 2015):
 - (i) The Group is expecting a repayment of approximately RMB33,080,000 by a local government agency in respect of the residential relocation development projects in Men Tou Gou District, out of which an amount of RMB20,314,000 has been received in January 2016;
 - (ii) The Group has available land use rights and properties under development that can be mortgaged for additional borrowings. As at 31 December 2015, the Group has pledged land use rights and properties under development of amount RMB634,301,000 as security for short-term borrowings;

- (iii) The Group currently still has an undrawn borrowing facility of RMB169,800,000. The Group is also in the process of negotiating with certain financial institutions to obtain new borrowing facilities of RMB200,000,000 and to roll over its current borrowing of RMB383,535,000 for another year. The directors have evaluated all the relevant facts available to them and are of the opinion that the Group have good track records or relationships with financial institutions which enhance the Group's ability to continue and/or obtain new credit facilities to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future; and
 - (iv) The Group is able to continue in the current operational existence to generate sufficient cash flows to discharge their liabilities in the normal course of business for the next twelve months.
- (b) In addition, the Board confirms that, to the best of their knowledge, all material disclosures have been provided for trading of the Company's shares to continue.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman

7 April 2016