



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 UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

All capitalised terms in this announcement shall, unless otherwise defined herein, have the same meanings ascribed to them in the Response Announcement (as defined below).

The Board of Directors of China International Holdings Limited (the “**Company**”), or together with its subsidiaries (the “**Group**”) refers to the Group’s full year results released to Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 29 February 2016 (the “**Full Year Results Announcement**”) and the Company’s announcement released on 18 April 2016 in response to several queries raised by SGX-ST (the “**Response Announcement**”).

The Company would like to provide the following additional information in reply to the queries raised by SGX-ST:-

SGX Query 1

Under Response 4 of the Company's announcement of 18 April 2016 relating to the provision of RMB 65,616,000 of a guaranteed loan to Future Trillion, the Company disclosed that “As at the date of the Announcement, the Company has yet to enforce the Corporate Guarantee” against the guarantor.

We had previously requested for further disclosure and elaboration on the reasons why the Company has yet to enforce the Corporate Guarantee. Please disclose accordingly.

Company’s response

Mega Sino is a company incorporated in the British Virgin Islands. Mega Sino is a special purpose vehicle that holds interests in the Exploration Project via Future Trillion and MKS. To the best of the knowledge of the Directors, Mega Sino does not hold any assets other than the Exploration Project. Therefore, any impact on the financial capacity of MKS would have a corresponding effect on Future Trillion and in turn, Mega Sino. Notwithstanding the impairment, the Corporate Guarantee by Mega Sino remains valid and enforceable and the rights of the Company to pursue Mega Sino, remain unaffected by the impairment. The Company has yet to enforce the Corporate Guarantee as it is considering all of its options available to it which may include, in addition to enforcing the Corporate Guarantee, concurrently exercising its rights under the terms of the share charge created over Mega Sino’s equity interests in Future Trillion, before it decides to conclusively take any action.

Save as disclosed above, none of the directors and/or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in Mega Sino.

SGX Query 2

Under Question 4 of the Response Announcement, the Company did not address the queries in questions 4(b) and 4(c) relating to:

- (a) the status of the corporate guarantee in light of the impairment; and
- (b) details and identity of the controlling shareholder of Future Trillion and what actions the Company has taken to enforce the guarantee by the guarantor.

Please provide the appropriate responses.

Company's response

Please refer to the Company's response to Question 1.

Question 3

Under Response 6 of the Response Announcement, the Company announced that "MKS commissioned Gaffney, Cline & Associates Pty Ltd ("**GCA**") as an independent valuer to complete the first independent valuation report of the oil and gas resources".

The definition of "qualified person" is defined in the listing rules. Please provide further disclosure on GCA's qualifications and accreditations in respect of Mineral, Oil and Gas valuations and whether it meets the criteria of a qualified person as defined in the listing rules.

Company's response

GCA is an independent international energy advisory group of more than 50 years' standing, whose expertise includes petroleum reservoir evaluation and economic analysis. GCA was appointed by MKS in 2012 to conduct an independent technical review of MKS' oil and gas exploration prospects and leads and was subsequently retained to provide an update on its report in 2013. ("**GCA Report**")The person with the overall responsibility for the GCA Report is Mr. David Waldo, who at the relevant time, was the Lead Geoscientist of GCA. To the best of the knowledge of the Directors, Mr. David Waldo has experience in the evaluation of shale plays in Canada, the United States of America and Southeast Asia and has more than thirty years of experience in petroleum exploration and development, with a focus on the creation, evaluation, and valuation of international oil and gas opportunities.

As the Company's principal activities do not consist of exploration for or extraction of minerals, oil and gas, it does not fall within the definition of a mineral, oil and gas company (as defined in the Listing Manual) and is thus not required to comply with Practice Note 6.3 of the SGX-ST Listing Manual. Given the above and taking into consideration MKS is an associated company, the Company is of the view that it was not necessary for the GCA Report to be prepared by a qualified person (as defined in the SGX-ST Listing Manual) For further details on the GCA Report, please refer to the Response Announcement and the Company's announcements on 24 May 2012 and 7 January 2013.

Question 4

Under Response 9 of the Response Announcement, the Company announced that "Roma was engaged as an independent valuer to conduct a valuation of the Liuhe Gold Project on 17 December 2015".

Please provide further disclosure on

- (a) Roma's qualifications and accreditations in respect of Mineral, Oil and Gas valuations and whether the valuation was undertaken in accordance with the Standards with regard to

- minerals as defined under the “Definitions and Interpretation” section of the Listing Manual; and
- (b) whether Roma’s qualification meets the criteria of a qualified person as defined in the listing rules.

Company’s response

- (a) Roma were previously appointed by the Company as an independent valuer for the preparation of the Independent Valuer’s Business Valuation Report in relation to the Company’s acquisition of 55% equity interest of Yichang Xinshougang Property Development Company Limited in 2013. Roma was subsequently re-appointed to conduct a business valuation on the Liuhe Gold Project. In arriving at a valuation, Roma relied on the resource findings based on an independent resource report known as the 吉林省柳河縣金廠溝金礦深部（500米標高以下）及外圍普查和外圍詳查年度報告 (“**Resource Report**”), prepared by Sinotech Minerals Exploration Co.,Ltd. (中色地科矿产勘查股份有限公司) (“**Sinotech**”) on 6 May 2015.

Sinotech was established in 2004 and has 12 years of experience in the mineral industry. Its qualifications include the Certificate for Geological Exploration Qualifications (Grade A in solid minerals exploration, Grade A in geophysical exploration and Grade A in geological drilling) issued by the Ministry of Land and Resources of the People’s Republic of China and the Grade A Certificate in Surveying and Mapping issued by the National Administration of Surveying, Mapping and Geo information. The person with the overall responsibility for the Resource Report is Dr. Wang Jingbin, the Chairman of Sinotech. To the best of the knowledge of the Directors, Dr. Wang Jingbin is the dean of the Beijing Institute of Geology for Mineral Resources, vice chairman of China Nonferrous Metals Industry Association and vice director of Geological Society of China, and has over thirty years’ industry experience in the estimation, assessment and evaluation of minerals.

The Resource Report prepared by Sinotech and the business valuation conducted by Roma were not undertaken in accordance with regard to any Standard (as defined in the SGX-ST Listing Manual). As the Company’s principal activities do not consist of exploration for or extraction of minerals, oil and gas, it does not fall within the definition of a mineral, oil and gas company (as defined in the Listing Manual) and is thus not required to comply with Practice Note 6.3 of the SGX-ST Listing Manual. Given the above and taking into consideration the Liuhe Gold Project is based in China and held by an associated company, the Company is of the view that it was not necessary for the valuation to be prepared by a qualified person (as defined in the SGX-ST Listing Manual) or undertaken in accordance with a Standard (as defined in the SGX-ST Listing Manual)

- (b) As Roma undertook the role of a business valuer and was not the valuer of the Liuhe Gold Project’s resources, the Company is of the view that it was not necessary for Roma to meet the criteria of a qualified person as defined in the SGX-ST Listing Manual.

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman

5 May 2016