



China International Holdings Limited

(Incorporated in Bermuda with limited liability)
(Bermuda Company Registration No. 23356)

ADDITIONAL INFORMATION TO THE UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors of China International Holdings Limited (the "Company", or together with its subsidiaries the "Group") refers to the Group's third quarter and nine months results released to SGX-ST on 6 November 2014. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST:-

Question 1

On page 1 of the Financial Statements, it is stated that 'Other income – net' had decreased by 14.2%, from RMB9,397,000 to RMB8,064,000. Please disclose the reasons for the significant decrease in 'Other income – net' and provide a breakdown of 'Other income – net'.

Company's response

Other income decreased to RMB8.06 million in Q3 2014 compared with other income of RMB9.40 million in Q3 2013 mainly due to decrease of interest income and exchange gain.

A decrease of interest income in Q3 2014 compared with as in Q3 2013 was mainly due to decrease of interest income generated from bank deposits, because the daily average amounts of bank deposits in Q3 2014 were less than as in Q3 2013.

A decrease of exchange income in Q3 2014 compared with as in Q3 2013 was mainly due to volatility of exchange rates, the exchange rates were employed in revaluing non-Rmb denominated financial assets and liabilities at the ends of financial periods.

A breakdown of 'Other income – net' is as below:

Other income:	3 months (Q3) ended			
	30.09.2014	30.09.2013	Increase/ (Decrease)	%
	RMB'000'	RMB '000'		
Interest income less business tax	7,768	8,438	(670)	(7.9)
Rental income, net	310	314	(4)	(1.3)
Loss on disposal of property, plant and equipment	(3)	-	(3)	NM
Exchange (loss) / gain	(30)	625	(655)	(104.8)
Sundry income / (loss)	19	20	(1)	(5.0)
	8,064	9,397	(1,333)	(14.2)

Question 2

On page 4 of the Financial Statements, it is stated that 'Loan receivables' amount to RMB150,000,000. Please provide further details on these loans.

Company's response

The amount of long term loan receivable RMB150 million was reclassified to other receivables due to its remaining term was less than one year at 30 September 2014.

Question 3

On page 13 of the Financial Statements, it is stated that 'Long-term loan receivable' of RMB192.44M comprise of RMB104M which was classified as other receivables as at 31 December 2013 and additional loans during the financial period. Further, these are loans to non-related party for funding a resettlement housing project of Beijing Shiji Longquan Real Estate Co. Ltd.

- (a) Please explain the reasons for the reclassification of the RMB104M from 'Other receivables' to 'Long-term loan receivable'.
- (b) Please disclose the ageing schedule of 'Long-term loan receivable'.
- (c) In relation to the loans to non-related party, please disclose the financial standing of the borrower and the repayment date of the loan.

Company's response

- (a) A Supplementary Agreement was signed by the borrower and Beijing Shijilongquan Real Estate Co., Ltd on 23 May 2014. According to which, the Company estimated the remaining term of loan of RMB104 million was more than 1 year at 30 September 2014.
- (b) Long-term loan receivable of RMB192.44M was entirely due from
(the "Re-development Centre") at 30 September 2014, according to the items of the Supplementary Agreement mentioned above, the Company estimated the remaining term of Long-term loan receivable of RMB192.44M was nearly 21 months at 30 September 2014.
- (c) The borrower is the Re-development Centre, who is also the owner of the resettlement housing project. It had been agreed that the loan will be repaid after the resettlement housing project is completed, the Company estimated the repayment date will be on or before 30 June 2016.

Question 4

On page 14 of the Financial Statements, it is stated that 'Borrowings' increased to RMB543.96M from RMB328.82M as at 31 December 2013 mainly due to borrowings of RMB140M by CIHL (Tianjin) City Development Limited and another borrowing of RMB100M by Beijing Shiji Longquan Real Estate Co., Limited.

- (a) Please explain the purposes of these borrowings. Why are the borrowings so significant?
- (b) Please disclose the identities of the lenders.

Company's response:

- (a) The borrowings of RMB140 million in CIHL (Tianjin) City Development Limited was used to pay the remaining consideration of the acquisition of subsidiaries.

Another borrowing of RMB100 million was mainly used for the funding of the resettlement housing project at Beijing Shijilongquan Real Estate Co., Ltd.

- (b) The identities of the lenders are as follows:

Lender	30.09.2014 RMB'000'
Beijing Mentougou District Longquanzhendayuchun Committee ()	100,000
Hangzhou Haiqiong Enterprise Limited ()	70,000
Beijing Jinglongshidai Investment Co., Ltd ()	70,000
	<hr/>
	240,000

Question 5

On page 16 of the Financial Statements, it is stated that net proceeds amounting to S\$2,441,000 were used for administrative expenses paid at non-PRC companies. Please provide a breakdown of the administrative expenses.

Company's response

A breakdown of the administrative expenses is as below:

Administrative Expenses	SGD'000'
Legal & Professional Fee	928
Directors' fee	337
Insurance	19
Staff costs	102
Rents and office expense	145
Interest expenses	534
Others	376
	<hr/>
	2,441

BY ORDER OF THE BOARD
CHINA INTERNATIONAL HOLDINGS LIMITED

Shan Chang
Chairman

2 December 2014