



**CIH**

# **China International Holdings Limited**

## **Annual General Meeting**

**Copthorne King's Hotel Singapore**

**28 April 2017**

# Safe Harbour Statement

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**The presentation contains forward looking statements which can be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. Such statements may include comments on industry, business or market trends, projections, forecasts and plans and objectives or management for future operations and operating and financial performance, as well as any related assumptions.**

**Readers of this presentation should understand that these statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events, which are subject to significant risks, uncertainties and other factors, many of which are outside of the Company's control. Actual results and outcomes may differ materially from what is expressed or implied in such forward-looking statements.**

**The Company cautions readers not to place undue reliance on any forward looking statements included in this presentation which speak only as of the date made, and should any of the events anticipated by the forward-looking statements transpire or occur, the Company makes no assurance on what benefits, if any, the Company will derive there from.**

- **2016 Business Performances**
- **2016 Disposed Interests in Jixian Project**
- **Group Performance**
- **Corporate Strategy**

# 2016 Business Performances



## ◆ Property Development

- The cash revenue from housing sales and pre-sales of Yichang Xinshougang was RMB438.79 million in FY2016. The pre-sales of villas under group 2 of phase I development as well as high-rise housing under Phase II have contributed positively to the Group's financial performance for FY2016.
- Segment incurred a gross loss of RMB35.17 million in FY2016, including write-down of land and property value of RMB58.33 million, due to high interest cost, lower property sales prices and higher construction costs.

# Yichang Guobing No.1 Project

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- Total site area of 587,726.9 square meters. For development into commercial, tourism, and residential properties.
- The accumulative area of the sold property units is 180,396.49 square meters as at 31 December 2016, with the accumulative cash flow from sales of RMB917.06 Million.
- The Group expect to complete construction work for all Phase II residential units in 2017 and commence the planning and initial construction of Phase III residential development.



# 2016 Business Performances



## ◆ Water Treatment Business

- The water treatment business remains robust upon the ongoing urbanization needs.
- Segment revenue from water supply decreased from 93.46 million to RMB92.33 million, and segment gross profit reached to RMB63.06 million.
- The revenue of water treatment was largely attributed to the water-pipe connection income achieved by the 60% held subsidiary, CIHL (Tianjin) Water Development Company Limited.
- The network expansion has completed during the year which is expected to provide more water sales and connection services contracts in future.
- The water plant development and operations in Tianjin would be approaching its peak production capacity in the near future, expansion plan has been mapped out in the year under reviewed.

# 2016 Business Performances



## ◆ Oil & Gas Exploration Project

- As oil prices have remained weak, the Group discontinued the oil and gas exploration and drilling work in year 2016 in order to minimize expenses.
- As it is not commercially viable to continue with this high risk and high cost business venture, the Group made full impairment for the related investments.

# 2016 Business Performances



## ◆ Gold Mining Project

- In view of the prolonged downturn in commodity prices, this mining project is unlikely to generate sufficient cash flow to repay the outstanding shareholder's loan that the Group extended to it or to recover the Group's investment. For these reasons, the Group made full impairments on the project at the end of 2015
- The Company has 20.054% interest in a gold exploration and mining company in Jilin Province, China
- The Company is considering to dispose this investment when there is an opportunity.



## 2016 Disposed Interests in Jixian Project



- **The Company announced on 4 October 2016 to dispose the entire equity and debt interests in its subsidiary, Tianjin Xinzhong Property Development Co. (天津中翔新中房地产开发有限公司 “Target”) for an aggregate cash consideration of RMB460 million (equivalent to approximately S\$93.31 million).**
- **The Company announced on 19 December 2016 that the Disposal has been completed and following completion, the Company no longer held any interest in the Target, and the Target has ceased to be a member of the Group.**
- **Based on the completion of the disposal, the Company declared a special tax-exempt dividend of 30 Singapore cents per share for the year ended 31 December 2016.**
- **The proceeds were used to repay the maturing debt financing of RMB398.29 million.**

# Group Performances FY2014-2016



<b>Year</b>	<b>Revenue</b>	<b>EBITDA</b>	<b>EBITDA Margin</b>	<b>Profit / (loss) attributable to equity holders of the Company</b>	<b>EPS</b>	<b>Net Asset Value attributable to owners of the parent</b>	<b>Number of Shares</b>	<b>Net Asset Value per Share</b>	<b>ROE</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>Fen</i>	<i>RMB'000</i>	<i>'000</i>	<i>RMB</i>	<i>%</i>
<b>2014</b>	<b>109,083</b>	<b>8,724</b>	<b>8</b>	<b>(75,960)</b>	<b>(157.02)</b>	<b>656,873</b>	<b>51,230</b>	<b>12.82</b>	<b>(11.15)</b>
<b>2015</b>	<b>116,372</b>	<b>31,898</b>	<b>27</b>	<b>(384,999)</b>	<b>(751.51)</b>	<b>275,500</b>	<b>51,230</b>	<b>5.38</b>	<b>(82.58)</b>
<b>2016</b>	<b>246,879</b>	<b>127,983</b>	<b>52</b>	<b>64,182</b>	<b>125.28</b>	<b>340,017</b>	<b>51,230</b>	<b>6.64</b>	<b>20.85</b>

Number of shares in FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015

Before share consolidation

2014

Number of Shares ('000)

1,024,604

EPS (in Fen)

-7.85

Net asset value per share (RMB)

0.64

# FY2014-2016 EBITDA



## Earning Before Interest, Tax, Depreciation, and Amortisation

	FY2016 RMB'000	FY2015 RMB'000	FY2014 RMB'000
<b>Operating profit / (loss)</b>			
-Continuing operations	59,298	(503,638)	(63,035)
-Discontinued operations	-	(660)	(803)
	59,298	(504,298)	(63,838)
<b>Non cash, one time item</b>			
-Allowances for impairment of receivables	(2,198)	86,070	12,948
-Write-down of properties for development	58,332	357,480	51,072
-Fair value loss/(profit) on investment properties	-	1,000	-
-Impairment loss investment in associated companies	-	68,898	-
-Impairment loss of property, plant and equipment	3,768	14,121	-
-Depreciation	8,783	8,627	8,542
-Amortisation	-	-	-
<b>EBITDA</b>	<u>127,983</u>	<u>31,898</u>	<u>8,724</u>

# FY2014-2016 EPS

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Earning per share for the financial year ended 31 DEC 2016

	31.12.2016 RMB'000	31.12.2015 RMB'000	31.12.2014 RMB'000
<b>Profit / (loss) attributable to:</b>			
Owners of the company	64,182	(384,999)	(75,960)
Non-controlling interests	(4,884)	(119,299)	(19,966)
	<u>59,298</u>	<u>(504,298)</u>	<u>(95,926)</u>
 Loss for the financial period from discontinued operations	-	(660)	(803)
 Loss after income tax from discontinued operations	-	(660)	(803)
 <b>Profit / (loss) attributable to owners of the company</b>			
Discontinued operations	-	-	-
Continuing operations	64,182	(384,999)	(75,960)
	<u>64,182</u>	<u>(384,999)</u>	<u>(75,960)</u>
 <b>Weighted average number of ordinary shares in</b>	<b>51,230</b>	<b>51,230</b>	<b>48,374</b>
<b>Basic and diluted earnings / (loss) per share (Fen)</b>			
Discontinued operations	-	-	-
Continuing operations	125.28	(751.51)	(157.03)
	<u>125.28</u>	<u>(751.51)</u>	<u>(157.03)</u>

\* Number of shares in FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015

# FY2014-2016 NAPS



Net assets per share as at 31 DEC 2016

	GROUP			COMPANY		
	31.12.2016	31.12.2015	31.12.2014	31.12.2016	31.12.2015	31.12.2014
Net asset value or shareholder's equity (RMB'000)	340,017	275,500	656,873	565,994	571,275	593,947
Number of ordinary shares in issue ('000)*	51,230	51,230	51,230	51,230	51,230	51,230
Net Asset Per Share (RMB)	<b>6.637</b>	<b>5.378</b>	<b>12.822</b>	<b>11.048</b>	<b>11.151</b>	<b>11.594</b>

\* Number of shares in FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015

Before share consolidation

GROUP	COMPANY
31.12.2014	31.12.2014

Number of Shares ('000)	1,024,604	1,024,604
Net asset value per share (RMB)	0.641	0.580

# FY2014-2016 ROE

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## Rate of Return on Common Stockholders' Equity

	Shareholder's equity at the end of financial year RMB'000	Average of shareholder's equity RMB'000	Profit attributable to equity holders of the Company RMB'000	ROE  %
2014	656,873	328,437	(75,960)	(23.13)
2015	275,500	466,187	(384,999)	(82.58)
2016	340,017	307,759	64,182	20.85

- **Actively manage the remaining project to generate cash from operation and to control the investment in the adverse market situation**
- **Looking for expansion opportunities in water treatment and distribution businesses in China**
- **Minimize expenses in investments in the resources and energy sector**
- **Strive to create satisfactory return for our shareholders and all constituents**

# Thank you!

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