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# **CHINA INTERNATIONAL HOLDINGS LIMITED**

## **Condensed Interim Financial Statements**

**for the six months ended 30 June 2021**

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## Table of Contents

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	1
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION.....	2
C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY .....	4
D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS .....	6
E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS .....	7
F. OTHER INFORMATION .....	19

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	The Group	
		6 months ended	
		30.06.2021	30.06.2020
		RMB'000	RMB'000
Revenue	4	82,061	86,237
Cost of sales and services provided		(43,738)	(44,652)
<b>Gross profit</b>		<b>38,323</b>	<b>41,585</b>
Other income - net		671	3,551
Expenses			
- Administrative		(7,198)	(4,903)
- Other operating		(11,204)	(9,609)
- Finance		(2,272)	(2,576)
Share of profit / (loss) from associated companies accounted for using the equity method		12,076	(2,658)
<b>Profit before income tax</b>	6	<b>30,396</b>	<b>25,390</b>
Income tax expense	7	(7,744)	(6,806)
<b>Profit for the financial period, net of tax</b>		<b>22,652</b>	<b>18,584</b>
<b>Profit for the financial period attributable to:</b>			
Owners of the parent		15,703	12,149
Non-controlling interests		6,949	6,435
		<b>22,652</b>	<b>18,584</b>
<b>Earnings per share for profit for the period attributable to the owners of the Company during the year:</b>			
Basic (RMB fen)		22.00	17.06
Diluted (RMB fen)		21.68	17.06

**B. Condensed interim statements of financial position**

	Note	The Group		The Company	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	5	110,495	127,555	1	1
Trade and other receivables	5	206,730	208,125	429,003	442,477
Other current assets		13,423	10,176	-	-
Inventories		1,718	1,944	-	-
<b>Total current assets</b>		<b>332,366</b>	<b>347,800</b>	<b>429,004</b>	<b>442,478</b>
<b>Non-current assets</b>					
Deferred income tax assets		4,849	6,389	-	-
Investment in associates		150,338	138,262	-	-
Investment in subsidiaries		-	-	196,000	196,000
Investment properties	12	33,100	33,100	-	-
Property, plant and equipment	11	243,144	246,761	-	-
Intangible assets	10	20,394	20,357	-	-
Other receivables	5	30,000	30,000	-	-
<b>Total non-current assets</b>		<b>481,825</b>	<b>474,869</b>	<b>196,000</b>	<b>196,000</b>
<b>Total assets</b>		<b>814,191</b>	<b>822,669</b>	<b>625,004</b>	<b>638,478</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	5	142,165	172,675	132,596	139,959
Borrowings	13	43,000	40,500	-	-
Current income tax liabilities		6,984	7,906	-	-
Lease liabilities		189	429	-	-
<b>Total current liabilities</b>		<b>192,338</b>	<b>221,510</b>	<b>132,596</b>	<b>139,959</b>
<b>Non-current liabilities</b>					
Long term borrowings	13	52,000	59,500	-	-
Deferred income		15,077	15,485	-	-
Deferred income tax liabilities		18,268	10,141	-	-
<b>Total non-current liabilities</b>		<b>85,345</b>	<b>85,126</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>277,683</b>	<b>306,636</b>	<b>132,596</b>	<b>139,959</b>
<b>NET ASSETS</b>		<b>536,508</b>	<b>516,033</b>	<b>492,408</b>	<b>498,519</b>

	Note	The Group		The Company	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	18,866	17,779	18,866	17,779
Reserves		932,989	921,771	893,691	886,695
Accumulated losses		(548,041)	(549,262)	(420,149)	(405,955)
		<b>403,814</b>	<b>390,288</b>	<b>492,408</b>	<b>498,519</b>
Non-controlling interests		132,694	125,745	-	-
<b>Total equity</b>		<b>536,508</b>	<b>516,033</b>	<b>492,408</b>	<b>498,519</b>

C. Condensed interim statements of changes in equity

C. Condensed interim statements of changes in equity

		Attributable to owners of the parent										Non-controlling Interests RMB'000	Total Equity RMB'000
The Group	Note	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Statutory Reserves RMB'000	Capital Redemption Reserve RMB'000	Exchange Reserve RMB'000	Share Options Reserve RMB'000	Accumulated Losses RMB'000	Subtotal RMB'000		
<b>2021</b>													
<b>Balance at 1 January 2021</b>	14	17,779	65,712	810,044	7,764	29,938	8,324	(2,147)	2,136	(549,262)	390,288	125,745	516,033
Total comprehensive profit for the financial period		-	-	-	-	-	-	-	-	15,703	15,703	6,949	22,652
Transfer		-	-	-	-	4,222	-	-	-	(4,222)	-	-	-
Share based payment		-	-	-	-	-	-	-	2,102	-	2,102	-	2,102
Dividend payments													
- Cash	8	-	-	-	-	-	-	-	-	(4,279)	(4,279)	-	(4,279)
- Scrip	14	1,087	4,894	-	-	-	-	-	-	(5,981)	-	-	-
<b>Balance at 30 June 2021</b>		<u>18,866</u>	<u>70,606</u>	<u>810,044</u>	<u>7,764</u>	<u>34,160</u>	<u>8,324</u>	<u>(2,147)</u>	<u>4,238</u>	<u>(548,041)</u>	<u>403,814</u>	<u>132,694</u>	<u>536,508</u>
<b>2020</b>													
<b>Balance at 1 January 2020</b>	14	17,779	65,712	810,044	7,764	28,741	8,324	(2,147)	-	(605,120)	331,097	110,199	441,296
Total comprehensive profit for the financial period		-	-	-	-	-	-	-	-	12,149	12,149	6,435	18,584
Transfer		-	-	-	-	1,161	-	-	-	(1,161)	-	-	-
<b>Balance at 30 June 2020</b>	14	<u>17,779</u>	<u>65,712</u>	<u>810,044</u>	<u>7,764</u>	<u>29,902</u>	<u>8,324</u>	<u>(2,147)</u>	<u>-</u>	<u>(594,132)</u>	<u>343,246</u>	<u>116,634</u>	<u>459,880</u>

**C. Condensed interim statements of changes in equity**

**C. Condensed interim statements of changes in equity (cont'd)**

The Company	Note	Share	Share	Contributed	Capital	Capital	Share	Accumulated	Total
		Capital	Premium	Surplus	Reserve	Redemption Reserve	Options Reserve	Losses	Equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2021</b>									
<b>Balance at 1 January 2021</b>	14	17,779	65,712	810,044	479	8,324	2,136	(405,955)	498,519
Total comprehensive loss for the financial period		-	-	-	-	-	-	(3,934)	(3,934)
Share based payment		-	-	-	-	-	2,102	-	2,102
Dividend payments									
- Cash	8	-	-	-	-	-	-	(4,279)	(4,279)
- Scrip	14	1,087	4,894	-	-	-	-	(5,981)	-
<b>Balance at 30 June 2021</b>		<u>18,866</u>	<u>70,606</u>	<u>810,044</u>	<u>479</u>	<u>8,324</u>	<u>4,238</u>	<u>(420,149)</u>	<u>492,408</u>
<b>2020</b>									
<b>Balance at 1 January 2020</b>	14	17,779	65,712	810,044	479	8,324	-	(400,276)	502,062
Total comprehensive loss for the financial period		-	-	-	-	-	-	(1,397)	(1,397)
<b>Balance at 30 June 2020</b>	14	<u>17,779</u>	<u>65,712</u>	<u>810,044</u>	<u>479</u>	<u>8,324</u>	<u>-</u>	<u>(401,673)</u>	<u>500,665</u>

**D. Condensed interim consolidated statement of cash flows**

		The Group	
		6 months ended	
		30.06.2021	30.06.2020
Note		RMB'000	RMB'000
	<b>Cash flows from operating activities</b>		
	<b>Profit before income tax</b>	30,395	25,391
	<b>Adjustments for:</b>		
	-Amortisation of intangible assets	41	40
	-Amortisation of deferred income	(408)	(407)
	-Depreciation of property, plant and equipment	13,766	12,576
	-Interest expenses and other financial costs	2,272	2,544
6	-Interest income	(571)	(238)
	-Expenses of share option and share award plan	2,102	-
	-Gain on disposal of property, plant and equipment	(21)	(3)
	-Share of (profit) / loss of associated companies	(12,076)	2,658
		<u>35,500</u>	<u>42,561</u>
	<b>Changes in working capital</b>		
	-Other current assets	(3,247)	(2,483)
	-Inventories	226	211
	-Trade and other receivables	(21,607)	(24,335)
	-Trade and other payables	(30,478)	(10,484)
	Cash used in operations	<u>(19,606)</u>	<u>5,470</u>
	PRC income tax paid	<u>(5,961)</u>	<u>(25,670)</u>
	<b>Net cash used in operating activities</b>	<u><b>(25,567)</b></u>	<u><b>(20,200)</b></u>
	<b>Cash flows from investing activities</b>		
	Interest received	571	215
	Purchases of property, plant and equipment	(10,148)	(1,980)
	Purchases of intangible assets	(77)	-
	Proceed from disposal of property, plant and equipment	21	3
	Repayment of loans from associated companies	23,000	-
	<b>Net cash provided by / (used in) investing activities</b>	<u><b>13,367</b></u>	<u><b>(1,762)</b></u>
	<b>Cash flows from financing activities</b>		
	Interest and other finance costs paid	(2,304)	(2,544)
	Repayments of borrowings	(5,000)	-
	Cash from government's preferential tax policy	6,963	-
	Principal payment of lease liabilities	(240)	-
8	Dividend payment - cash	<u>(4,279)</u>	<u>-</u>
	<b>Net cash used in financing activities</b>	<u><b>(4,860)</b></u>	<u><b>(2,544)</b></u>
	<b>Net decrease in cash and cash equivalents</b>	(17,060)	(24,506)
	<b>CASH AND CASH EQUIVALENTS:</b>		
	BEGINNING OF FINANCIAL PERIOD	127,555	167,745
	END OF FINANCIAL PERIOD	<u>110,495</u>	<u>143,239</u>



## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

China International Holdings Limited (the “Company”) is listed on the main board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Company is an exempted company incorporated in Bermuda with limited liability under the Companies Act of Bermuda.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities of the Group are: (a) water supply services; (b) wastewater treatment services; and (c) land and real estate property development.

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS - 34 Interim Financial Reporting issued by the International Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Renminbi (“RMB”) and all values in the tables are rounded to the nearest thousand (RMB’000) as indicated.

#### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 5 – Loss allowance for trade receivables and contract assets
- Note 11 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 13 – determination of fair value of investment property using significant unobservable inputs

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

For management purpose, the Group is organised into business units based on its products and services and has two reportable segments for the financial period ended 30 June 2021 as follows:

Water supply services	- Construction of water pipeline, supply of gray water and wastewater treatment service
Land development	- Provision of engineering and land leveling service for preliminary land development projects
Others	- Others include investment/corporate segment

The other segments include investment segment which identifies new investment opportunities locally and oversea that has the potential to increase revenue streams and produce good returns on investments.

These operating segments are reported in a manner consistent with internal reporting provided to the Managing Director who is the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

#### **4.1. Reportable segments**

(a) Business activities

The segment information provided to the management for the reportable segments is as follows:

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial period ended 30 June 2021</b>				
Total segment revenue	100,369	-	-	100,369
Inter-segment revenue	(18,309)	-	-	(18,309)
Revenue from external segment	82,060	-	-	82,060
Segment results	38,323	-	-	38,323
Interest income/(expense)	473	3	95	571
Rental income	-	-	343	343
Other income	-	-	128	128
Administrative expenses	-	-	(7,198)	(7,198)
Other operating expenses	(2,893)	(1,731)	(6,580)	(11,204)
Currency translation loss	-	-	(371)	(371)
Finance expenses	(2,262)	-	(10)	(2,272)
Share of net profit of associated companies	-	-	12,076	12,076
Income tax (expense)/credit	(5,338)	(9)	(2,397)	(7,744)
Profit for the financial period				22,652
Depreciation and amortisation	(12,935)	(2)	(700)	(13,637)

## 4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 30 June 2021</b>				
<b>Total assets</b>	<b>488,161</b>	<b>6,347</b>	<b>319,683</b>	<b>814,191</b>
Total assets include:				
Property, plant and equipment	236,671	-	6,473	243,144
Intangible assets	91	-	-	91
Goodwill arising on consolidation	20,303	-	-	20,303
Long term receivable	-	-	30,000	30,000
Investment properties	-	-	33,100	33,100
Investment in associates	-	-	150,338	150,338
Deferred income tax assets	2,763	-	2,086	4,849
Inventories	1,718	-	-	1,718
Other current assets	10,451	2,972	-	13,423
Trade and other receivables	153,486	2,866	50,378	206,730
Cash and cash equivalents	62,678	509	47,308	110,495
<b>Total assets</b>				<b>814,191</b>
Addition to property, plant and equipment	10,549	-	(423)	10,126
<b>Total liabilities include:</b>				
Short-term borrowings	15,000	-	28,000	43,000
Trade and other payables	104,631	6,249	31,285	142,165
Current income tax liabilities	580	-	6,404	6,984
Deferred income tax liabilities	6,963	-	11,305	18,268
Deferred income	15,077	-	-	15,077
Lease liabilities	-	-	189	189
Long term borrowings	52,000	-	-	52,000
<b>Total liabilities</b>				<b>277,683</b>

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial period ended 30 June 2020</b>				
Total segment revenue	86,697	-	164	86,861
Inter-segment revenue	(624)	-	-	(624)
Revenue from external segment	86,073	-	164	86,237
Segment results	41,421	-	164	41,585
Interest income/(expense)	176	28	34	238
Rental income	-	-	742	742
Other income	-	-	2,602	2,602
Administrative expenses	-	-	(4,903)	(4,903)
Other operating expenses	(4,568)	(906)	(4,135)	(9,609)
Currency translation loss	-	-	(31)	(31)
Finance expenses	(2,544)	-	(32)	(2,576)
Share of net profit of associated companies	-	-	(2,658)	(2,658)
Income tax (expense)/credit	(5,224)	(4)	(1,578)	(6,806)
Profit for the financial period				18,584
Depreciation and amortisation	(11,140)	(2)	(627)	(11,769)

## 4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 30 June 2020</b>				
<b>Total assets</b>	<b>479,282</b>	<b>22,477</b>	<b>272,735</b>	<b>774,494</b>
Total assets include:				
Property, plant and equipment	249,663	4	7,929	257,596
Intangible assets	95	-	-	95
Goodwill arising on consolidation	20,303	-	-	20,303
Investment properties	-	-	34,800	34,800
Investment in associates	-	-	95,586	95,586
Deferred income tax assets	1,951	-	2,086	4,037
Inventories	2,035	-	-	2,035
Other current assets	7,519	2,914	-	10,433
Trade and other receivables	97,562	2,778	105,884	206,224
Cash and cash equivalents	100,154	16,781	26,450	143,385
<b>Total assets</b>				<b>774,494</b>
Addition to property, plant and equipment	2,564	-	-	2,564
<b>Total liabilities include:</b>				
Short-term borrowings	5,000	-	28,000	33,000
Trade and other payables	135,540	15,805	29,664	181,009
Current income tax liabilities	(3,306)	915	8,046	5,655
Deferred income tax liabilities	-	-	6,352	6,352
Deferred income	15,893	-	-	15,893
Lease liabilities	-	-	705	705
Long term borrowings	72,000	-	-	72,000
<b>Total liabilities</b>				<b>314,614</b>

## 4.2. Disaggregation of Revenue

The Group				
6 months ended 30 June 2021				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	16,985	-	-	16,985
Construction of water pipeline	41,206	-	-	41,206
Wastewater treatment	23,870	-	-	23,870
Total revenue	82,061	-	-	82,061
Timing of revenue recognition:				
At a point in time	41,206	-	-	41,206
Over time	40,855	-	343	41,198
Total revenue	82,061	-	343	82,404

Geographical information:

The revenues of the Group for financial period ended 30 June 2021 are derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

The Group				
6 months ended 30 June 2020				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	18,359	-	-	18,359
Construction of water pipeline	32,768	-	-	32,768
Wastewater treatment	34,945	-	-	34,945
Land development	-	165	-	165
Rental income	-	-	164	164
Total revenue	86,072	165	164	86,401
Timing of revenue recognition:				
At a point in time	32,768	165	-	32,933
Over time	53,304	-	164	53,468
Total revenue	86,072	165	164	86,401

Geographical information:

The revenues of the Group for financial period ended 30 June 2020 were derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	The Group		The Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets				
Other receivables (Non-current assets)	30,000	30,000		
Contract assets	111,179	94,154	-	-
Cash and bank balances, trade and other receivables (Amortised cost)	206,046	241,526	429,004	442,478
	347,225	365,680	429,004	442,478
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	237,165	272,675	132,596	139,959

As at 30 June 2021, contract assets increased to RMB111.18 million from RMB94.15 million on 31 December 2020, the balance was derived from revenue from wastewater treatment services or income from temporary water treatment services (before 1 January 2020). The contract assets will then be transferred to trade receivables when the Group's right to consideration in exchange for the services rendered to become unconditional, i.e. being when the customer completes its payment management processes.

Loss allowance for trade receivables and contract assets are measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due to measure the ECL by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The contract assets relate to unbilled work-in-progress and have substantially same risk characteristics as the trade receivables for the same types of contracts.

Trade receivables and contract assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments.

During the current financial period, no loss allowance has been recognised as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and credit-worthiness of the customers.

## 6. Profit before taxation



### 6.1. Significant items

	The Group	
	6 months ended	6 months ended
	30.06.2021	30.06.2020
	RMB'000	RMB'000
<b>Income</b>		
Interest income	571	238
<b>Expenses</b>		
Interest on borrowings	(2,262)	(2,544)
Depreciation of property, plant and equipment and investment properties	(13,637)	(11,769)
Expenses of share options and share awards	(1,851)	-
Foreign exchange loss	(371)	(31)

### 6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

### 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended	6 months ended
	30.06.2021	30.06.2020
	RMB'000	RMB'000
Current income tax expense	8,607	7,303
Deferred income tax expense relating to origination and reversal of temporary differences	(863)	(497)
	7,744	6,806

**8. Dividends**

	<b>The Group</b>	
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Ordinary dividend paid:		
Final dividend of S\$3 cents per share for the financial year ended 31 December 2020 (2020: nil)		
-Cash	4,279	-
-Scrip	5,981	-
	<b>10,260</b>	<b>-</b>

**9. Net Asset Value**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.06.2021</b>	<b>31.12.2020</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Net asset value per ordinary share *	5.331	5.479	6.501	6.998

\* Exclude non-controlling interests

**10. Intangible assets**

	<b>The Group</b>			
	<b>Goodwill</b>	<b>Computer software</b>	<b>Equipment management system</b>	<b>Automatic water sales system</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>At 31 Dec 2020</b>				
Cost	20,303	243	-	-
Accumulated amortisation	-	189	-	-
Net book amount	20,303	54	-	-
<b>6 months ended 30 June 2021</b>				
Opening net book amount	20,303	54	-	-
Amortisation charge	-	41	-	6
Addition	-	-	7	77
Closing net book amount	20,303	13	7	71
Cost	20,303	243	7	77
Accumulated amortisation	-	230	-	6
<b>Net book amount</b>	<b>20,303</b>	<b>13</b>	<b>7</b>	<b>71</b>

Goodwill arising from business combination is allocated to the water supply service cash-generating unit ("CGU") comprising CIHL (Tianjin) Water Development Co., Limited ("Water Development") in PRC at acquisition. This CGU is expected to benefit from that business combination.

The recoverable amount of the CGU was determined based on fair value less costs of disposal calculations. The fair value is within level 3 of the fair value hierarchy.

No goodwill was allocated to other CGUs and they were not tested for impairment because there were no impairment indicators at 30 June 2021.

### 11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to RMB10.55 million (30 June 2020: RMB2.56 million).

### 12. Investment properties

The Group's investment properties are located in Beijing, PRC and are held as office building to generate rental income. The properties are leased to a non-related party under operating leases with rentals receivable monthly.

	The Group	
	2021	2020
	RMB'000	RMB'000
Net book value as at 30 June	33,100	34,800

The properties are held at fair value. Changes in fair values are presented in consolidated statement of comprehensive income as part of other losses-net.

For the measurements of the Group's investment properties, the Group relies on professionally qualified valuers at annual reporting dates.

### 13. Borrowings

	The Group and the Company	
	30.06.2021	31.12.2020
	RMB'000	RMB'000
<u>Amount repayable within one year or on demand</u>		
- Secured	15,000	12,500
- Unsecured	28,000	28,000
<u>Amount repayable after one year</u>		
- Secured	52,000	59,500
- Unsecured	-	-

Borrowings of the Group are secured as follows:

- (1) First legal mortgage over certain investment properties, land and buildings of the Group;
- (2) First legal mortgage over buildings in a related company.

#### 14. Share capital

	The Group and the Company			
	30.06.2021		31.12.2020	
	Number of shares	Amount	Number of shares	Amount
	'000	RMB'000	'000	RMB'000
Beginning of interim period	71,234	17,779	71,234	17,779
Issue of ordinary shares by scrip dividend	4,507	1,087	-	-
End of interim period	75,741	18,866	71,234	17,779

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

#### 15. Investment in subsidiaries

The Group incorporated 2 subsidiaries through its direct wholly-owned subsidiary, China (Tianjin) Water Resources Limited ("CWRL"), on 26 April 2021 and 6 June 2021 respectively.

The new subsidiaries as at 30 June 2021 are set out below:

Name of companies	Principal activities	Place of business/ incorporation	Issued and paid-up capital	Shareholder and its equity holding
China (Hong Kong) Water Resources Limited ("CHKWRL")	Investment holding	Hong Kong	-	CWRL, 100%
Tianjin Greenwatt Environmental Technology Co., Ltd	Sales of environmental product and environmental service	PRC	-	CHKWRL, 100%

#### 16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim

financial statements.

## F. OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of China International Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Profit or Loss Analysis

Revenue in 1H 2021 of the Group was RMB82.06 million, a decrease of RMB4.18 million or 4.8% compared RMB86.24 million in 1H 2020. The decrease of 4.8% came mainly from lower revenue on wastewater treatment services as lower amounts of dischargeable water were processed by the Group's Xinhe plant.

A breakdown of revenue in 1H 2021 and 1H 2020 is as follows:

	1H 2021 RMB'000	1H 2020 RMB'000	Increase / (decrease)	
			RMB'000	%
Revenue				
- Water supply	16,985	18,359	(1,374)	(7.5)
- Construction of water pipeline	41,206	32,768	8,438	25.8
- Wastewater treatment services	23,870	34,945	(11,075)	(31.7)
- Land development	-	165	(165)	(100.0)
	82,061	86,237	(4,176)	(4.8)

Share of profit from associated companies in 1H 2021 was RMB12.08 million compared to a loss of RMB2.66 million recorded in 1H 2020. The profit is attributed to the KYWJ Group. Cumulative pre-sales from the completed "new" phase 3-2 have been recognised in the income statements of the KYWJ Group upon completion in Q1 2021.

The Group recorded a net profit of RMB22.65 million in 1H 2021 compared to RMB18.58 million for 1H 2020.

#### Analysis on Statement of Financial Position

Cash and cash equivalents as at 30 June 2021 was RMB110.50 million compared to RMB127.56 million on 31 December 2020.

Total borrowings decreased to RMB95.00 million as at 30 June 2021 from RMB100.00 million on 31 December 2020 after the Group made a repayment under the related loan agreement.

Deferred income tax liabilities increased from RMB10.14 million as at 31 December 2020 to RMB18.27 million as at 30 June 2021. This was mainly due to a refund of income tax under a government's preferential tax policy in relation to usage of domestic made equipments in construction of the Xinhe plant by CIHL (Tianjin) Water Development Company Limited ("Tianjin Water").

### **Cash Flows Analysis**

Net cash used in operating activities was RMB25.57 million in 1H 2021, mainly for settlement of trade and other payables. Trade and other payables decreased from RMB172.66 million at 31 December 2020 to RMB142.16 million at 30 June 2021.

Net cash provided by investing activities was RMB13.37 million in 1H 2021 came mainly from repayments received from the KYWJ group.

Net cash used in financing activities in 1H 2021 of RMB4.86 million, and mainly comprised interest and principal repayments on borrowings and the payment of dividend.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was previously provided.

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The outbreak of COVID-19 had caused significant disruptions to the movement of people, goods and services throughout China. The COVID-19 situation has stabilised over the past years but the situation remains very fluid. At this point in time the Group is not able to reasonably ascertain the full extent of the impact of COVID-19 disruptions on its operating and financial performance for the financial period ending 30 June 2022. Management will make prompt disclosure when it becomes aware of any material or significant information concerning its operations.

Tianjin Lingang Water Co. Ltd, a subsidiary of the Group commenced an expansion project to provide re-pressurize water from Tianjin Water's pipeline network for supply to local users. The total capital cost of the expansion project ("Lingang Project") is estimated at RMB70 million. The sources of financing are from internal shareholders funds and bank financing. The expansion which is expected to be completed towards early 2022 will allow an increase of sales of treated and untreated water to the related service areas. The Lingang Project is in the early phase of construction, with 80% of work still remaining to be completed.

The Group has no other investment plans at present and will continue to focus on the execution of the existing plans.

The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and Company has not found an opportunity to dispose of our share of ownership of this investment. The project will meanwhile remain under care.

The Group has made full impairment for the related investment in the Group's project in Papua New Guinea in Q4 FY2015 and the exploration license had expired in 2020. Since then the Group has with the support of local partners secured a new exploration license ("PPL 666") covering roughly the same area previously explored by the Group and its then partners. The Group plans to bring in new partners to advance the project.

The Group will going forward focus on cash generation from property development and further developing the water treatment business in China.

### **5. Dividend information**

#### **5a. Current Financial Period Reported on**

No dividend has been declared or recommended taking into account the Group's operational and financial cash needs.

#### **5b. Corresponding Period of the Immediate Preceding Financial Year**

None.

#### **5c. Date Payable.**

Not applicable.

#### **5d. Books Closure Date**

Not applicable.

### **6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

### **7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format

as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhang Rongxiang  
Managing Director

Zhu Jun  
Executive Director

Shen Xia  
Executive Director

13 August 2021