



中翔國際集團有限公司
China International Holdings Limited

**Annual General Meeting
&
Special General Meeting**

10:00 am, 25 April 2022

Safe Harbour Statement



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.

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Content



- ◆ FY2021 Business Performance
- ◆ FY2019-2021 Group Financial Performance
- ◆ Capital Management and Corporate Strategy
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FY2021 Business Performance



◆ Water Treatment Business

- The Group recorded total revenue of RMB128.7 million in FY2021, a decrease of approximately 18.6% compared to FY2020.
- The decrease of revenue from water supply services segment decreased in line with lower quantities of water supplied after an established industry customer re-located out of the service area and another customer's electricity plant operated at a lower capacity at CIHL (Tianjin) Water Development Company Limited during the year.
- The decrease in revenue from construction of water pipeline was attributed to lesser development projects available in the area. The lower revenue on wastewater treatment services was due to lower amounts of dischargeable water processed by the Group's Xinhe plant in FY2021.

FY2021 Business Performance



◆ **Xinhe Water Recycling Plant**

- The Group completed the construction of the Xinhe project in December 2019.
- The Xinhe project is a water treatment plant for reclaimed water. It treats the water discharged from a wastewater treatment plant to the standard of dischargeable water, to be released into nature, and is of the the standard of reclaimed water. It will be fed into the Tianjin Water's network.
- The Xinhe project has significantly increased the water supply capacity up to 50,000 m³ per day of recycled water and 70,000 m³ per day of wastewater treatment.

FY2021 Business Performance



◆ Tianjin Lingang Water project

- It is an expansion project to re-pressurize water from Tianjin Water's pipeline network for supply to local users. The total capital cost of the expansion project is estimated at RMB70 million.
- This Project commenced construction in the year 2020, with 40% of work still remaining to be completed. It is expected to be completed by the middle of 2022.
- The Tianjin Lingang Water project is expected to lead to an increase in the sales of treated water to the service areas.

◆ Property Development - Yichang Project

- The property development project in Yichang City, Hubei Province requires undertaking construction and related business activities.
- The Yichang Project holds land use rights to a total site area of 587,726 square meters comprising residential properties, a convention centre, a hotel and associated commercial space.
- The total saleable area for the Phase 1, Phase 2, “new” Phase 3-1, “new” Phase 3-2, “new” Phase 3-3 and SA is approximately 584,698 square meters. As at 31 December 2021, the take-up rates for Phase 1-1, Phase 1-2, Phase 1-3, Phase 2, “new” Phase 3-1, “new” Phase 3-2, “new” Phase 3-3 and SA are 97.06%, 100%, 91.26%, 94.76%, 96.94%, 99.60%, 57.01% and 45.16% respectively.

◆ Property Development - Yichang Project

- Cumulative revenue recognised in the income statement up to the current period is approximately RMB3,454 million. Cumulative sales and pre-sales amounted to approximately RMB3,901 million, of which approximately RMB447 million belonging to pre-sales revenue which will only be recognised in the income statement in a later period upon completion.
- The “new” Phase 3-1 was completed during Q3 2020 and the “new” Phase 3-2 was completed on 20 January 2021. The “new” Phases 3-3 and SA are in the process of construction, with 25% and 20% of work remaining to be completed respectively. The KYWJ Group expects to complete the development of “new” Phases 3-3 and SA by Quarter 2 of 2022.
- The Project is coming to the end of development and is entering into the process of finalizing delivery and stock liquidation in 2022, including sales of the non-residential buildings and spaces.

FY2021 Business Performance



◆ The Scenes of Yichang Project



FY2019-2021 Group Performance



<i>Year</i>	<i>Revenue</i>	<i>EBITDA</i>	<i>EBITDA Margin</i>	<i>Profit / (loss) attributable to equity holders of the Company</i>	<i>EPS</i>	<i>Net Asset Value attributable to owners of the parent</i>	<i>Number of Shares</i>	<i>Net Asset Value per Share</i>	<i>ROE</i>
	<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>
2019	63,132	40,668	64	18,560	26.05	331,097	71,234	4.65	5.77
2020	158,198	74,831	47	57,055	80.10	390,288	71,234	5.48	15.82
2021	128,719	45,845	36	(54,462)	(74)	334,380	75,771	4.41	(15.03)

Capital Management



- ◆ **No dividend has been declared or recommended in FY2021 after taking into account the Group's operational and financial cash needs.**
- ◆ **Internal cashflows will be used for re-investment in the new water project.**
- ◆ **Group will consider how to manage the medium term capital requirements and business strategy, taking into account factors including:**
 - Share price below NAV per share;
 - Dividend payout based on profitability and cashflows;
 - Return on investment standard;
 - Debt financing availability and risk.

Corporate Strategy



- ◆ Make full use of the expanded capabilities to look at possible opportunities in the water business in Tianjin and other parts of China.
- ◆ Actively manage the remaining projects to generate cash from operations and control the investment in the face of adverse market conditions.
- ◆ Strive to achieve satisfactory returns by balancing shareholders' interests while taking into account the company's future growth and expansion requirements.

Summary of Financials

FY2019-2021 EBITDA



Earning Before Interest, Tax, Depreciation, and Amortisation

	FY2021	FY2020	FY2019
	RMB'000	RMB'000	RMB'000
Profit / (loss) for the financial year	(49,239)	65,851	25,925
Interest expense	4,365	5,064	77
Income tax expense / (credit)	7,849	14,918	1,517
EBIT	(37,025)	85,833	27,519
Non cash, one time item			
-Allowances for impairment of receivables	22,176	-	-
-Gain on waiver of amount payable	-	-	-
-Write-down of properties for development	-	-	-
-Fair value loss (gain) on investment properties	1,000	1,700	-
-Impairment loss investment in associated companies	-	-	-
-Impairment loss of property, plant and equipment	-	-	-
-Depreciation	26,558	27,316	11,924
-Amortisation	476	81	-
- Share of (profit) / loss of associated companies	32,660	(40,018)	1,225
EBITDA	45,845	74,912	40,668

Summary of Financials

FY2019-2021 EPS



Earning per share for the financial year ended 31 December 2021

	31.12.2021	31.12.2020	31.12.2019
	RMB'000	RMB'000	RMB'000
Profit / (loss) attributable to owners of the company			
Discontinued operations	-	-	-
Continuing operations	(54462)	57,055	18,560
	<u>(54462)</u>	<u>57,055</u>	<u>18,560</u>
Weighted average number of ordinary shares in issue ('000)	73,595	71,234	71,234

Basic and diluted earnings / (loss) per share (Fen)

Discontinued operations	-	-	-
Continuing operations	(74)	80.10	26.05
	<u>(74)</u>	<u>80.10</u>	<u>26.05</u>

Summary of Financials

FY2019-2021 ROE



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 %
2019	331,097	321,817	18,560	5.77
2020	390,288	360,693	57,055	15.82
2021	334,380	362,334	(54,462)	(15.03)

Thank you!

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