



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

**Annual General Meeting  
&  
Special General Meeting**

**10:00 a.m. 29 April 2024**

**Queen Room, Level 2**

**Copthorne King's Hotel, Singapore**

# Safe Harbour Statement

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**CIH**

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.

# Content

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- FY2023 Business Performance
- Other Matters
- FY2021-2023 Group Financial Performance
- Capital Management and Corporate Strategy
- Appendix - Summary of Financials

# FY2023 Business Performance



- **CIH Water Business**

- The revenue of the Group is derived mainly from the supply of grey water, construction of water pipeline and wastewater treatment services.
- The Group recorded a total revenue of RMB97.91 million in FY2023, representing a decrease of approximately 5.5% compared to RMB103.6 million in FY2022.
- The decrease of 5.5% was mainly due to lower revenue from wastewater treatment services.
- There was a slight increase in revenue from the construction of water pipeline in FY2023 compared to that in FY2022.

# FY2023 Business Performance



## ● **Xinhe Water Recycling Plant**

- Xinhe water recycling plant has been in operation since January 1, 2018, and officially put into operation after acceptance in April 2020.
- The Xinhe project is a water treatment plant for reclaimed water which treats the water discharged from a wastewater treatment plant to the standard of dischargeable water, to be released into nature, and is of the standard of reclaimed water. It can be fed into CIH Tianjin Water's network.
- The Xinhe project would significantly increase the water supply capacity up to 50,000 m<sup>3</sup> per day of recycled water and 70,000 m<sup>3</sup> per day of treated wastewater. The total amount of wastewater treatment in 2023 was around 21 million m<sup>3</sup>.

# FY2023 Business Performance

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- **Tianjin Lingang Water Plant**

- It is an expansion project to re-pressurize water from CIH Tianjin Water's pipeline network for supply to local users. It is expected to bring an increase in the sales of treated water to the service areas.
- This plant completed construction in the end of 2022, and successfully obtained the construction planning acceptance certificate in June 2023.
- By the end of 2023, the water supply network has reached a length of about 86.98 kilometers, and the water supply is about 2.1 million m<sup>3</sup>.

- **Trade receivables and contract assets of our business**

- As at 31 December 2023, the contract assets balance of RMB205.44 million was derived from wastewater treatment services. The Group has made accumulated provision for loss of RMB26.53 million against the contract assets.
- The unpaid bills by the local government water agency is not unique to only CIH Tianjin Water, it is also the experience of other water treatment plants operating in the area.

# Other Matters: Litigations

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## ● Mr. Zhang Zhaowang VS. Yichang Zeyou

- The legal proceeding was brought by Mr. Zhang Zhaowang (the “Plaintiff”), the supervisor of Yichang Zeyou Real Estate Development Co. LTD (“Yichang Zeyou”), a former associate of the Group and formerly known as Yichang Xinshougang Real Estate Development Co. LTD (“Xinshougang”). The Group exited the Yichang Project by way of disposing its entire 50% equity interests in Beijing Kaiyuan Wanjia Management Consulting Company Limited (“KYWJ”) in December 2022.
- To recap, on 17 May 2023, the Group announced that two of its wholly-owned subsidiaries, namely, CIHL (Tianjin) City Development Limited (“CIHL Tianjin”) and Yichang Zhongjia Xinye Asset Management Co. Ltd (“Yichang Zhongjia”), received a notice from the Yichang Yiling District Court requiring the Subsidiaries to participate in a legal proceeding as a third-party. The Plaintiff alleged that the dividend payment by Yichang Zeyou was in violation of tax regulations and requested the court to invalidate the shareholders’ resolution adopted on 1 September 2022 (the “Resolution”) to approve such dividend payment.

# Other Matters: Litigations

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- **Mr. Zhang Zhaowang VS. Yichang Zeyou (Cont'd)**
  - On 2 February 2024, Yichang Dianjun District Court of the People's Republic of China issued a written judgement that the Resolution was in violation of the relevant Company Law of the People's Republic of China and as such was invalid (the "Judgement"). The Judgement did not explain how the dividends already distributed should be reversed. After studying the Judgment with the Group's lawyers, the Directors are of the view that the Judgment did not adequately address the Group's argument and that the Judgment improperly applied the provision in the Company Law to the Resolution. The Group has filed an appeal against the ruling on 7 February 2023.
  - CIHL Tianjin and Yichang Zhongjia received a notice from Yichang Intermediate People's Court for its first public hearing scheduled on 26 March 2024. As announced on 27 March 2024, the first public hearing has completed with no court decision being made.
  - As at today, the legal proceeding has not been concluded.



# Other Matters: Litigations

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## ● **Huike VS. Yichang Zeyou**

- As at today, the legal title of the convention centre has not been transferred to Hubei Huike International Exhibition Co., LTD (“Huike”).
- As disclosed on 12 January 2023 and 17 January 2023 , Huike has started the process to effect the transfer of the legal title. With the advice from the Group’s lawyers, steps have been taken to put in place a caveat on the convention centre to safeguard the interest of Huike and its shareholders. Following the application for a caveat, a temporary injunction was granted to Huike on 10 January 2023.
- The legal proceeding was initially filed at the People’s Court of Mentougou District of Beijing Municipality and has subsequently been transferred to the No.1 Intermediate People’s Court of Beijing Municipality. On 25 April 2024, the Court held the first court hearing on this case.
- As at today, the legal proceeding has not been concluded.

## Other Matters: Freezing of bank account **CIH**

- On 2 April 2023, the Company first announced the freezing by the Yiling Public Security Bureau (“夷陵区公安局” or “YPSB”) of a bank account in China Bohai Bank owned by CIHL Tianjin, a wholly subsidiary of the Group. The total balance in the affected bank account as at 30 March 2023 was RMB18.64 million.
- On 4 April 2023, the Company further announced that the Group’s representative in Yichang was invited to meet the YPSB to provide information on the tax affairs of Yichang Zeyou. From the meeting, it appears that neither CIHL Tianjin nor any of its employees were the target of the investigations by the YPSB.
- On 9 October 2023, the Company announced that while CIHL Tianjin has not received any formal notice of a change in status, the Group is now able to fully operate the said bank account normally, and balances in the account remain intact. This is likely due to the expiry of the order from the YPSB.

# Other Matters: Freezing of bank account *CIH*

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## Cont'd:

- On 27 October 2023, the Company announced that the Company noted on 26 October 2023 that CIHL Tianjin's bank account with China Bohai Bank has again been subject to a temporary freeze by the YPSB from 18 October 2023 to 17 April 2024. Both the Company and CIHL Tianjin have not received any formal notification from the relevant authorities on this matter. All the other bank accounts of the Group are operating normally. The balance in the bank account which was temporarily frozen referred to above amounted to RMB11,353 as at 18 October 2023.
- As disclosed in the announcement made on 22 January 2024, the bank account has been operating normally since 4 January 2024.
- As at today, CIHL Tianjin has not received any documents in relation to this matter from any judicial or government authority in PRC such as the Court, the Prosecutor's Office or the Public Security Bureau.

# Other Matters: Independent Review

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**CIH**

- As announced on 4 April 2023, the Independent Directors of the Company have appointed RSM Corporate Advisory Pte Ltd as the Independent Reviewer to carry out an independent review of the disposal of 50% interest in KYWJ.
- The Independent Reviewer will report its findings to SGX RegCo and the AC of the Company, and keep SGX RegCo and the AC updated on the status of its review as work progresses, particularly any significant events and/or transactions that are material to the Company or the Group in the course of its work.
- As at today, the Independent Reviewer has submitted its draft report to the AC and SGX. The final report is still pending. The Company will make further announcement to update shareholders as and when there is any material development on this matter, including key findings of the independent review where appropriate.

# Other Matters: Disclaimer of Opinion

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**CIH**

- As announced on 2 April 2024, the Company's independent auditor, CLA Global TS Public Accounting Corporation has issued a disclaimer of opinion (the "Disclaimer of Opinion") in its Independent Auditor's Report dated 2 April 2024 (the "Independent Auditor's Report") in respect of the audited financial statements of the Group for the financial year ended 31 December 2023 ("AFS 2023").
- The basis for the Disclaimer of Opinion is because of the significance of the matter described in the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.
- As at the date of this Independent Auditor's Report, the Independent Review has not been concluded and the outcome of which is still uncertain. Accordingly, the auditors are unable to ascertain the extent of pervasiveness and/or significance of any adjustments, impacts and other areas of uncertainties that may arise from the Independent Review on the AF of the Group, if any.

# FY2021-2023 Group Performance

**CIH**

<i>Year</i>	<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>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>Fen</b>	<b>RMB'000</b>	<b>'000</b>	<b>RMB</b>	<b>%</b>
<i>2021</i>	128,719	45,845	36	(54,462)	(74)	334,380	75,771	4.41	(15.03)
<i>2022</i>	103,604	27,396	26	66,840	88.15	401,420	75,871	5.29	18.17
<b>2023</b>	<b>97,193</b>	<b>38,384</b>	<b>39</b>	<b>(73,702)</b>	<b>(95.74)</b>	<b>329,975</b>	<b>77,981</b>	<b>4.23</b>	<b>(20.15)</b>

# Capital Management

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- No dividend has been recommended for FY2023.
- Internal cashflows will be used for daily business operations.
- The 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

**CIH**

- Leverage on the expanded capabilities in sustainable water treatment for possible opportunities in the sustainable water business in Tianjin,China.
- Actively manage Tianjin Water to generate cash from operations and reduce account receivables.
- Strive to achieve satisfactory returns by balancing shareholders' interests while taking into account the company's future growth and expansion requirements.



## Summary of Financials FY2021-2023 EBITDA

**CIH**

### Earning Before Interest, Tax, Depreciation, and Amortisation for the year ended 31 December 2023

	FY2023	FY2022	FY2021
	RMB'000	RMB'000	RMB'000
<b>(Loss) / Profit for the financial year</b>	(74,011)	62,497	(49,239)
Interest expense	4,589	3,592	4,365
Income tax (credit) / expense	(8,966)	(13,429)	7,849
<b>EBIT</b>	<b>(78,388)</b>	<b>52,660</b>	<b>(37,025)</b>
<b>Non cash, one time item</b>			
- Impairment losses on contract assets	8,665	17,869	-
- (Reversal) / impairment loss on amount due from associates	-	(6,951)	22,176
- Gain on disposal of associate	-	(2,000)	-
- Fair value gain on investment properties	13,701	-	1,000
- Provision for liabilities on legal case	59,500	-	-
- Dividend income from associate	-	(59,500)	-
- Depreciation	33,961	24,987	26,558
- Amortisation	389	244	476
- Share of profit of JV or associated companies	556	87	32,660
<b>EBITDA</b>	<b>38,384</b>	<b>27,396</b>	<b>45,845</b>

## Summary of Financials

### FY2021-2023 EPS

**CIH**

Earning per share for the financial year ended 31 December 2023

	31.12.2023	31.12.2022	31.12.2021
	RMB'000	RMB'000	RMB'000
<b>Profit / (loss) attributable to owners of the company</b>			
Discontinued operations	-	-	-
Continuing operations	(73,702)	66,840	(54,462)
	<u>(73,702)</u>	<u>66,840</u>	<u>(54,462)</u>
<b>Weighted average number of ordinary shares in issue ('000) *</b>	76,983	75,823	73,595
Basic and diluted (losses) / earnings per share (Fen)			
Discontinued operations	-	-	-
Continuing operations	(95.74)	88.15	(74)
	<u>(95.74)</u>	<u>88.15</u>	<u>(74)</u>

## Summary of Financials

### FY2021-2023 ROE

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**CIH**

#### Rate of Return on Common Stockholders' Equity

	Shareholder's equity at the end of financial year	Average of shareholder's equity	Profit attributable to equity holders of the Company	ROE
	RMB'000	RMB'000	RMB'000	%
2021	334,380	362,334	(54,462)	(15.03)
2022	401,420	367,900	66,840	18.17
2023	329,975	365,698	(73,702)	(20.15)

**Thank you!**

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