CIH



China International Holdings Limited

Annual General Meeting

Copthorne King's Hotel Singapore

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FY2017 Business Performance

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◆ Water Treatment Business

- **Driven by the growing urbanization in China， our water treatment business remains robust.**
- **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.**
- **Segment revenue from water supply decreased from 92.33 million to RMB90.83 million, and segment gross profit reached to RMB53.81 million.**

FY2017 Business Performance

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◆ Xinhe Water Recycling Plant

- **The Project was proposed in 2014. In September 2017, CIH (Tianjin) Water acquired the land use rights of the project site, an area of approximately 20,016.5㎡ for RMB 9.3 million. The project is to cost approximately RMB 160 million and to have a capacity of 50 thousand ton per day of recycled water.**

- **The Project has an expected IRR of 8% and a payback period of approximately 10 years. The project will be financed by internal cashflow of Tianjin Water and project loans from local banks.**

- **CIH (Tianjin) Water is set to commence construction of the new project in the first half of 2018. The construction is expected to be completed by early 2019.**

- **The water supply capacity of Tianjin Water is expected to increase significantly once the new project is completed.**

FY2017 Business Performance

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◆ Property Development

- **In Yichang market, sales and prices have seen moderate increases. Our Yichang XSG project has also seen its sales prices increased. The focus is on the development of Phase 3 so that more units may be available for sale in 2018.**

- **The cash revenue from housing sales and pre-sales of Yichang XSG was RMB333.654 million in FY2017.**

- **The total accumulative area of the sold property units for Phase I and Phase II is 239,287.40 square meters as at 31 December 2017, with the accumulative cash flow from sales of RMB1,250.72 million, and the remaining unsold area is 37,228.43 square meters.**

FY2017 Business Performance

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◆ **Yichang Project**

- **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 an associated commercial space.**

- **During the financial year, Yichang XSG has completed and delivered Phase2-1 and Phase 2-2 to the buyers. Construction of Phase 2-3 is under development and Phase 3 and Phase 4 are in the process of design. Under the new management of Hongkun, Phase 3 of the development is expected to commence construction in the first half of 2018, and to launch pre-sales during the second half of the year.**

FY2017 Disposed a 5%Interest in Yichang Project

- **During the financial year ended 31 December 2017, for an aggregate cash consideration of RMB27million, the Group has disposed of the 5% in the Yichang project, resulting in a 50%:50% joint venture structure between CIH and Hongkun**

- **Following the completion of the disposed 5% interest in the Yichang Project, the Group had transferred the management of the Yichang Project to the Hongkun Group, the new partner in the project. This management change relieved the CIH's burden of providing working capital financing to the Yichang project.**

- **This strategy has paid off as the Group has improved Group's cash flows.**

FY2015-2017 Group Performance

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Year	Revenue	EBITDA	EBITDA Margin	Profit / (loss) attributable to equity holders of the Company	EPS	Net Asset Value attributable to owners of the parent	Number of Shares	Net Asset Value per Share	ROE
	RMB'000	RMB'000	%	RMB'000	Fen	RMB'000	'000	RMB	%
2015	116,372	4,683	4	(384,999)	(751.51)	275,500	51,230	5.38	(82.58)
2016	92,327	130,963	142	64,182	125.28	340,017	51,230	6.64	20.85
2017	90,826	63,622	70	19,802	32.18	307,103	71,234	4.31	6.12

Capital Management

- **No dividend is recommended for FY2017 (special dividend of S$0.30 per share was paid for FY2016)**

- **Internal cashflow will be used to invest in the new water project**

- **Group will consider how to manage the medium term capital requirement and strategy, considering factors including**
  - **Share price below NAV per share**
  - **Dividend payout based on profitability and cashflow**
  - **Return on investment standard**
  - **Debt financing availability and risk**

Corporate Strategy

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- **Actively manage the remaining projects to generate cash from operation and to control the investment in the adverse market situation.**
- **Make full use of the expansion possible opportunities in water businesses in other parts of China**
- **Look for property development opportunities within our capital and management capacity**
- **Strive to create satisfactory return for balancing shareholders interests as well as taking into account the company's future growth and expansion requirements**

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Thank you!

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