



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



Annual General Meeting

Copthorne King's Hotel Singapore

Queen Room, Level 2

9:30 am, 26 April 2019

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



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- ◆ Capital Management and Corporate Strategy
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FY2018 Business Performance



◆ 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 sales and services decreased from RMB92.33 million in 2017 to RMB90.83 million in 2018, and segment gross profit reached to RMB53.81 million.

FY2018 Business Performance



◆ **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 20,016.5m² for RMB 9.30 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 a credit facility secured from a local bank.
- The Project commenced construction in 2018 and is expected to be completed the construction in the second half of 2019.
- The water supply capacity of Tianjin Water is expected to increase significantly after its completion, which may be sold through Tianjin Water's network of pipelines with total length of approximately 376 km.

◆ Property Development - 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. In Yichang market, sales and prices have seen moderate increases. Our Yichang XSG project has also seen its sales prices increased.
- The total saleable area for the Phase 1, Phase 2, and “new” Phase 3-1 is approximately 363,695 square meters. As at 31 December 2018, the take-up rates for Phase 1-1, Phase 1-2, Phase 1-3, Phase 2 and “new” Phase 3-1 are 92.90%, 87.48%, 90.63%, 89.18% and 49.14% respectively. The total saleable area for “new” Phases 3-2 and 3-3 has not yet been approved.
- The cumulative revenue recognized in the income statement up to the current period is approximately RMB1,342 million. The cumulative revenue from sales and pre-sales amounts to approximately RMB1,967 million, of which approximately RMB625 million belonging to pre-sales revenue which will only be recognized in income statement upon completion in a later period.

FY2018 Business Performance



◆ **Property Development - Yichang Project**

- The remaining residential development consists of Phase 3 divided into three sub-phases, with a total salable space of approximately 248 thousand square meters. Phase 2-3 and Phase 3-1 are in the construction stage with 35% of the works remaining, targeted to be completed by the first half of 2020.
- The Phases 3-2 and 3-3 have also just entered into the construction phase. The KYWJ Group expects to complete the development of the “new” Phase 3-1 in the first half of 2020, and Phases 3-2 and 3-3 by the fourth quarter of 2020, so that more units may be available for sale and pre-sale in 2019 and 2020.

FY2016-2018 Group Performance



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	%
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	307,102	71,233	4.31	6.12
2018	89,681	31,949	36	7,162	10.05	312,537	71,234	4.39	2.31

Capital Management



- ◆ **No dividend is recommended for FY2018**
- ◆ **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 cashflows
 - Return on investment standard
 - Debt financing availability and risk

- ◆ 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

Thank you!

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