

**CIH**

**China International Holdings  
Limited**

**Annual General Meeting**

**Copthorne King's Hotel Singapore**

**29 April 2016**

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

# Safe Harbour Statement

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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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- **2015 Business Performances**
- **Group Performance**
- **Corporate Strategy**

# 2015 Business Performances

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## ◆ Property Development

- Upon the difficult market conditions, segment revenue from property development fell 64.3% to RMB18.50 million in FY2015 due to a decrease in property sales.
- The revenue of housing presales of Yichang Xinshougang was RMB68.78 million in FY2015.
- Segment incurred a gross loss of RMB359.56 million in FY2015, including write down of land and property value of RMB 357.48 million.

# Yichang Guobing No.1 Project

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- Total site area of 587,726.9 square meters. For development into commercial, tourism, and residential properties.
- The accumulative area of the sold property units is 97,814.96 square meters as at 15 April 2016, with the accumulative cash flow from sales of RMB715.2 Million.
- The construction area of the Convention Centre has about 60k square meters, and the construction of the main structure has been completed and passed the acceptance. Further development is on-hold while looking for anchor tenants





# Yichang Guobing No.1 Project

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- **As at 15 April 2016, the construction of Phase II are as bellow:**
  - ✓ Tower 17-18#, floor 32, concrete pouring, and floor 1-20, masonry completed;
  - ✓ Tower 19-20#, structure capping, and floor 1-20, masonry completed;
  - ✓ Tower 21-22#, floor 24, concrete pouring
- **The construction of group 2 of Phase I of low rises are as below:**
  - ✓ Roof tile construction of the main structure has been completed;
  - ✓ Exterior wall coating have been all completed;
  - ✓ Sandstone relief has been all completed;
  - ✓ Roofing has been all completed, including corridor and garage ;
  - ✓ The interior and exterior insulation construction has been all completed
  - ✓ The steel main structure of the club has been all completed;



# Development Project in Jixian, Tianjin



## 分期方案



一期建设情况			
项目	单位	数量	备注
占地面积	米 <sup>2</sup>	28831	
	亩	43.2	
总建筑面积	米 <sup>2</sup>	40232	
其中地上	米 <sup>2</sup>	29631	合非经营其他用途1073平方米
地下	米 <sup>2</sup>	10601	合人防工程4000平方米
其中住宅地上	米 <sup>2</sup>	24896	共7栋洋房、2栋叠排
商业地上	米 <sup>2</sup>	4935	商业1、商业2、共2栋
住宅地下	米 <sup>2</sup>	4762	
商业地下	米 <sup>2</sup>	5818	合人防工程4000平方米
容积率		1.028	
建筑密度	%	25	
绿地率	%	35	

二期建设情况			
项目	单位	数量	备注
占地面积	米 <sup>2</sup>	43736	
	亩	65.6	
总建筑面积	米 <sup>2</sup>	54663	
其中地上	米 <sup>2</sup>	36383	共3栋洋房、11栋叠排、6栋联排
地下	米 <sup>2</sup>	18280	
容积率		0.832	
建筑密度	%	25.2	
绿地率	%	44	

三期建设情况			
项目	单位	数量	备注
占地面积	米 <sup>2</sup>	49211	
	亩	73.8	
总建筑面积	米 <sup>2</sup>	65186	
其中地上	米 <sup>2</sup>	40872	共12栋叠排、12栋联排、1栋商业
地下	米 <sup>2</sup>	24314	
商业地上	米 <sup>2</sup>	917	
容积率		0.83	
建筑密度	%	28.4	
绿地率	%	44	

- **Government approval**

The project company has obtained the final construction permit (phase 1).

- **Sales preparation**

The Company is working on the sales and marketing promotion programs.



# 2015 Business Performances



## ◆ Water Treatment Business

- The water treatment business remains robust upon the ongoing urbanization needs.
- Segment revenue from water supply increased by 65.9% year-on-year to RMB93.46 million, and segment gross profit more than doubled to RMB63.01 million.
- The increase in revenue was largely attributed to the water-pipe connection income achieved by the 60% held subsidiary, CIHL (Tianjin) Water Development Company Limited.



## Water Treatment Plant in Tianjin

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- **The network expansion has completed during the year which is expected to provide more water sales and connection services contracts in future.**
- **The water plant development and operations in Tianjin would be approaching its peak production capacity in the near future, expansion plan has been mapped out in the year under reviewed.**

# 2015 Business Performances



## ◆ Oil & Gas Exploration Project

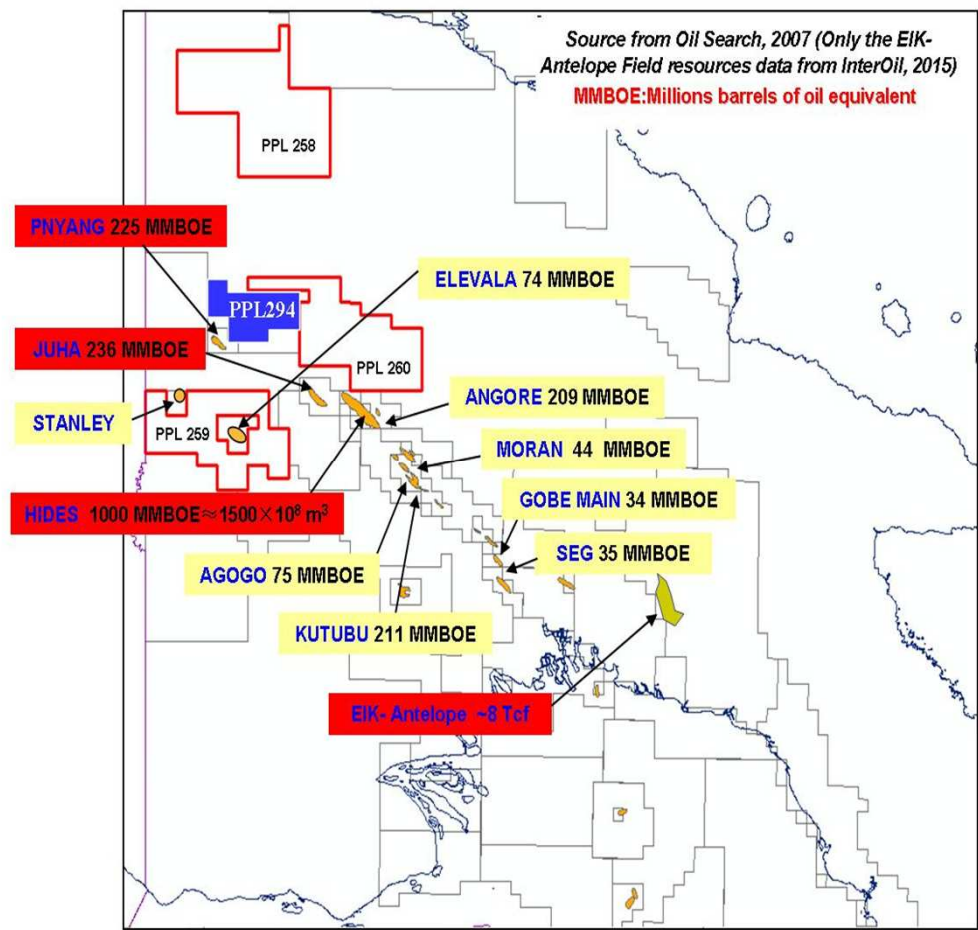
- As oil prices have remained weak, the Group held back the oil and gas exploration and drilling work in year 2015 in order to minimize expenses.
- As it is not commercially viable to continue with this high risk and high cost business venture, the Group made full impairment for related investment as follows:
  - 1) Shared of loss from associated company of RMB31.26 million, impairment of RMB24.62 million on the remaining carrying amount of investment;
  - 2) Impairment of RMB76.10 million in the shareholder loans which extended to Future Trillion and its associated company.

# Oil & Gas Exploration in Papua New Guinea



- On 19 March 2015, extension license of PPL294 was granted by Minister of Petroleum and Energy, PNG for a period of 5 years.
- As at 31 December 2015, exploration activities have been completed as below :
  - ✓ microbial oil survey by GMT
  - ✓ acquisition, processing and interpretation of 4 seismic lines by CNPC-Chuanqing, CUP, Velseis
  - ✓ geological field mapping, limestone outcrop sampling by MKS and Sr. isotope testing by CSIRO
  - ✓ Independent resource evaluation report by GCA and 3D-GEO
- As at 31 December 2015, PPL294 has confirmed 3 prospects, 3 leads and P50 prospective resources of 7.3 tcf according to 3D-GEO's report
- In 2015, further exploration activity was limited by low crude oil price

**Location Map of PPL 294**  
in the most prospective region of PNG oil and gas belt



# 2015 Business Performances

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## ◆ Gold Mining Project

- Under the current and forecast market conditions for gold price, this mining project is unlikely to generate sufficient cash flow to repay the outstanding shareholder's loan that the Group extended to it or to recover the Group's investment.
- For the reasons, the Group made full impairments on the project as follows:
  - 1) RMB9.97 million for the shareholder's loan;
  - 2) RMB44.28 million for the carrying amount of the investment.



## Gold Exploration and Mining in China

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- **The Company has 20.054% interest in a gold exploration and mining company in Jilin Province, China**
- **The project has received all the licenses required for commercial operation in FY2015, other than the gold production certificate.**
- **The trial production output has not reached the desired capacity until 31 December 2015.**
- **The Company is considering to dispose this investment when there is an opportunity.**

# Group Performances FY2013-2015

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<b>Year</b>	<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>
<b>2013</b>	<b>155,514</b>	<b>45,303</b>	<b>29</b>	<b>14,439</b>	<b>1.65</b>	<b>705,495</b>	<b>874,604</b>	<b>0.81</b>	<b>2.07</b>
<b>2014</b>	<b>109,083</b>	<b>8,724</b>	<b>8</b>	<b>(75,960)</b>	<b>(157.02)</b>	<b>656,873</b>	<b>51,230<sup>(1)</sup></b>	<b>12.82</b>	<b>(11.15)</b>
<b>2015</b>	<b>116,372</b>	<b>37,105</b>	<b>32</b>	<b>(384,999)</b>	<b>(751.51)</b>	<b>275,500</b>	<b>51,230</b>	<b>5.38</b>	<b>(82.58)</b>

*(1) Number of shares in FY2015 and FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015*

*Before share consolidation*

*2014*

*Number of Shares ('000)*

*1,024,604*

*EPS (in Fen)*

*(7.85)*

*Net asset value per share (RMB)*

*0.64*

# FY2013-2015 EBITDA

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## Earning Before Interest, Tax, Depreciation and Amortisation

	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<b>Operating (loss) / profit</b>			
-Continuing operations	(498,431)	(63,035)	53,557
-Discontinued operations	(660)	(803)	(9,891)
	<u>(499,091)</u>	<u>(63,838)</u>	<u>43,666</u>
<b>Non cash, one time item</b>			
-Allowances for impairment of receivables	86,070	12,948	-
-Write-down of properties for development	357,480	51,072	-
-Fair value loss/(profit) on investment properties	1,000	-	(5,600)
-Impairment loss investment in associated companies	68,898	-	-
-Impairment loss of property, plant and equipment	14,121	-	592
-Depreciation	8,627	8,542	6,645
-Amortisation	-	-	-
<b>EBITDA</b>	<u><u>37,105</u></u>	<u><u>8,724</u></u>	<u><u>45,303</u></u>

# FY2013-2015 EPS

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## Earning per share for the financial year ended 31 December 2015

	31.12.2015 RMB'000	31.12.2014 RMB'000	31.12.2013 RMB'000
<b>(Loss)/profit attributable to owners of the company</b>			
<i>Discontinued operations</i>	(363)	(442)	(5,440)
<i>Continuing operations</i>	(384,636)	(75,518)	19,879
	<u>(384,999)</u>	<u>(75,960)</u>	<u>14,439</u>
<b>Weighted average number of ordinary shares in issue ('000) *</b>	51,230	48,374	874,604
<b>Basic and diluted earnings / (loss) per share (Fen)</b>			
<i>Discontinued operations</i>	(0.71)	(0.91)	(0.62)
<i>Continuing operations</i>	(750.80)	(156.11)	2.27
	(751.51)	(157.02)	1.65

\* Number of shares in FY2015 and FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015

Weighted average number of ordinary shares in issue ('000) prior to share consolidation

31.12.2014

967,480



# FY2013-2015 NAPS

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*Net assets per share as at 31 DEC 2015*

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Net asset value or shareholder's equity (RMB'000)</b>	<b>275,500</b>	<b>656,873</b>	<b>705,495</b>	<b>571,275</b>	<b>593,947</b>	<b>578,135</b>
<b>Number of ordinary shares in issue ('000)*</b>	<b>51,230</b>	<b>51,230</b>	<b>874,604</b>	<b>51,230</b>	<b>51,230</b>	<b>874,604</b>
<b>Net Asset Per Share (RMB)</b>	<b>5.378</b>	<b>12.822</b>	<b>0.807</b>	<b>11.151</b>	<b>11.594</b>	<b>0.661</b>

\* *Number of shares in FY2015 and FY2014 had been adjusted pursuant to the share consolidation exercise on 20 August 2015*

	<b>Before share consolidation</b>	
	<b>GROUP</b>	<b>COMPANY</b>
	<b>31.12.2014</b>	<b>31.12.2014</b>
<b>Number of Shares ('000)</b>	<b>1,024,604</b>	<b>1,024,604</b>
<b>Net asset value per share (RMB)</b>	<b>0.641</b>	<b>0.580</b>

# FY2013-2015 ROE

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

	<i>Shareholder's equity at the end of financial year (RMB'000)</i>	<i>Average of shareholder's equity (RMB'000)</i>	<i>Profit attributable to equity holders of the Company (RMB'000)</i>	<i>ROE %</i>
<b>2013</b>	<b>705,495</b>	<b>699,064</b>	<b>14,439</b>	<b>2.07</b>
<b>2014</b>	<b>656,873</b>	<b>681,184</b>	<b>(75,960)</b>	<b>(11.15)</b>
<b>2015</b>	<b>275,500</b>	<b>466,187</b>	<b>(384,999)</b>	<b>(82.58)</b>

# Corporate Strategy

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- **Actively manage the two property projects to generate cash from operation and control the investment in the adverse market situation**
- **Looking for expansion opportunities in water treatment and distribution businesses in China**
- **Minimize expenses in investments in the resources and energy sector**
- **Strive to create satisfactory return for our shareholders and all constituents**

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**Thank you!**

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