
CHINA INTERNATIONAL HOLDINGS LIMITED

Condensed Interim Financial Statements

for the Six Months and Full Year Ended 31 December 2021

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group			
		6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	4	46,658	71,961	128,719	158,198
Cost of sales and services provided		(36,211)	(40,982)	(79,949)	(85,634)
Gross profit		10,447	30,979	48,770	72,564
Other (loss) / income - net		(35)	(335)	636	3,340
Expenses					
- Administrative		(5,534)	(6,874)	(12,732)	(11,777)
- Other operating		(29,835)	(8,579)	(41,039)	(18,312)
- Finance		(2,093)	(2,488)	(4,365)	(5,064)
Share of (loss) / profit from associated companies accounted for using the equity method	6.1	(44,736)	42,676	(32,660)	40,018
(Loss) / profit before income tax		(71,786)	55,379	(41,390)	80,769
Income tax expense	7	(105)	(8,112)	(7,849)	(14,918)
(Loss) / profit for the financial period	6	(71,891)	47,267	(49,239)	65,851
(Loss) / profit for the financial period attributable to:					
Owners of the parent		(70,165)	44,906	(54,462)	57,055
Non-controlling interests		(1,726)	2,361	5,223	8,796
		(71,891)	47,267	(49,239)	65,851
Earnings per share for (loss) / profit for the period attributable					

**to the owners of the Company
during the period:**

Basic (RMB fen)	(92.60)	63.04	(74.00)	80.10
Diluted (RMB fen)	(92.60)	62.52	(74.00)	79.76

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and bank balances	5	115,613	127,555	1	1
Trade and other receivables	5	281,834	208,125	420,957	442,477
Other current assets		13,026	10,176	-	-
Inventories		2,249	1,944	-	-
Total current assets		412,722	347,800	420,958	442,478
Non-current assets					
Deferred income tax assets		5,033	6,389	-	-
Investment in associates	16	-	138,262	-	-
Investment in subsidiaries	15	-	-	196,000	196,000
Investment properties	12	32,100	33,100	-	-
Property, plant and equipment	11	250,191	246,761	-	-
Intangible assets	10	29,560	20,357	-	-
Other receivables	5	30,000	30,000	-	-
Total non-current assets		346,884	474,869	196,000	196,000
Total assets		759,606	822,669	616,958	638,478

Current liabilities					
Trade and other payables	5	165,218	172,675	126,826	139,959
Borrowings	13	43,500	40,500	-	-
Current income tax liabilities		3,998	7,906	-	-
Lease liabilities		99	429	-	-
Total current liabilities		212,815	221,510	126,826	139,959
Non-current liabilities					
Long term borrowings	13	49,158	59,500	-	-
Lease liabilities		84	-	-	-
Deferred income		14,670	15,485	-	-
Deferred income tax liabilities		17,531	10,141	-	-
Total non-current liabilities		81,443	85,126	-	-

	Note	The Group		The Company	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
Total liabilities		294,258	306,636	126,826	139,959
NET ASSETS		465,348	516,033	490,132	498,519
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	14	18,874	17,779	18,874	17,779
Reserves		932,979	921,771	894,414	886,695
Accumulated losses		(617,473)	(549,262)	(423,156)	(405,955)
		334,380	390,288	490,132	498,519
Non-controlling interests		130,968	125,745	-	-
Total equity		465,348	516,033	490,132	498,519

C. Condensed interim statements of changes in equity

The Group	← Attributable to owners of the parent →												
		Share Capital	Share Premium	Contributed Surplus	Capital Reserve	Statutory Reserves	Capital Redemption Reserve	Exchange Reserve	Other Reserve	Accumulated Losses	Subtotal	Non-controlling Interests	Total Equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021													
Balance at 1 January 2021	14	17,779	65,712	810,044	7,764	29,938	8,324	(2,147)	2,136	(549,262)	390,288	125,745	516,033
Total comprehensive (loss) / profit for the financial period		-	-	-	-	-	-	-	-	(54,462)	(54,462)	5,223	(49,239)
Transfer		-	-	-	-	3,489	-	-	-	(3,489)	-	-	-
Share based payment		-	-	-	-	-	-	-	3,061	-	3,061	-	3,061
Dividend payments	8	-	-	-	-	-	-	-	-	(4,279)	(4,279)	-	(4,279)
Scrip shares issued	14	1,087	4,894	-	-	-	-	-	-	(5,981)	-	-	-
Share awards vested													
- Cash		-	-	-	-	-	-	-	(228)	-	(228)	-	(228)
- Scrip		8	37	-	-	-	-	-	(45)	-	-	-	-

End of financial year		18,874	70,643	810,044	7,764	33,427	8,324	(2,147)	4,924	(617,473)	334,380	130,968	465,348
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2020

Balance at 1 January 2020	14	17,779	65,712	810,044	7,764	28,741	8,324	(2,147)	-	(605,120)	331,097	110,199	441,296
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Total comprehensive profit for the financial period		-	-	-	-	-	-	-	-	57,055	57,055	8,796	65,851
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Transfer		-	-	-	-	1,197	-	-	-	(1,197)	-	-	-
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Capital injection		-	-	-	-	-	-	-	-	-	-	6,750	6,750
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Share based payment		-	-	-	-	-	-	-	2,136	-	2,136	-	2,136
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End of financial year	14	17,779	65,712	810,044	7,764	29,938	8,324	(2,147)	2,136	(549,262)	390,288	125,745	516,033
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C. Condensed interim statements of changes in equity (cont'd)

The Company		Share Capital	Share Premium	Contributed Surplus	Capital Reserve	Capital Redemption	Other Reserve	Accumulated Losses	Total Equity
						Reserve			
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021									
Balance at 1 January 2021	14	17,779	65,712	810,044	479	8,324	2,136	(405,955)	498,519
Total comprehensive loss for the financial period		-	-	-	-	-	-	(6,941)	(6,941)
Share based payment		-	-	-	-	-	3,061	-	3,061
Dividend payments	8	-	-	-	-	-	-	(4,279)	(4,279)
Scrip shares issued	14	1,087	4,894	-	-	-	-	(5,981)	-
Share awards vested									
- Cash		-	-	-	-	-	(228)	-	(228)
- Scrip		8	37	-	-	-	(45)	-	-

Balance at 31 December 2021		18,874	70,643	810,044	479	8,324	4,924	(423,156)	490,132
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2020

Balance at 1 January 2020	14	17,779	65,712	810,044	479	8,324	-	(400,276)	502,062
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Total comprehensive loss for the financial period		-	-	-	-	-	-	(5,679)	(5,679)
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Share based payment		-	-	-	-	-	2,136	-	2,136
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Balance at 31 December 2020	14	17,779	65,712	810,044	479	8,324	2,136	(405,955)	498,519
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D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		12 months ended	
		31.12.2021	31.12.2020
		RMB'000	RMB'000
Cash flows from operating activities			
(Loss) / profit before income tax		(41,390)	80,769
Adjustments for:			
-Amortisation of intangible assets		476	81
-Amortisation of deferred income		(815)	(815)
-Depreciation of property, plant and equipment		26,558	27,316
-Interest expenses and other financial costs		4,365	5,064
-Interest income	6	(1,018)	(970)
-Expenses of share options and share awards		3,061	2,136
-Gain on disposal of property, plant and equipment		(20)	(9)
-Loss on write off of property, plant and equipment		-	51
-Fair value loss on investment properties		1,000	1,700
-Share of loss / (profit) of associated companies		32,660	(40,018)
-Impairment loss on amount due from associated companies		22,176	-
-Unrealised currency translation (loss) / gain		(427)	314
		<u>46,626</u>	<u>75,619</u>
Changes in working capital			
- Inventories		(305)	302
- Other current assets		(2,850)	(2,226)
-Trade and other receivables		(43,282)	(56,213)
-Trade and other payables		(28,394)	(12,200)
Cash used in operations		<u>(28,205)</u>	<u>5,282</u>
Cash from government's preferential tax policy		6,963	-
PRC income tax paid		(9,974)	(30,093)

Net cash used in operating activities	(31,216)	(24,811)
Cash flows from investing activities		
Decrease of restricted bank balances pledged	-	146
Interest received	1,018	924
Purchases of property, plant and equipment	(18,225)	(12,431)
Purchases of intangible assets	(76)	-
Proceed from disposal of property, plant and equipment	21	14
Dividend from associated companies	53,000	-
Net cash provided by / (used in) investing activities	35,738	(11,347)
Cash flows from financing activities		
Interest and other finance costs paid	(4,410)	(5,064)
Borrowings from non-related party	5,158	-
Repayments of borrowings	(12,500)	(5,000)
Capital received from a non-controlling shareholder	-	6,750
Principal payment of lease liabilities	(450)	(559)
Dividend payment - cash	8	(4,279)
Share awards vested - cash	(228)	-
Net cash used in financing activities	(16,709)	(3,873)
Net decrease in cash and cash equivalents	(12,187)	(40,031)
The Group		
12 months ended		
	31.12.2021	31.12.2020
	RMB'000	RMB'000
CASH AND CASH EQUIVALENTS:		
BEGINNING OF FINANCIAL YEAR	127,555	167,745
Effects of currency translation on cash and cash equivalents	245	(159)

END OF FINANCIAL YEAR	115,613	127,555
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E. Notes to the condensed interim consolidated financial statements

1. Corporate information

China International Holdings Limited (the “Company”) is listed on the main board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Company is an exempted company incorporated in Bermuda with limited liability under the Companies Act of Bermuda.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities of the Group are: (a) water supply services; (b) wastewater treatment services; and (c) land and real estate property development.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with IAS -34 Interim Financial Reporting issued by the International Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Renminbi (“RMB”) and all values in the tables are rounded to the nearest thousand (RMB’000) as indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 5 – Loss allowance for trade receivables and contract assets
- Note 10 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 12 – determination of fair value of investment property using significant unobservable inputs

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purpose, the Group is organised into business units based on its products and services and has two reportable segments for the financial year ended 31 December 2021 as follows:

Water supply services	- Construction of water pipeline, supply of gray water and wastewater treatment service
Land development	- Provision of engineering and land leveling service for preliminary land development projects
Others	- Others include investment/corporate segment

The Others segment include investment segment which identifies new investment opportunities locally and overseas that have the potential to increase revenue streams and produce good returns on investments.

These operating segments are reported in a manner consistent with internal reporting provided to the Managing Director who is the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4.1. Reportable segments

(a) Business activities

The segment information provided to the management for the reportable segments is as follows:

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial year ended 31 December 2021				
Total segment revenue	177,133	-	2,135	179,268
Inter-segment revenue	(48,414)	-	(2,135)	(50,549)
Revenue from external segment	128,719	-	-	128,719
Segment results	48,770	-	-	48,770
Interest income	813	4	201	1,018
Rental income	-	-	1,162	1,216
Other income	-	-	195	195
Administrative expenses	-	-	(12,732)	(12,732)
Other operating expenses	(5,561)	(2,956)	(32,522)	(41,039)
Fair value loss on investment properties	-	-	(1,000)	(1,000)
Currency translation loss	-	-	(794)	(794)
Finance expenses	(4,350)	-	(15)	(4,365)
Share of loss of associated companies	-	-	(32,660)	(32,660)
Income tax expense	(2,828)	(9)	(5,011)	(7,848)

Profit for the financial
year

(49,239)

Depreciation and
amortisation

(25,813)

(3)

(1,218)

(27,034)

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2021				
Total assets	510,412	2,799	246,395	759,606
Total assets include:		-		
Property, plant and equipment	244,154	15	6,022	250,191
Intangible assets	9,257	-	-	9,257
Goodwill arising on consolidation	20,303	-	-	20,303
Long term receivable	-	-	30,000	30,000
Investment properties	-	-	32,100	32,100
Deferred income tax assets	2,947	-	2,087	5,034
Inventories	2,249	-	-	2,249
Other current assets	13,025	-	-	13,025
Trade and other receivables	178,003	101	103,730	281,834
Cash and cash equivalents	40,474	2,683	72,456	115,613
Total assets				759,606
Addition to property, plant and equipment	28,713	17	(214)	28,516
Total liabilities	209,644	6,720	77,894	294,258

Total liabilities include:				
Short-term borrowings	15,500	-	28,000	43,500
Trade and other payables	127,318	6,720	31,180	165,218
Current income tax liabilities	(3,965)	-	7,963	3,998
Deferred income tax liabilities	6,963	-	10,568	17,531
Deferred income	14,670	-	-	14,670
Lease liabilities	-		183	183
Long term borrowings	49,158	-	-	49,158
Total liabilities				294,258

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial year ended 31 December 2020				
Total segment revenue	204,438	789	-	205,227
Inter-segment revenue	(46,405)	(624)	-	(47,029)
Revenue from external segment	158,033	165	-	158,198

Segment results	72,399	165	-	72,564
Interest income	734	99	137	970
Rental income	-	-	1,551	1,551
Other income	-	-	2,865	2,865
Administrative expenses	-	-	(11,777)	(11,777)
Other operating expenses	(8,863)	(1,957)	(7,492)	(18,312)
Fair value loss on investment properties	-	-	(1,700)	(1,700)
Other gain	-	-	9	9
Currency translation loss	-	-	(355)	(355)
Finance expenses	(5,014)	-	(50)	(5,064)
Share of profit of associated companies	-	-	40,018	40,018
Income tax (expense)/credit	(6,907)	819	(8,830)	(14,918)
Profit for the financial year				65,851
Depreciation and amortisation	(24,443)	(5)	(2,868)	(27,316)

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020				
Total assets	491,505	4,762	326,402	822,669
Total assets include:	-			
Property, plant and equipment	239,593	2	7,166	246,761
Intangible assets	54	-	-	54
Goodwill arising on consolidation	20,303	-	-	20,303
Long term receivable	-	-	30,000	30,000
Investment properties	-	-	33,100	33,100
Investment in associates	-	-	138,262	138,262
Deferred income tax assets	4,302	-	2,087	6,389
Inventories	1,944	-	-	1,944
Other current assets	10,176	-	-	10,176
Trade and other receivables	132,340	2,767	73,018	208,125
Cash and cash equivalents	82,793	1,993	42,769	127,555
Total assets				822,669
Addition to property, plant and equipment	4,467	-	(90)	4,377

Total liabilities	222,130	7,227	77,279	306,636
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Total liabilities include:				
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Short-term borrowings	12,500	-	28,000	40,500
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Trade and other payables	134,645	7,227	30,789	172,661
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Current income tax liabilities	-	-	7,920	7,920
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Deferred income tax liabilities	-	-	10,141	10,141
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Deferred income	15,485	-	-	15,485
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Lease liabilities	-		429	429
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Long term borrowings	59,500	-	-	59,500
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Total liabilities				<u>306,636</u>
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4.2. Disaggregation of Revenue

The Group				
6 months ended 31 December 2021				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	11,435	-	-	11,435
Construction of water pipeline	3,024	-	-	3,024
Wastewater treatment	32,199	-	-	32,199
Total revenue	46,658	-	-	46,658
Timing of revenue recognition:				
At a point in time	3,024	-	-	3,024
Over time	43,634	-	-	43,634
Total revenue	46,658	-	-	46,658

Geographical information:

The revenues of the Group for 6 months ended 31 December 2021 are derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

The Group				
6 months ended 31 December 2020				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000

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Types of goods or service:				
Water supply	21,427	-	-	21,427
Construction of water pipeline	20,620	-	-	20,620
Wastewater treatment	29,914	-	-	29,914
Total revenue	71,961	-	-	71,961
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Timing of revenue recognition:				
At a point in time	20,620	-	-	20,620
Over time	51,341	-	-	51,341
Total revenue	71,961	-	-	71,961
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Geographical information:

The revenues of the Group for 6 months ended 31 December 2020 were derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

4.2. Disaggregation of Revenue (Cont'd)

The Group				
12 months ended 31 December 2021				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	28,420	-	-	28,420
Construction of water pipeline	44,230	-	-	44,230
Wastewater treatment	56,069	-	-	56,069
Total revenue	128,719	-	-	128,719
Timing of revenue recognition:				
At a point in time	44,230	-	-	44,230
Over time	84,489	-	-	84,489
Total revenue	128,719	-	-	128,719

Geographical information:

The revenues of the Group for financial year ended 31 December 2021 are derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

The Group				
12 months ended 31 December 2020				
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000

Types of goods or service:				
Water supply	39,786	-	-	39,786
Construction of water pipeline	53,388	-	-	53,388
Wastewater treatment	64,859	-	-	64,859
Land development	-	165	-	165
Total revenue	158,033	165	-	158,198

Timing of revenue recognition:				
At a point in time	53,388	165	-	53,553
Over time	104,645	-	-	104,645
Total revenue	158,033	165	-	158,198

Geographical information:

The revenues of the Group for financial year ended 31 December 2020 were derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets				
Other receivables (Non-current assets)	30,000	30,000		
Contract assets	150,400	94,154	-	-
Trade and other receivables (Amortised cost)	131,434	112,971	-	-
Cash and bank balances	115,613	127,555	420,958	442,478
	427,447	365,680	420,958	442,478
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	257,876	272,675	126,826	139,959

a) Trade receivables and contract assets

As at 31 December 2021, contract assets increased to RMB150.40 million from RMB94.15 million on 31 December 2020, these are derived from revenue from wastewater treatment services or income from temporary water treatment services (before 1 January 2020). The contract assets will be transferred to trade receivables when the Group's right to consideration in exchange for the services rendered become unconditional, i.e. being when the customer completes its payment management processes.

Loss allowance for trade receivables and contract assets are measured at an amount equal to the lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables and contract assets have been grouped

based on shared credit risk characteristics and the length of time past the due date by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as trade receivables for the same types of contracts.

Trade receivables and contract assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments.

During the current financial year, no loss allowance has been recognised as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and credit-worthiness of the customers.

b) Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of other receivables, ie, amount owing by non-related parties, amount due from associates, amount owing by non-controlling shareholders of subsidiaries and deposits. These other financial assets are subject to immaterial credit loss, except for amount owing by associates.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counter parties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

For the purpose of impairment assessment, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the group, and a failure to make contractual payments.

During the current financial year, due to the credit risk of the other financial assets, at amortised cost – amount due from associates KYWJ Group has increased significantly since its initial recognition, the Group has assessed the lifetime ECL of these receivables. In consequence, the Group recognised a loss allowance of RMB22,176,000 against other financial assets, at amortised cost over 365 days past due.

	Group
	2021
	RMB'000
Movement in carrying of amount due from associates KYWJ Group:	
Initial recognition	304,507
Less: Repayment received	(179,715)
Less: Loss allowance	(22,176)
Total carrying amount	<hr/> 102,616 <hr/>

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

6. Profit before taxation

6.1. Significant items

The Group				
	6 months ended 31.12.2021	6 months ended 31.12.2020	12 months ended 31.12.2021	12 months ended 31.12.2020
	RMB'000	RMB'000	RMB'000	RMB'000
Income				
Interest income	447	732	1,018	970
Expenses				
Interest on borrowings	(2,093)	(2,488)	(4,365)	(5,064)
Depreciation of property, plant and equipment and investment properties	(13,196)	(13,132)	(26,833)	(24,901)
Expenses of share options and share awards	(958)	(2,136)	(3,061)	(2,136)
Fair value loss on investment properties	(1,000)	(1,700)	(1,000)	(1,700)
Share of (loss) / profit of associated companies (*)	(44,736)	42,676	(32,660)	40,018
Impairment on due from associated companies (#)	(22,176)	-	(22,176)	-

*: Details please refer to Note 16 of this announcement.

#: Details please refer to Note 5 (b) of this announcement.

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended 31.12.2021	6 months ended 31.12.2020	12 months ended 31.12.2021	12 months ended 31.12.2020
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax expense	(777)	(4,179)	(7,887)	(12,756)
Deferred income tax expense relating to origination and reversal of temporary differences	672	(3,933)	38	(2,162)
	(105)	(8,112)	(7,849)	(14,918)

8. Dividends

	The Group	
	Financial Year	Financial Year
	2021	2020
	RMB'000	RMB'000
Ordinary dividend paid:		
Final dividend of S\$3 cents per share for the financial year ended 31 December 2020 (2020: nil)		
- Cash	4,279	-
- Scrip	5,981	-
	10,260	-

9. Net Asset Value

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RMB	RMB	RMB	RMB
Net asset value per ordinary share *	4.413	5.479	6.469	6.998

* Exclude non-controlling interests

10. Intangible assets

The Group					
Goodwill	Computer software	Equipment management system	Automatic water sales	Land use right	Total

	system					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2020						
Cost	20,303	243	-	-		20,546
Accumulated amortisation	-	(189)	-	-		(189)
Net book amount	20,303	54	-	-		20,357
12 months ended 31 December 2021						
Opening net book amount	20,303	54	-	-		20,357
Amortisation charge	-	(54)	(4)	(19)	(399)	(476)
Addition	-	-	7	77	9,595	9,679
Closing net book amount	20,303	-	3	58	9,196	29,560
Cost	20,303	243	7	77	9,595	30,225
Accumulated amortisation	-	(243)	(4)	(19)	(399)	(665)
Net book amount	20,303	-	3	58	9,196	29,560

Goodwill arising from business combination is allocated to the water supply service cash-generating unit ("CGU") comprising CIHL (Tianjin) Water Development Co., Limited ("Water Development") in PRC at acquisition. This CGU is expected to benefit from that business combination.

The recoverable amount of the CGU was determined based on fair value less costs of disposal calculations. The fair value is within level 3 of the fair value hierarchy.

No goodwill was allocated to other CGUs and they were not tested for impairment because there were no impairment indicators at 31 December 2021.

11. Property, plant and equipment

During the 12 months ended 31 December 2021, the Group acquired assets amounting to RMB28.52 million (31 December 2020: RMB4.38 million) and disposed of assets amounting to RMB0.43 million (31 December 2020: RMB0.96 million).

12. Investment properties

The Group's investment properties are located in Beijing, PRC and are held as office building to generate rental income. The properties are leased to a non-related party under operating leases with rentals receivable monthly.

	The Group	
	2021	2020
	RMB'000	RMB'000
Beginning of financial year	33,100	34,800
Fair value loss recognised in profit or loss	(1,000)	(1,700)
Net book value as at 31 December	32,100	33,100

12.1 Valuation

Level 2 fair values of the Group's properties have been generally derived using the market value approach, by making reference to sales evidence as available in the market. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square metre.

Investment properties are carried at fair value which has been determined based on valuations performed at the end of the reporting period. The valuations are based on the properties' highest-and-best-use, performed by Ravia Global Appraisal Advisory Limited, an independent valuer with a recognised and relevant professional qualification. They have recently undertaken valuation work

in the locality for a similar category of properties.

There were no changes in valuation technique and transfers into and out of fair value hierarchy levels during the financial years ended 31 December 2021 and 31 December 2020 respectively.

13. Borrowings

	The Group and the Company	
	31.12.2021	31.12.2020
	RMB'000	RMB'000
<u>Amount repayable within one year or on demand</u>		
- Secured	15,500	12,500
- Unsecured	28,000	28,000
<u>Amount repayable after one year</u>		
- Secured	49,158	59,500

Borrowings of the Group are secured as follows:

- (1) First legal mortgage over certain investment properties, land and buildings of the Group;
- (2) First legal mortgage over buildings in a related company;
- (3) First legal mortgage over equity interests of a subsidiary and first legal mortgage of subsidiaries of the Group.

14. Share capital

The Group and the Company	
31.12.2021	31.12.2020

	Number of shares	Amount	Number of shares	Amount
	'000	RMB'000	'000	RMB'000
Beginning of financial year	71,234	17,779	71,234	17,779
Issue of ordinary shares by scrip dividend	4,507	1,087	-	-
Issue of ordinary shares by share awards vested	30	8	-	-
End of financial year	75,771	18,874	71,234	17,779

The Company did not hold any treasury shares as at 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

15. Investment in subsidiaries

The Group incorporated two subsidiaries through its direct wholly-owned subsidiary, China (Tianjin) Water Resources Limited ("CWRL"), on 26 April 2021 and 6 June 2021.

The new subsidiaries as at 31 December 2021 are set out below:

Name of companies	Principal activities	Place of business/ incorporation	Issued and paid-up capital	Shareholder and its equity holding
China (Hong Kong) Water Resources Limited ("CHKWRL")	Investment holding	Hong Kong	-	CWRL, 100%
Tianjin Greenwatt Environmental Technology Co., Ltd	Sales of environmental product and environmental service	PRC	-	CHKWRL, 100%

16. Investment in associates

	Group			
	Future		KYWJ	
	Trillion Group	Liuhe	Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2021				
<i>Investment at equity method</i>				
Beginning of the financial year	24,617	44,281	138,262	207,160
Dividend received	-	-	(104,602)	(104,602)
Share of loss of associates	-	-	(33,660)	(33,660)
End of financial year	24,617	44,281	-	68,898
<i>Impairment loss on investments</i>				
<i>in associates</i>				
Beginning and end of the				
financial year	(24,617)	(44,281)	-	(68,898)
Net carrying amount				
End of financial year	-	-	-	-
2020				
<i>Investment at equity method</i>				
Beginning of the financial year	24,617	44,281	98,244	167,142
Share of profit of associates	-	-	40,018	40,018
End of financial year	24,617	44,281	138,262	207,160

Impairment loss on investments

in associates

Beginning and end of the

financial year	(24,617)	(44,281)	-	(68,898)
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Net carrying amount

End of financial year	-	-	138,262	138,262
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Investment in Future Trillion and Liuhe

The Group has made full impairment on the investment in Future Trillion and Liuhe since financial year ended 31 December 2015. During the financial year ended 31 December 2021, management considered various estimates and assumptions include the financial health, cash flow projection and future prospects of the investment and in view that no change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. Therefore, no reversal of impairment loss required at the end of reporting period.

Investment in KYWJ Group

On 1 June 2017, the Company completed the disposal of its 5% equity interest and debt interest in the KYWJ Group, which resulted in a loss of control in the KYWJ Group. Consequently, even though the Group has lost its control in the KYWJ Group, it still remains a significant influence by virtue of its remaining 50% equity interests and its board representation on the KYWJ Group. Accordingly, the Group has deconsolidated the KYWJ Group and reclassified the investment as associates, which would be accounted for using the equity method.

(i) The summary results of the KYWJ Group for FY2021 and FY2020 are as follow:

12 months ended		Increase/
31.12.2021	31.12.2020	(decrease)
RMB'000	RMB'000	%

Revenue	716,794	1,008,096	(28.9)
Cost of sales and services provided ^(a)	(768,696)	(829,258)	(7.3)
Gross profit	(51,902)	178,838	(129.0)
Other income - net	1,523	1,197	27.2
Other operating expenses	(11,661)	(12,515)	(6.8)
Selling and marketing expenses	(35,608)	(36,774)	(3.2)
(Loss) / profit before income tax	(97,648)	130,746	(174.7)
Income tax expenses	(12,024)	(50,710)	(76.3)
(Loss) / profit for the financial year	(109,672)	80,036	(237.0)

On 20 January 2021, the KYWJ Group completed the development properties of “new” Phase 3-2. Accordingly, cumulative pre-sales of RMB635.37 million achieved before 31 December 2020 on “new” Phase 3-2 and their related cost were recognised as revenue and cost respectively in the income statements on 20 January 2021, removing from pre-sales in the balance sheet statement.

^(a) Included in the cost of sales and services provided for the financial year ended 31 December 2021 are a write down of RMB85.93 million against its completed units and provision for onerous contracts amounting to RMB99.52 million against its properties under development within KYWJ Group’s property for development. The said write down and provisions were made after taking into account KYWJ Group’s recent experience in estimating net realisable values of its completed units and properties under development after making reference to expected net selling prices and development expenditure. Market conditions may, however, change and affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be further written down in future periods.

(ii) Statement of Financial Position as at 31 December 2021 for the KYWJ Group is as follows:

	31.12.2021	31.12.2020
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	10,541	5,077
	10,541	5,077
CURRENT ASSETS		
Property for development	692,970	1,190,097
Trade and other receivables	296,844	474,203
Cash and bank balances	61,151	127,039
	1,050,965	1,791,339
CURRENT LIABILITIES		
Borrowing	2,875	2,875
Trade and other payables	1,053,813	1,463,545
Tax payables	49,171	26,762
	1,105,859	1,493,182
Net Current Assets	(54,894)	298,157
Total assets less current liabilities	(44,353)	303,234
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	26,710
	-	26,710
Net Assets	(44,353)	276,524
Equity		
Share capital	4,444	4,444
Reserves	140,817	140,817
Accumulated (loss) / profit	(189,614)	131,263

(44,353)

276,524

(iii) The development properties in the Yichang Project comprise of units in completed Phase 1, Phase 2, “new” Phase 3 (formerly named Phases 3 and 4) and Service Apartments (“SA”):

a. 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 is 97.06%, 100%, 91.26%, 94.76%, 96.94%, 99.60%, 57.01% and 45.16% respectively.

b. 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 will only be recognised in the income statement in a later period upon completion.

c. 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.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

F. OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of China International Holdings Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Profit or Loss Analysis

2H 2021 versus 2H 2020

Revenue in 2H 2021 of the Group was RMB46.66 million, a decrease of RMB25.30 million or 35.2% compared RMB71.96 million in 2H 2020. The decrease came mainly from lower revenue on water supply and construction of water pipeline.

Lower revenue on water supply was recorded on lower volumes of water supplied following the loss of a major industry customer which re-located to another area. The decrease in revenue on construction of water pipeline was attributed to lesser development projects available in the area.

A breakdown of revenue in 2H 2021 and 2H 2020 is as follows:

	2H 2021	2H 2020	Increase / (decrease)	
	RMB'000	RMB'000	RMB'000	%
Revenue				
- Water supply	11,435	21,427	(9,992)	(46.6)
- Construction of water pipeline	3,024	20,620	(17,596)	(85.3)
- Wastewater treatment services	32,199	29,914	2,285	7.6
	46,658	71,961	(25,303)	(35.2)

Share of loss from associated companies in 2H 2021 was RMB44.74 million compared to a profit of RMB42.68 million recorded in 2H 2020. The loss or profit is attributed to the KYWJ Group.

The Group recorded loss of RMB70.17 million in 2H 2021 compared to profit of RMB47.27 million for 2H 2020.

FY2021 versus FY2020

Revenue in FY2021 of the Group was RMB128.72 million, a decrease of RMB29.48 million or 18.6% compared RMB158.20 million in FY2020.

Lower revenue from water supply was mainly due to lower amounts of water supplied following the loss of a major industry customer which re-located to another area and lower water usage by another customer whose electricity plant operated at a lower capacity. The decrease in revenue on 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.

A breakdown of revenue in FY2021 and FY2020 is as follows:

	FY2021	FY2020	Increase / (decrease)	
	RMB'000	RMB'000	RMB'000	%
Revenue				
- Water supply	28,420	39,786	(11,366)	(28.6)
- Construction of water pipeline	44,230	53,388	(9,158)	(17.2)
- Wastewater treatment services	56,069	64,859	(8,790)	(13.6)
- Land development	-	165	(165)	(100.0)
	128,719	158,198	(29,479)	(18.6)

Share of loss from associated companies in FY2021 was RMB32.66 million compared to profit of RMB40.02 million recorded in FY2020. The share of loss or profit was attributed to the KYWJ Group. The loss of the KYWJ Group in FY2021 was mainly due to lower revenue recognised in the KYWJ Group in FY2021, as well as provisions made for the value of the developed and under-development properties amounting to RMB185,442,000 (FY2020: nil).

The Group recorded loss of RMB49.24 million in FY2021 compared to profit of RMB65.85 million for FY2020.

Analysis on Statement of Financial Position

Cash and cash equivalents as at 31 December 2021 were RMB115.61 million compared to RMB127.55 million on 31 December 2020.

Total borrowings decreased to RMB92.66 million as at 31 December 2021 from RMB100.00 million on 31 December 2020 mainly due to the Group made repayments under the related loan agreements.

Trade and other receivables increased from RMB208.02 million as at 31 December 2020 to RMB281.83 million as at 31 December 2021, mainly from higher amounts due from government bodies in respect of the wastewater treatment services of CIHL (Tianjin) Water Development Company Limited.

Investment in associates decreased to nil as at 31 December 2021 from RMB138.26 million on 31 December 2020 after the Group recognised a dividend from the KYWJ group and its share of loss from associated companies in FY2021 was recorded.

The cost of a land use rights of RMB9.60 million was reclassified as intangible assets, which led to an increase of intangible assets from RMB20.36 million at 31 December 2020 to RMB29.54 million at 31 December 2021.

Deferred income tax liabilities increased from RMB10.14 million as at 31 December 2020 to RMB17.53 million as at 31 December 2021. This was mainly from a refund of income tax under a government's preferential tax policy in relation to usages of domestic made equipment in the construction of the Xinhe plant by CIHL (Tianjin) Water Development Company Limited ("Tianjin Water").

Cash Flows Analysis

Net cash used in operating activities was RMB31.22 million in FY2021, utilised mainly for payment of operating cost and income tax

Net cash provided by investing activities was RMB35.74 million in FY2021 came mainly from dividends received from the KYWJ group.

Net cash used in financing activities in FY2021 of RMB16.71 million, and mainly comprised interest and principal repayments on borrowings and the payment of dividend.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously provided.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The outbreak of COVID-19 had caused significant disruptions to the movement of people, goods and services throughout China. The COVID-19 situation has been stabilized over the past year but the situation remains fluid. At this point in time the Group is not able to reasonably ascertain the full extent of the impact of COVID-19 disruptions on its operating and financial performance for the financial period ending 31 December 2022. Management will make prompt disclosure when it becomes aware of any material or significant information concerning its operations.

Tianjin Lingang Water Co. Ltd, a subsidiary of the Group commenced an expansion project to provide re-pressurized water from the Tianjin Water's pipeline network for supply to local users. The total capital cost of the expansion project ("Lingang Project") is estimated at RMB70 million. The sources of financing are from internal shareholders funds and bank financing. The expansion which is expected to be completed towards mid 2022 will allow an increase of sales of treated and untreated water to the related service areas. The Lingang Project is in the early phase of construction, with 40% of work still remaining to be completed.

The Group has no other investment plans at present and will continue to focus on the execution of the existing plans.

The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and Company has not found an opportunity to dispose of our share of ownership of this investment. The project will meanwhile remain under care.

The Group has made full impairment for the related investment in the Group's project in Papua New Guinea in Q4 FY2015 and the exploration license had expired in 2020. Since then the Group has with the support of local partners secured a new exploration license ("PPL 666") covering roughly the same area previously explored by the Group and its then partners. The Group plans to bring in new partners to advance the project.

The Group will continue to focus on cash generation from property development and further developing the water treatment business in China.

5. Dividend information

5a. Current Financial year reported on

No dividend has been declared or recommended taking into account the Group's operational and financial cash needs.

5b. Corresponding Period of the Immediate Preceding Financial Year

A final tax-exempt dividend of 3 Singapore cents per share for the financial year ended 31 December 2020 has been paid on 25 June 2021.

5c. Date Payable.

Not applicable.

5d. Books Closure Date

Not applicable.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Review of performance of the Group – turnover and earnings

Please refer to item 2 of Other Information of this announcement.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, China International Holdings Limited confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Zhang Rong Xiang

Managing Director

1 March 2022