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

Annual General Meeting
&
Special General Meeting

10:00 am, 24 April 2023

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, was well as any related assumptions.

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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.

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FY2022 Business Performance

◆ Water Treatment Business

- The Group recorded total revenue of RMB103.6 million in FY2022, a decrease of approximately 19.5% compared to FY2021.

- The decrease of revenue from water supply services segment was in line with lower quantities of water supplied after an established industry customer re-located out of the service area and another customer's electricity plant operated at a lower capacity at CIHL (Tianjin) Water Development Company Limited during the year.

- The decrease in revenue from construction of water pipeline was attributed to lesser development projects available in the area. Revenue from wastewater treatment services fell from lower prices charged by the Group's Xinhe plant in FY2022.

FY2022 Business Performance

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◆ **Xinhe Water Recycling Plant**

- The Group completed the construction of the Xinhe project in December 2019.
- The Xinhe project is a water treatment plant for reclaimed water. It 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 will be fed into the Tianjin Water's network.
- The Xinhe project has significantly increased the water supply capacity up to 50,000 m^3 per day of recycled water and 70,000 m^3 per day of wastewater treatment.

FY2022 Business Performance

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◆ **Tianjin Lingang Water Project (Tianjing water)**

- It is an expansion project to re-pressurize water from Tianjin Water's pipeline network for supply to local users. The total capital cost of the expansion project is estimated at RMB70 million.

- This Project commenced construction in the year 2020 and the completion will be delayed to mid-2023 due to the COVID-19 situation in Tianjin last year.

- The Tianjin Lingang Water project is expected to lead to an increase in the sales of treated water to the service areas.

- Tianjin Water accumulates a large accounts receivables for the local government, amounting to RMB188.66 million at the end of 2022. This is a new issue for the Company as the Company has provided treatment services to the local government only since 2020 when the Xinhe Plant came into operation.

- Tianjin Water's unpaid bills by the local government is not unique to only Tianjing Water, it is also the experience of other water treatment plants operating in the area.

FY2022 Business Performance

◆ Disposal of Yichang Project

- Considering the downturn of China‘s real estate market in recent years with many big developers facing financial difficulties, and the fact that the Yichang Project has already been winding down over the past couple of years, the Company had decided it was a dood time to exit from the Yichang Project

- The Group exited the Yichang Project by way of disposing its entire 50% equity interests in KYWJ in December 2022. The transaction was not subject to shareholders’ approval because the value of transaction is small, and not sufficient to trigger the threshold for shareholder approvals.

- Before the disposal, KYWJ distributed to the Group certain properties and a 50% interest in a SPV, ie, Hubei Huike Exhibition Service Co., Ltd, which holds the assets of Exhibition Centre, in form of dividends and repayment of shareholder loans.

- The ownership certificates for those distributed properties and the Exhibition Center have not be obtained yet, with a few exceptions.

Freezing of bank account

- On April 2 first announced the freezing by the Yiling Public Security Bureau (“夷陵区公安局”) of a bank account in China Bohai Bank owned by CIHL (Tianjin) City Development Limited ("天津新中城市实业发展有限公司" or "CIHL Tianjin"), a subsidiary company of the Group.

- From informal sources as well as direct contact with the authority which ordered the freezing, we believe CIHL Tianjin is not a target of any investigation. We have not seen any evidence to contradicte this assessment.

- The total balance in the affected bank account as at 30 March 2023 was RMB 18.64 million. The Company will utilize its existing resources to mitigate any short term impact arising from the freezing of the said bank account.

- No other bank accounts owned by the Group have been frozen.

- The Company will update shareholders via SGXNet announcement as and when there are further developments on this matter.

Appointment of an Independent Reviewer

- As the Group 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 Beijing Kaiyuan Wanjia Management Consulting Company Limited, refer also to the Company's responses to the queries from the Singapore Exchange Securities Trading Limited (SGX RegCo) in relation to the disposal.

- The Independent Reviewer will report its findings to SGX RegCo and the Audit Committee 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.

- The independent review is expected to take a few months to complete. The Company will make further announcements to update shareholders as and when there are material developments on this matter, including key findings of the independent review where appropriate.

FY2020-2022 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*	*%*
2020	158,198	74,831	47	57,055	80.10	390,288	71,234	5.48	15.82
2021	128,719	45,845	36	(54,462)	(74)	334,380	75,771	4.41	(15.03)
2022	103,604	27,396	26	66,840	88.15	401,420	75,871	5.29	18.17

Capital Management

- A Special Final dividend has been recommended in FY2022.
- Internal cashflows will be used for re-investment in the new water project.
- 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

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- Leverage on the expanded capabilities in water treatment for possible opportunities in the water business in Tianjin and other parts of China.
- Actively manage the remaining projects to generate cash from operations and control the investment in the face of still adverse market conditions.
- Strive to achieve satisfactory returns by balancing shareholders' interests while taking into account the company's future growth and expansion requirements.

Summary of Financials

FY2020-2022 EBITDA

Earning Before Interest, Tax, Depreciation, and Amortisition for the year ended 31 December

	FY2022 RMB'000	FY2021 RMB'000	FY2020 RMB'000
Profit / (loss) for the financial year	62,497	(49,239)	65,851
Interest expense	3,592	4,365	5,064
Income tax (credit) / expense	(13,429)	7,849	14,918
EBIT	**52,660**	**(37,025)**	**85,833**
One time item			
-Impairment losses on contract assets	17,869	-	-
-(Reversal) / impairment loss on amount due from associates	(6,951)	22,176	-
-Gain on disposal of associate	(2,000)	-	-
-Fair value loss (gain) on investment properties	-	1,000	1,700
-Dividend income from associate	(59,500)	-	-
-Depreciation	24,987	26,558	27,316
-Amortisation	244	476	81
- Share of (profit) / loss of JV or associated companies	87	32,660	(40,018)
EBITDA	**27,396**	**45,845**	**74,912**

Summary of Financials

FY2020-2022 EPS

Earning per share for the financial year ended 31 December

	31.12.2022 RMB'000	31.12.2021 RMB'000	31.12.2020 RMB'000
Profit / (loss) attributable to owners of the company			
Discontinued operations	-	-	-
Continuing operations	66,840	(54,462)	57,055
	66,840	(54,462)	57,055
Weighted average number of ordinary shares in issue ('000) *	75,823	73,595	71,234
Basic and diluted earnings / (loss) per share (Fen)			
Discontinued operations	-	-	-
Continuing operations	88.15	(74)	80.10
	88.15	(74)	80.10

Summary of Financials

FY2020-2022 ROE

Rate of Return on Common Stockholders' Equity for the year ended 31 December

	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	%
2020	390,288	360,693	57,055	15.82
2021	334,380	362,334	(54,462)	(15)
2022	401,420	367,900	66,840	18.17

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Thank you!

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