
CHINA INTERNATIONAL HOLDINGS LIMITED

Condensed Interim Financial Statements

for the nine months ended 30 September 2024

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

	Note	3 months ended		9 months ended	
		30.09.2024 RMB'000	30.09.2023 RMB'000	30.09.2024 RMB'000	30.09.2023 RMB'000
Revenue	4	23,259	25,558	72,762	77,404
Cost of sales and services provided		(12,417)	(20,106)	(44,348)	(62,958)
Gross profit		10,842	5,452	28,414	14,446
Other income - net		50	1,018	(11,085)	2,943
Expenses					
- Administrative		(2,423)	(2,621)	(7,715)	(7,919)
- Other operating		(3,806)	(3,494)	(12,897)	(12,455)
- Finance		(964)	(1,281)	(2,966)	(3,644)
Share of loss from joint venture accounted for using the equity method		-	-	(96,357)	(556)
Profit / (loss) before income tax	6	3,699	(926)	(102,606)	(7,185)
Income tax (expense) / credit	7	(1,452)	(98)	(3,349)	254
Profit / (loss) for the financial period		2,247	(1,024)	(105,955)	(6,931)
Profit / (loss) for the financial period attributable to:					
Owners of the parent		317	(1,609)	(110,485)	(7,546)
Non-controlling interests		1,930	585	4,530	615
		2,247	(1,024)	(105,955)	(6,931)
Profit / (loss) per share for the period attributable to the owners of the Company during the financial period:					
Basic (RMB fen)		0.41	(2.06)	(141.57)	(9.85)
Diluted (RMB fen)		0.40	(2.06)	(141.57)	(9.85)

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30.09.2024 RMB'000	31.12.2023 RMB'000	30.09.2024 RMB'000	31.12.2023 RMB'000
ASSETS					
Current assets					
Cash and bank balances	5	29,301	20,801	1	1
Trade and other receivables	5	262,423	240,603	544,240	546,361
Other current assets		18,624	18,950	-	-
Inventories		3,144	3,187	-	-
Total current assets		313,492	283,541	544,241	546,362
Non-current assets					
Deferred income tax assets		17,944	20,101	-	-
Investment in joint venture	15	-	96,357	-	-
Investment in subsidiaries		-	-	*	*
Investment properties	12	101,523	103,740	-	-
Property, plant and equipment	11	185,335	208,337	-	-
Intangible assets	10	34,950	35,188	-	-
Total non-current assets		339,752	463,723	*	*
Total assets		653,244	747,264	544,241	546,362
LIABILITIES					
Current liabilities					
Trade and other payables	5	131,686	144,823	46,576	45,285
Borrowings	13	31,657	29,998	-	-
Provision	16	59,500	59,500	-	-
Current income tax liabilities		65	161	-	-
Lease liabilities		31	117	-	-
Total current liabilities		222,939	234,599	46,576	45,285
Non-current liabilities					
Long term borrowings	13	73,888	48,535	-	-
Lease liabilities		92	92	-	-
Deferred income		12,429	13,040	-	-
Deferred income tax liabilities		9,655	10,998	-	-
Total non-current liabilities		96,064	72,665	-	-

* Less than RMB1,000

	Note	The Group		The Company	
		30.09.2024	31.12.2023	30.09.2024	31.12.2023
		RMB'000	RMB'000	RMB'000	RMB'000
Total liabilities		319,003	307,264	46,576	45,285
NET ASSETS		334,241	440,000	497,665	501,077
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	14	19,488	19,452	19,488	19,452
Reserves		923,942	922,810	895,376	895,216
Accumulated losses		(723,744)	(612,287)	(417,199)	(413,591)
		219,686	329,975	497,665	501,077
Non-controlling interests		114,555	110,025	-	-
Total equity		334,241	440,000	497,665	501,077

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	Share Options 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
2024													
Balance at 1 January 2024	14	19,452	71,268	810,044	482	24,653	8,324	(2,147)	10,186	(612,287)	329,975	110,025	440,000
Total comprehensive (loss)/profit for the financial period		-	-	-	-	-	-	-	-	(110,485)	(110,485)	4,530	(105,955)
Transfer		-	-	-	-	972	-	-	-	(972)	-	-	-
Share based payment		-	-	-	-	-	-	-	210	-	210	-	210
Share awards vested													
- Cash		-	-	-	-	-	-	-	(14)	-	(14)	-	(14)
- Scrip		36	7	-	-	-	-	-	(43)	-	-	-	-
Balance at 30 September 2024		19,488	71,275	810,044	482	25,625	8,324	(2,147)	10,339	(723,744)	219,686	114,555	334,241
2023													
Balance at 1 January 2023	14	18,898	70,695	810,044	7,764	34,601	8,324	(2,147)	5,048	(551,807)	401,420	126,625	528,045
Total comprehensive (loss) / profit for the financial period		-	-	-	-	-	-	-	-	(7,546)	(7,546)	615	(6,931)
Transfer		-	-	-	-	154	-	-	-	(154)	-	-	-
Reversal of staff & workers' bonus fund (Haimen)		-	-	-	-	-	-	-	-	1,517	1,517	-	1,517
Dividend payment													
- Cash		-	-	-	-	-	-	-	-	(1,901)	(1,901)	-	(1,901)
- Scrip		462	481	-	-	-	-	-	-	(943)	-	-	-
- Dividend payables		-	-	-	-	-	-	-	-	(1,164)	(1,164)	-	(1,164)
Share based payment		-	-	-	-	-	-	-	155	-	155	-	155
Share awards vested													
- Cash		-	-	-	-	-	-	-	(37)	-	(37)	-	(37)
- Scrip		92	92	-	-	-	-	-	(184)	-	-	-	-
Balance at 30 September 2023		19,452	71,268	810,044	7,764	34,755	8,324	(2,147)	4,982	(561,998)	392,444	127,240	519,684

C. Condensed interim statements of changes in equity (cont'd)

The Company	Note	Share	Share	Contributed	Capital	Capital	Share	Accumulated	Total
		Capital	Premium	Surplus	Reserve	Redemption	Options		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2024									
Balance at 1 January 2024	14	19,452	71,268	810,044	479	8,324	5,101	(413,591)	501,077
Total comprehensive loss for the financial period		-	-	-	-	-	-	(3,608)	(3,608)
Share based payment		-	-	-	-	-	210	-	210
Share awards vested									
- Cash		-	-	-	-	-	(14)	-	(14)
- Scrip		36	7	-	-	-	(43)	-	-
Balance at 30 September 2024		19,488	71,275	810,044	479	8,324	5,254	(417,199)	497,665
2023									
Balance at 1 January 2023	14	18,898	70,695	810,044	479	8,324	5,048	(426,970)	486,518
Total comprehensive loss for the financial period		-	-	-	-	-	-	(4,324)	(4,324)
Dividend payment									
- Cash		-	-	-	-	-	-	(1,901)	(1,901)
- Scrip		462	481	-	-	-	-	(943)	-
- Dividend payables		-	-	-	-	-	-	(1,164)	(1,164)
Share based payment		-	-	-	-	-	155	-	155
Share awards vested									
- Cash		-	-	-	-	-	(37)	-	(37)
- Scrip		92	92	-	-	-	(184)	-	-
Balance at 30 September 2023		19,452	71,268	810,044	479	8,324	4,982	(435,302)	479,247

D. Condensed interim consolidated statement of cash flows

		The Group	
		9 months ended	
		30.09.2024	30.09.2023
Note		RMB'000	RMB'000
Cash flows from operating activities			
	Loss before income tax	(102,606)	(7,185)
	Adjustments for:		
	- Amortisation of intangible assets	276	292
	- Amortisation of deferred income	(611)	(611)
	- Depreciation of property, plant and equipment	23,173	26,526
	- Interest expenses and other financial costs	2,966	3,644
	- Interest income	(130)	(196)
6	- Expenses of share option and share award plan	246	155
	- Gain on disposal of property, plant and equipment	(4)	(1,119)
	- Reversal of fair value gain on investment properties	254	-
	- Reversal of staff & workers' bonus fund (Haimen)	-	1,517
	- Loss on disposal of other receivables	-	26
	- loss allowance on other receivables (Huike)	1,427	-
5 b)	- loss allowance on other receivables (Zeyou)	10,236	-
5 b)	- Share of loss of Joint venture - Huike	96,357	556
15		<u>31,584</u>	<u>23,605</u>
	Changes in working capital		
	- Other current assets	(15,396)	1,377
	- Inventories	40	339
	- Trade and other receivables	(16,496)	(36,668)
	- Trade and other payables	(2,270)	20,237
	Cash used in operations	(2,538)	8,890
	PRC income tax paid	(5,598)	(2,906)
	Net cash (used in) / provided by operating activities	<u>(8,136)</u>	<u>5,984</u>
Cash flows from investing activities			
	Interest received / (paid)	127	(2,142)
	Purchases of property, plant and equipment	(4,862)	(6,058)
	Loans to Joint venture - Huike	-	(1,128)
	Purchases of investment property	(415)	-
	Purchases of intangible assets	(35)	-
	Net cash used in investing activities	<u>(5,185)</u>	<u>(9,328)</u>
Cash flows from financing activities			
	Interest and other finance costs paid	(1,619)	(2,756)
	Repayments of borrowings	(1,719)	(18,000)
	Proceeds from borrowings	25,159	13,292
	Share awards vested - cash	-	(37)
	Dividend payment - cash	-	(1,901)
8	Net cash provided by / (used in) financing activities	<u>21,821</u>	<u>(9,402)</u>
	Net increase / (decrease) in cash and cash equivalents	8,500	(12,746)
CASH AND CASH EQUIVALENTS:			
	BEGINNING OF FINANCIAL PERIOD	20,801	63,372
	END OF FINANCIAL PERIOD	<u>29,301</u>	<u>50,626</u>

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 nine months ended 30 September 2024 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 nine months ended 30 September 2024 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 annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“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

Several amendments to the International Financial Reporting Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments from 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 2023.

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 4 – Revenue from wastewater treatment services
- Note 5 – Loss allowance for trade and other 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.
- Note 15 – Investment in a joint venture – Hubei Huike International Exhibition Service Co., Ltd (“Huike”)
- Note 16 – Provision for litigation.

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 the following reportable segments for the financial period ended 30 September 2024 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 other segments include an investment segment which identifies new investment opportunities locally and overseas that has 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 General Manager 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 period ended 30 September 2024				
Total segment revenue	91,088	-	-	91,088
Inter-segment revenue	(18,326)	-	-	(18,326)
Revenue from external segment	72,762	-	-	72,762
Segment results	28,414	-	-	28,414
Interest income	74	1	55	130
Rental income	-	-	773	773
Other income	-	-	46	46
Administrative expenses	-	-	(7,715)	(7,715)
Other operating expenses	(3,570)	(1,614)	(7,713)	(12,897)
Currency translation loss	-	-	(118)	(118)
Reversal of fair value gain on investment properties	-	-	(253)	(253)
Finance expenses	(2,072)	-	(894)	(2,966)
Share of loss of Joint venture - Huike	-	-	(96,357)	(96,357)
Impairment loss on other receivable - Huike	-	-	(11,663)	(11,663)
Income tax expense	(2,952)	-	(397)	(3,349)
Loss for the financial period			(105,955)	(105,955)
Depreciation and amortisation	(21,480)	(4)	(1,358)	(22,842)

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 September 2024				
Total assets	533,165	859	119,810	653,834
Total assets include:				
Property, plant and equipment	177,516	12	7,807	185,335
Intangible assets	8,703	-	5,944	14,647
Goodwill arising on consolidation	20,303	-	-	20,303
Investment properties	8,273	-	93,250	101,523
Deferred income tax assets	14,155	-	3,789	17,944
Inventories	3,144	-	-	3,144
Other current assets	18,624	-	-	18,624
Trade and other receivables	257,547	104	5,362	263,013
Cash and cash equivalents	24,900	743	3,658	29,301
Total assets				653,834
Addition to property, plant and equipment				
	178	-	-	178
Disposal to property, plant and equipment				
	(120)	-	-	(120)
Addition to investment properties				
	8,273	-	-	8,273
Total liabilities include:				
Short-term borrowings	3,657	-	28,000	31,657
Trade and other payables	106,000	5,001	80,185	191,186
Current income tax liabilities	598	-	57	655
Deferred income tax liabilities	3,275	-	6,380	9,655
Deferred income	12,429	-	-	12,429
Lease liabilities	-	-	123	123
Long term borrowings	52,254	-	21,634	73,888
Total liabilities				319,593

4.1. Reportable segments (Cont'd)

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 period ended 30 September 2023				
Total segment revenue	96,064	-	-	96,064
Inter-segment revenue	(18,660)	-	-	(18,660)
Revenue from external segment	77,404	-	-	77,404
Segment results	14,446	-	-	14,446
Interest income	138	2	55	195
Rental income	-	-	1,238	1,238
Other income	-	-	1,529	1,529
Administrative expenses	-	-	(7,919)	(7,919)
Other operating expenses	(4,322)	(2,067)	(6,066)	(12,455)
Reversal of fair value gain on investment properties	-	-	(295)	(295)
Currency translation gain	-	-	276	276
Finance expenses	(2,736)	-	(908)	(3,644)
Share of loss of Joint venture - Huike	-	-	(556)	(556)
Income tax credit / (expense)	766	-	(512)	254
Loss for the financial period			(6,931)	(6,931)
Depreciation and amortisation	(25,692)	(4)	(511)	(26,207)

4.1. Reportable segments (Cont'd)

	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 September 2023				
Total assets	556,148	893	243,316	800,357
Total assets include:				
Property, plant and equipment	206,330	17	1,819	208,166
Intangible assets	8,902	-	6,080	14,982
Goodwill arising on consolidation	20,303	-	-	20,303
Investment properties	-	-	117,306	117,306
Investment in joint venture	-	-	96,358	96,358
Deferred income tax assets	11,244	-	2,064	13,308
Inventories	3,340	-	-	3,340
Other current assets	18,498	-	-	18,498
Trade and other receivables	241,797	101	15,572	257,470
Cash and cash equivalents	45,734	775	4,117	50,626
Total assets				800,357
Addition to property, plant and equipment	146	-	4,359	4,505
Total liabilities include:				
Short-term borrowings	19,998	-	52,400	72,398
Trade and other payables	137,663	5,139	14,628	157,430
Current income tax liabilities	(4,178)	-	6,056	1,878
Deferred income tax liabilities	4,432	-	5,503	9,935
Deferred income	13,244	-	-	13,244
Lease liabilities	-	-	3	3
Long term borrowings	25,785	-	-	25,785
Total liabilities				280,673

4.2. Disaggregation of Revenue

	The Group			
	9 months ended 30 September 2024			
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	17,347	-	-	17,347
Construction of water pipeline	32,835	-	-	32,835
Wastewater treatment	22,580	-	-	22,580
Total revenue	72,762	-	-	72,762
Timing of revenue recognition:				
At a point in time	32,835	-	-	32,835
Over time	39,927	-	-	39,927
Total revenue	72,762	-	-	72,762

Geographical information:

The revenues of the Group for financial period ended 30 September 2024 are derived wholly from one geographical market, namely, the People's Republic of China (the "PRC").

	The Group			
	9 months ended 30 September 2023			
	Water supply services	Land development	Other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Water supply	16,967	-	-	16,967
Construction of water pipeline	28,376	-	-	28,376
Wastewater treatment	32,061	-	-	32,061
Total revenue	77,404	-	-	77,404
Timing of revenue recognition:				
At a point in time	28,376	-	-	28,376
Over time	49,028	-	-	49,028
Total revenue	77,404	-	-	77,404

Geographical information:

The revenues of the Group for financial period ended 30 September 2023 are derived wholly from 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 30 September 2024 and 31 December 2023:

	The Group		The Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets, at amortised cost				
Contract assets	194,628	178,905	-	-
Trade and other receivables	68,385	61,698	544,240	546,361
Cash and bank balances	29,301	20,801	1	1
	<u>292,314</u>	<u>261,404</u>	<u>544,241</u>	<u>546,362</u>
Financial Liabilities, at amortised cost				
Trade and other payables and borrowings	237,231	223,356	46,576	45,285

a) Trade receivables and contract assets

As at 30 September 2024 contract assets increased to RMB194.63 million from RMB178.91 million as at 31 December 2023. These are revenue derived from wastewater treatment services or income from temporary wastewater 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 becomes unconditional, i.e. 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. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Accordingly, in the prior financial year 2023, the Group recognised a loss allowance of RMB8.66 million against the contract assets.

For the current financial year, the Group will recognise any further loss allowance (if any) against the contract assets after measuring this estimate again in Q4 2024.

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.

No other loss allowance has been recognised as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and creditworthiness of the customers.

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

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, i.e., amount owing by non-related parties, amount due from joint venture, amount owing by non-controlling shareholders of subsidiaries, prepayment and advances and deposits. These other financial assets are subject to immaterial credit loss, except for amounts owed by associates, joint venture and non-related parties.

In determining the ECL, management has considered 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 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 increases 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. A breakdown of loss allowance on other receivables in current financial period is set out below:

	The Group		
	Due from Huike (*)	Due from Zeyou (#)	Total
	30.09.2024	30.09.2024	30.09.2024
	RMB'000	RMB'000	RMB'000
Initial recognition	1,427	10,236	11,663
Less: Repayment received	-	-	-
Less: Loss allowance	(1,427)	(10,236)	(11,663)
Total carrying amount	-	-	-

(*) During the current financial period, in 1H2024, as the credit risk of other financial assets, namely, amount due from joint venture company, Huike, has risen significantly. The Group has

assessed that there is no reasonable expectation of recovery of these receivables, and has recognised a loss allowance of RMB1,427,000 against other financial assets, at amortised cost over 365 days past due.

(#) During the current financial period, in 1H 2024, the Group has derecognised investment properties amounting in fair value of RMB10,490,000 (Note 12) and recognised other receivables due from Zeyou (formally known as Yichang Xinshougang Real Estate Development Co. LTD) of initial book value of RMB10,235,510. This was after the Group learnt on 21 June 2024 that Zeyou, through court-sponsored auctions, had sold six units of store units from the Guobin No. 1 Project and a few parking lots before 20 June 2024. Zeyou had previously on 28 September 2022 agreed to transfer the aforementioned investment properties to the Group. As Zeyou is now unable to fulfill its obligations under these agreements, the aforementioned investment properties amounting to RMB10,235,510 have been de-recognised in the books. As at the end of the current financial period, from available information in respect of Zeyou's financial situation which management has obtained in recent periods and historical financial records before 18 December 2022, there is no reasonable expectation of recovery of these receivables. A loss allowance of RMB10,235,510 on other receivables due from Zeyou has therefore been recognised in current financial period ending 30 September 2024.

No other loss allowance has been recognized as at 30 September 2024 as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and credit-worthiness of the customers.

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

6. Profit before taxation

6.1. Significant items

	The Group	
	9 months ended	9 months ended
	30.09.2024	30.09.2023
	RMB'000	RMB'000
Income		
Interest income	130	196
Gain on disposal of property, plant and equipment	4	1,119
Reversal of staff & workers' bonus fund (Haimen)	-	1,517
Expenses		
Interest on borrowings	(2,966)	(3,644)
Depreciation of property, plant and equipment and investment properties	(23,173)	(26,526)
Expenses of share options and share awards	(246)	(155)
Share of net loss of joint venture accounted for using equity method (*)	(96,357)	(556)
Loss allowance on other receivables – Joint venture - Huike (#)	(1,427)	-
Loss allowance on other receivables – Non-related party - Zeyou (#)	(10,236)	-

*: Please refer to Note 15 of this announcement for more details.

#: Please refer to Note 5 (b) of this announcement for more details.

6.2. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	9 months ended	
	30.09.2024	30.09.2023
	RMB'000	RMB'000
Joint venture – Huike		
- Loan to Joint venture - Huike	-	1,127
Dividend payable to shareholders	-	1,165

(b) Key management compensation

Key management comprises directors (executive and non-executive), general manager and the chief financial officer. The compensation paid/payable to key management is RMB4.27 million in

9 months ended 30 September 2024.

There are no other related party transactions apart from those disclosed in this announcement.

7. Taxation

The Group calculates the period's income tax (expense) / credit 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:

	9 months ended 30.09.2024	9 months ended 30.09.2023
	RMB'000	RMB'000
Current income tax expense	(3,479)	(47)
Tax reductions	-	-
Deferred income tax expense relating to origination and reversal of temporary differences	130	301
	<u>(3,349)</u>	<u>254</u>

8. Dividends

	The Group	
	9 months ended 30.09.2024	9 months ended 30.09.2023
	RMB'000	RMB'000
Ordinary dividend paid:		*
- Cash	-	1,901
- Scrip	-	943
- Dividend payable	-	1,164
	<u>-</u>	<u>4,008</u>

* Final dividend of S\$1 cent per share for the financial year ended 31 December 2022.

9. Net Asset Value

	The Group		The Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RMB	RMB	RMB	RMB
Net asset value per ordinary share *	2.812	4.231	6.371	6.426

* Exclude non-controlling interests

10. Intangible assets

	The Group					
	Goodwill	Computer software	Equipment management system	Automatic water sales system	Land Use right	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023						
Cost	20,303	243	88	77	15,775	36,486
Accumulated amortisation	-	(243)	(52)	(71)	(932)	(1,298)
Net book amount	20,303	-	36	6	14,843	35,188
At 30 September 2024						
Opening net book amount	20,303	-	36	6	14,843	35,188
Amortisation charge	-	-	(25)	-	(251)	(276)
Additions	-	-	38	-	-	38
Closing net book amount	20,303	-	49	6	14,592	34,950
Cost	20,303	243	126	77	15,775	36,524
Accumulated amortisation	-	(243)	(77)	(71)	(1,183)	(1,574)
Net book amount	20,303	-	49	6	14,592	34,950

Goodwill arising from business combination is allocated to the water supply service cash-generating unit ("CGU"), CIHL (Tianjin) Water Development Co., Limited ("Water Development") in the 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 as at 30 September 2024.

11. Property, plant and equipment

During the 9 months ended 30 September 2024 the Group acquired assets amounting to RMB 0.18 million and disposed of assets amounting to RMB 0.12 million.

12. Investment properties

The Group's investment properties are located in Beijing, Tianjin, Yichang, Hubei province and Baoding, Hebei province in the PRC, and are held as office building to generate rental income or

for sale respectively. The properties located in Beijing are leased to non-related parties under operating leases with rentals receivable.

	The Group	
	30.09.2024	31.12.2023
	RMB'000	RMB'000
Beginning of financial year	103,740	91,100
Additions during the financial period	8,273	31,178
Reclassification - net	-	(763)
Derecognised (Note 5 (b) (#))	(10,490)	-
Added value tax *	-	(4,074)
Fair value loss-net recognised in profit or loss	-	(13,701)
As at end of financial period	<u>101,523</u>	<u>103,740</u>

* Added value tax of RMB4.074 million in respect of investment properties in Yichang was reclassified as trade and other receivables.

As disclosed in the announcement on SGX-ST on 4 July 2023, the Group's investment properties in Yichang have had their transfers of title frozen by the local authorities. On 30 September 2024, included in the above sum of RMB101,523,000 are properties valued at fair value of RMB36.64 million which related to litigation in connection with the 2022 dividend distribution plan (refer to Note 16).

The properties are held at fair value. Changes in fair values are presented in consolidated statement of comprehensive income as part of other losses-net.

For the measurements of the Group's investment properties, the Group relies on valuation reports prepared by professionally qualified valuers at annual reporting dates.

13. Borrowings

	The Group and the Company	
	30.09.2024	31.12.2023
	RMB'000	RMB'000
Amount repayable within one year or on demand		
- Secured	3,657	1,998
- Unsecured	28,000	28,000
Amount repayable after one year		
- Secured	73,888	48,535

Borrowings of the Group are secured as follows:

- (1) First or second legal mortgage over certain investment properties and buildings of the Group;
- (2) A personal guarantee from the Group's Executive Chairman, Mr. Shan Chang;

(3) First legal mortgage over equity interests of a subsidiary and corporate guarantees provided by subsidiaries of the Group; and

(4) Secured over the contract assets of the Group.

14. Share capital

	The Group and the Company			
	30.09.2024		31.12.2023	
	Number of		Number of	
	shares	Amount	shares	Amount
	'000	RMB'000	'000	RMB'000
Beginning of financial period	77,981	19,452	75,871	18,898
Issue of ordinary shares by scrip dividend	-	-	1,760	462
Issue of ordinary shares by share awards vested	135	36	350	92
End of financial period	78,116	19,488	77,981	19,452

The Company did not hold any treasury shares as at 30 September 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 31 December 2023.

15. Investment in a joint venture company – Huike

	The Group
	RMB'000
2024	
Investment at equity method	
1 January 2024	96,357
Share of loss of joint venture	(96,357)
Net carrying amount on 30 September 2024	-

On 8 September 2022, Hubei Huike International Exhibition Service Co., Ltd ("Huike") was incorporated in the PRC as a special purpose vehicle with a share capital of RMB10,000,000 consisting of 10,000,000 ordinary shares to hold an exhibition asset. The Group, through a wholly owned subsidiary of the Group, CIHL (Tianjin) City Development Limited, had subscribed to a 50% equity interest of Huike at a cost of RMB5,000,000. The other shareholder, Beijing Mengqi Information Consulting Company Limited, holds the remaining 50% interest. The principal activity of Huike is to hold and manage an Exhibition Asset.

Summarised financial information of Huike

The tables below provide summarised financial information for Huike. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the

Group's share of those amounts. They have been amended to reflect adjustments made by the entity when applying the equity method.

Summarised statement of financial position of Huike

	30.09.2024	31.12.2023
	RMB'000	RMB'000
Current		
Cash and cash equivalents	124	127
Other current assets	2	2
Liabilities	(1,414)	(1,414)
Total current net liabilities	<u>(1,288)</u>	<u>(1,285)</u>
Non-current		
Assets ^(*)	-	194,000
Financial liabilities (excluding trade and other payables)	(184,000)	(184,000)
Total non-current net (liabilities) / assets	<u>(184,000)</u>	<u>10,000</u>
Net (liabilities) /assets	(185,288)	8,715
Reconciliation to carrying amount:		
Net assets at the beginning of financial period	8,715	9,826
Loss for the financial period	(194,003)	(1,111)
Closing net (liabilities) /assets	<u>(185,288)</u>	<u>8,715</u>
Group's share in %	50	50
Group's share of net (liabilities) / assets	(92,644)	4,357
Deemed investment	92,000	92,000
Carrying amount	(644)	96,357
For the financial period		
Loss allowance on other receivables due from KYWJ Group ^(#)	(194,000)	-
Loss for the financial period	(3)	(1,111)
Total comprehensive loss	(194,003)	(1,111)

* During the financial year ended 31 December 2022, Huike acquired the Exhibition Asset from the Group's associate, Beijing Kaiyuanwanjia Management Consulting Limited and its subsidiaries ("KYWJ Group") for a consideration of RMB194,000,000.

As at 31 December 2023, legal title for the Exhibition Asset had not been transferred to Huike. Notwithstanding that Huike had not yet obtained the relevant legal title to the Exhibition Asset, management had viewed that under the contractual agreement with the KYWJ Group, ownership of the Exhibition Asset clearly resided with Huike.

As disclosed in the announcements on SGX-ST on 3 June 2024 and 18 June 2024, the First Intermediate People's Court of Beijing issued its written Judgment on 31 May 2024. In its Judgment, the Court held that the claims raised by Huike are not established and as such, the

request lodged by Huike was denied. Huike has not filed an appeal against the judgment as the proposal to launch an appeal was rejected by Huike's co-shareholder. In consequence, the transaction in respect of the Exhibition Asset between Huike and KYWJ Group was deemed invalid. Based on the above Judgment and Huike's actions, long term assets of RMB194,000,000 has been derecognised and other receivables due from the KYWJ Group of RMB194,000,000 has been recognised. From the information in respect of KYWJ Group which management has obtained in recent periods and historical financial records of KYWJ Group before 18 December 2022, there is no reasonable expectation that Huike will be able to recover these amounts from KYWJ Group. A loss allowance of RMB194,000,000 on other receivables due from KYWJ Group has therefore been recognised by Huike in the financial period ending 30 September 2024.

16. Provision

	The Group	
	30.09.2024	31.12.2023
	RMB'000	RMB'000
Beginning of financial year	59,500	-
Amount recognised in profit or loss (*)	-	59,500
End of financial period	59,500	59,500

* Subsequent to the financial year ended 31 December 2023, preliminary judgments were made by the Yichang Dianjun District Court of the People's Republic of China related to the Group in respect of a litigation commenced by the plaintiff, Mr. Zhang Zhaowang in 2023. From the information available to the management and the advice obtained from the Group's legal advisers regarding this case, it was uncertain at that stage what the outcome of the appeal would be. Accordingly, management had made a provision in respect of such potential liabilities in the financial statements for the financial year ended 31 December 2023.

As announced on 19 June 2024, The Yichang Intermediate Court issued its written Judgment on the appeal on 18 June 2024. In its Judgment, the Yichang Intermediate Court upheld the decisions of the lower court, the above-mentioned Yichang Dianjun District Court, and rejected the Company's appeal. The decision by the Yichang Intermediate Court on this litigation commenced by Mr. Zhang Zhaowang against Yichang Zeyou Real Estate Development Co. LTD is final and unappealable. As the Court's verdict did not spell out the method of settlement, management has reassessed the Group's potential liabilities and decided that the provision be retained until there are further developments.

17. Subsequent events

There were several significant events in FY2023. These events were related to the disposal by the Group of the KYWJ's stake on 18 December 2022.

A summary of these significant events is set out below:

No.	Description	Date of Disclosure at SGX-ST	Status
1	Frozen Bank Account in China	2 April 2023	The bank account has been operating normally since 4 January 2024.
2	Appointment of RSM Corporate Advisory to conduct an Independent Review of the Disposal of the Group's share of 50% in the KYWJ Group	4 April 2023	The review work of RSM Corporate Advisory is still in progress.
3	Litigation commenced by plaintiff, Mr. Zhang Zhaowang	17 May 2023	The Yichang Intermediate Court issued its written judgment on the Company's appeal on 18 June 2024. Please refer to Note 16.
4	Temporary freeze on transfers of property titles	4 July 2023	No further developments. Please refer to Note 12.
5	Litigation in relation to convention center assets	4 July 2023	The First Intermediate People's Court of Beijing issued its written Judgment on 31 May 2024. The Group's JV company, Huike decided not to file an appeal against the judgment. Please refer to Note 15.

There are no other known subsequent events which would 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 30 September 2024 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 nine-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Profit or Loss Analysis

Revenue in nine-month period 2024 of the Group was RMB72.76 million, a decrease of RMB4.6 million or 6.0% compared RMB77.40 million in nine-month period 2023. The decrease of 6.0% came mainly from lower revenue on wastewater treatment services.

Lower revenue on wastewater treatment services was recorded on lower cost of wastewater treatment. The Group recognized this revenue based on its related costs as the price of wastewater treatment services has not yet been agreed.

A breakdown of revenue in nine-month period 2024 and nine-month period 2023 is as follows:

	9 months ended			
	30.09.2024	30.09.2023	Increase / (decrease)	
	RMB'000	RMB'000	RMB'000	%
Revenue				
- Water supply	17,347	16,967	380	2.2
- Construction of water pipeline	32,835	28,376	4,459	15.7
- Wastewater treatment services	22,580	32,061	(9,481)	(29.6)
	<u>72,762</u>	<u>77,404</u>	<u>(4,642)</u>	<u>(6.0)</u>

Included in Other (loss) / income - net in nine-month period 2024 are loss allowance of RMB11.66 million on other receivables, which mainly led other loss of RMB11.09 million in nine-month period 2024 against other income of RMB2.94 million in nine-month period 2023.

Share of loss from a joint venture in nine-month period 2024 was RMB96.36 million compared to loss of RMB0.56 million recorded in nine-month period 2023. The share of loss was attributed to Huike. The loss of Huike was mainly due to the loss allowance of RMB194.00 million on other receivables due from KYWJ being recognised in current financial period. For further details please refer to Note 15 of this announcement.

The Group recorded a net loss of RMB105.96 million in nine-month period 2024 compared to a

loss of RMB6.93 million for nine-month period 2023.

Analysis on Statement of Financial Position

Cash and cash equivalents as at 30 September 2024 was RMB 29.30 million compared to RMB 20.80 million on 31 December 2023.

Trade and other receivables increased from RMB240.60 million as at 31 December 2023 to RMB263.01 million as at 30 September 2024, mainly from higher amounts due from government bodies for wastewater treatment services provided by CIHL (Tianjin) Water Development Company Limited.

Investment in joint venture decreased to nil as at 30 September 2024 from RMB96.36 million on 31 December 2023 after the Group recognised its share of loss from joint venture in current financial period. For further details please refer to Note 15 of this announcement.

Cash Flows Analysis

Net cash used in operating activities amounted to RMB8.14 million in nine-month period 2024, mainly for payables and income tax.

Net cash used in investing activities amounted to RMB5.19 million in nine-month period 2024, mainly for payments of properties, plant and equipment.

Net cash provided by financing activities in nine-month period 2024 amounted to RMB21.82 million, mainly from borrowings.

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

The Company's independent auditors, Messrs CLA Global TS Public Accounting Corporation, had issued a disclaimer of opinion ("Disclaimer of Opinion") on the Group's audited financial statements for the financial year ended 31 December 2023 ("FY2023") (the "Audited Financial Statements"). The basis for the Disclaimer of Opinion is in relation to an independent review.

The Company has been cooperating with the independent reviewer to complete the latter's work. At the date of this announcement, the independent review has not been completed. The Company will make appropriate announcements when there are further material developments.

Based on current available information, the Board confirms that to the best of our understanding the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

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

After the PRC government reformulated its policy towards Covid-19 at the end of 2022, there has been an improvement in the economic climate, but the overall economy has not fully recovered. At this point in time the Group remains cautiously optimistic about general economic conditions for the next 12 months. Management will make prompt disclosure when it becomes aware of any material or significant information concerning its operations.

The Tianjin Lingang Water Co. Ltd, a subsidiary of the Group in August 2022 completed the expansion project and obtained the construction planning acceptance certificate in June 2023 to provide re-pressurized water from the Tianjin Water's pipeline network for supply to local users. The completed project will allow an increase in improving wastewater treatment and purification capacity in the related service areas.

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 the 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 also made full impairment for the related investment in the Group's project in Papua New Guinea in Q4 FY2015. With the support of local partners, the Group has secured a new exploration licence ("PPL 666") covering roughly the same area previously explored by the Group and its then partners for the previous license. The Group will review the viability of this project over the next few months.

The Group will continue to focus on cash generation from its portfolio of investment properties and further developing the water treatment business in China.

5. Dividend information

5a. Current Financial Period 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 Immediately Preceding Financial Year

None.

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 undertaking 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.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the nine-month period ended 30 September 2024 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Shan Chang
Executive Chairman

Zhu Jun
Executive Director

14 November 2024