

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

	12 months ended		Increase / (Decrease) %
	31.12.2018 RMB'000	31.12.2017 RMB'000	
Continuing operations			
Revenue	89,681	90,826	(1.3)
Cost of sales and services provided	<u>(38,657)</u>	<u>(37,012)</u>	4.4
Gross profit	51,024	53,814	(5.2)
Other income - net	7,767	34,135	(77.2)
Expenses			
- Administrative	(8,771)	(9,866)	(11.1)
- Other operating	(24,656)	(18,649)	32.2
- Finance	(2,391)	(8,718)	(72.6)
Share of (loss) / profit from associated companies accounted for using the equity method	<u>(2,902)</u>	<u>6,436</u>	(145.1)
Profit before income tax	20,071	57,152	(64.9)
Income tax expense	<u>(1,554)</u>	<u>(25,055)</u>	(93.8)
Profit for the financial year from continuing operations	18,517	32,097	(42.3)
Discontinued operations			
Profit for the financial year from discontinued operations	<u>-</u>	<u>2,894</u>	(100.0)
Profit for the financial year	<u>18,517</u>	<u>34,991</u>	(47.1)
Profit for the financial year attributable to:			
Owners of the parent	7,162	19,802	(63.8)
Non-controlling interests	<u>11,355</u>	<u>15,189</u>	(25.2)
	<u>18,517</u>	<u>34,991</u>	(47.1)
Total profit for the financial year attributable to equity holders of the Company arises from:			
Continuing operations	7,162	18,210	(60.7)
Discontinued operations	<u>-</u>	<u>1,592</u>	(100.0)
	<u>7,162</u>	<u>19,802</u>	(63.8)

Notes:

1. Operation of significant associated companies, the KYWJ Group

(i) The results of the KYWJ Group for FY2018 and FY2017 are as follow:

	12 months ended		Increase /
	31.12.2018	31.12.2017	(Decrease)
	RMB'000	RMB'000	%
Revenue	131,140	494,145	(73.5)
Cost of sales and services provided	(107,463)	(466,839)	(77.0)
Gross profit	<u>23,677</u>	<u>27,306</u>	(13.3)
Other income - net	271	4,852	(94.4)
Other operating expenses	(10,899)	(9,829)	10.9
Selling and marketing expenses	(21,166)	(10,570)	100.2
(Loss) / profit before income tax	<u>(8,117)</u>	<u>11,759</u>	(169.0)
Income tax credit	2,313	4,007	(42.3)
(Loss) / profit for the financial year	<u>(5,804)</u>	<u>15,766</u>	(136.8)

Notes (cont'd):

1. Operation of significant associated companies, the KYWJ Group (cont'd)

(ii) Statement of Financial Position as at 31 December 2018 for the KYWJ Group is as follows:

	31.12.2018 RMB'000	31.12.2017 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	161,262	161,726
	161,262	161,726
CURRENT ASSETS		
Property for development	849,912	693,033
Trade and other receivables	61,379	15,857
Cash and bank balances	113,594	44,481
Deferred tax assets	12,073	9,291
	1,036,958	762,662
CURRENT LIABILITIES		
Borrowing	23,053	-
Trade and other payables	934,251	674,768
	957,304	674,768
Net Current Assets	79,654	87,894
Total assets less current liabilities	240,916	249,620
NON-CURRENT LIABILITIES		
Deferred tax liabilities	41,977	44,880
Net Assets	198,939	204,740
Equity		
Share capital	4,444	4,444
Reserves	140,817	140,816
Accumulated profit	53,678	59,480
	198,939	204,740

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

- a. The total saleable area for the Phase 1, Phase 2, and “new” Phase 3-1 is approximately 363,695 square meters. As at 31 December 2018, the take-up rates for Phase 1-1, Phase 1-2, Phase 1-3, Phase 2 and “new” Phase 3-1 are 92.90%, 87.48%, 90.63%, 89.18% and 49.14% respectively. The total saleable area for “new” Phases 3-2 and 3-3 has not yet been approved.
- b. The cumulative revenue recognised in the income statement up to the current period is approximately RMB1,342 million. The cumulative sales and pre-sales amount to approximately RMB1,967 million, of which approximately RMB625 million belonging to pre-sales revenue which will only be recognised in income statement upon completion in a later period.

Notes (cont'd):

1. (iii)

- c. Phase 2-3 and the “new” Phase 3-1 are in the process of construction, with 35% of work remaining planned to complete by 2020. The “new” Phases 3-2 and 3-3 are in the process of construction, with 85% and 95% of work remaining to complete respectively. The KYWJ Group expects to complete the development of “new” Phases 3-2 and 3-3 by Quarter 4 of 2020.

2. Discontinued operations and disposal of the 5% interest in Yichang Project:

On 8 May 2017, the Company had announced that CIHL (Tianjin) City Development Limited, a wholly owned subsidiary of the Company, would on 7 May 2017 enter into a conditional sale and purchase agreement with Beijing Hongkunweiye Property Development Co. Ltd (“Purchaser”) in relation to the disposal of its 5% equity and debt interests in its subsidiaries, Beijing Kaiyuan Wanjia Management Consulting Company Limited and its subsidiaries (“KYWJ Group” or the “Yichang Project”) to the Purchaser.

On 1 June 2017, the Company completed the disposal of its 5% equity interest in the KYWJ Group. Following the disposal, the KYWJ Group ceased to be subsidiaries and instead became associated companies of the Company.

The financial results of the KYWJ Group from 01 January 2017 to 31 May 2017 have been accounted for as discontinued operations whereby the results of operations of the KYWJ Group have been excluded from the results of continuing operations and reported as discontinued operations.

The Company recognised its share of loss of RMB2.90 million in respect of the associated companies, KYWJ Group in FY 2018.

The Group's profit for the financial year is arrived at after crediting / (charging) the following:

	FY2018			FY2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	6,713	-	6,713	12,930	237	13,167
Rental income, net	1,230	-	1,230	1,072	-	1,072
Loss incurred as guarantor	-	-	-	-	(36)	(36)
Depreciation of property, plant and equipment	(9,487)	-	(9,487)	(8,187)	(371)	(8,558)
Currency translation loss	(162)	-	(162)	(262)	-	(262)
Gain on disposal of subsidiaries	-	-	-	6,415	-	6,415
Fair value gain on investment properties	-	-	-	2,700	-	2,700
Auditors' remuneration	(986)	-	(986)	(1,042)	-	(1,042)
Gain on waiver of amount payable	-	-	-	11,000	-	11,000
Share of (loss) / profit of associated companies	(2,902)	-	(2,902)	6,436	-	6,436

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2018 RMB'000	31.12.2017 RMB'000	31.12.2018 RMB'000	31.12.2017 RMB'000
Non-Current Assets				
Property, plant and equipment	172,572	143,877	-	-
Intangible assets	243	122	-	-
Investment properties	34,800	34,800	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Investment in associates	99,469	102,371	-	-
Deferred income tax assets	7,733	3,425	-	-
	335,120	304,898	196,000	196,000
Current Assets				
Inventories	1,750	2,165	-	-
Trade and other receivables	219,682	351,635	452,415	460,798
Other current assets	27,809	-	-	-
Cash and bank balances	64,266	57,063	1	1
	313,507	410,863	452,416	460,799
Current Liabilities				
Borrowings	28,000	90,848	-	-
Trade and other payables	143,709	180,505	142,387	146,932
Current income tax liabilities	25,853	15,235	-	-
	197,562	286,588	142,387	146,932
NET CURRENT ASSETS	115,945	124,275	310,029	313,867
TOTAL ASSETS LESS CURRENT LIABILITIES	451,065	429,173	506,029	509,867
Non-Current Liabilities				
Deferred income	16,300	-	-	-
Deferred income tax liabilities	19,394	29,440	-	-
	35,694	29,440	-	-
NET ASSETS	415,371	399,733	506,029	509,867
EQUITY				
Equity attributable to owners of the parent				
Share capital	17,779	17,779	17,779	17,779
Reserves	922,366	920,841	891,673	891,967
Accumulated losses	(627,608)	(631,518)	(403,423)	(399,879)
	312,537	307,102	506,029	509,867
Non-controlling interests	102,834	92,631	-	-
TOTAL EQUITY	415,371	399,733	506,029	509,867

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2018 (RMB'000)		As at 31.12.2017 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	28,000	23,748	67,100

Amount repayable after one year

As at 31.12.2018 (RMB'000)		As at 31.12.2017 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	12 months ended	
	31.12.2018 RMB'000	31.12.2017 RMB'000
Cash flows from operating activities		
Profit before income tax including discontinued operations	20,071	52,311
Adjustments for:		
- Depreciation of property, plant and equipment	9,487	8,558
- Interest expenses	2,391	8,718
- Interest income	(6,713)	(13,167)
- Gain on disposal of property, plant and equipment	(15)	(80)
- Gain on disposal of subsidiaries	-	(6,415)
- Share of loss / (gain) of associates	2,902	(6,436)
- Fair value gain on investment properties	-	(2,700)
- Gain on partial waiver of amount payable	-	(11,000)
- Unrealised currency translation gain	-	(735)
	<u>28,123</u>	<u>29,054</u>
Changes in working capital		
- Development properties	-	(104,765)
- Inventories	415	1,404
- Other current assets	(27,809)	-
- Trade and other receivables	(29,829)	9,271
- Trade and other payables	(7,775)	133,336
Cash provided by operations	<u>(36,875)</u>	<u>68,300</u>
Interest paid	-	(5,955)
PRC income tax paid	<u>(4,330)</u>	<u>(27,738)</u>
Net cash (used in) / provided by operating activities	<u>(41,205)</u>	<u>34,607</u>
Cash flows from investing activities		
Disposal of subsidiaries, net of cash disposed of	-	20,116
Increase of restricted bank balances pledged	(1)	(5,854)
Interest received	393	554
Purchases of property, plant and equipment	(21,883)	(52,806)
Purchases of intangible assets	(121)	-
Proceeds from disposal of property, plant and equipment	15	80
Repayment of loans from an associated company	<u>168,980</u>	<u>59,800</u>
Net cash provided by investing activities	<u>147,383</u>	<u>21,890</u>
Cash flows from financing activities		
Interest and other finance costs paid	(6,129)	(10,067)
Cash from non-controlling interest investment	-	2,250
Purchase of treasury shares	(8)	(1)
Sale of treasury shares	9	-
Borrowings from non-related parties	-	28,000
Repayments of borrowings		
- non-related parties	(23,748)	(104,765)
- related parties	(39,100)	(1,000)
Special dividend paid	-	(51,130)
Dividend paid to a non-controlling shareholder	<u>(30,000)</u>	<u>(10,000)</u>
Net cash used in financing activities	<u>(98,976)</u>	<u>(146,713)</u>

	12 months ended	
	31.12.2018	31.12.2017
	RMB'000	RMB'000
Net increase / (decrease) in cash and cash equivalents	7,202	(90,216)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF FINANCIAL YEAR	56,918	146,399
Effects of exchange rate changes on cash and cash equivalents	-	735
End of financial year	<u>64,120</u>	<u>56,918</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	64,266	57,063
Restricted bank balances	<u>(146)</u>	<u>(145)</u>
	<u>64,120</u>	<u>56,918</u>

As at 31 December 2018, cash equivalents include restricted bank balances of approximately RMB146,000 (31 December 2017, RMB145,000) for securing the performance and fund utilization for a land development project of the Company.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP

	← Attributable to owners of the parent →											Non-controlling Interests RMB'000	Total Equity RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Statutory Reserves RMB'000	Capital Redemption Reserve RMB'000	Exchange Reserve RMB'000	Share Options Reserve RMB'000	Treasury shares RMB'000	Accumulated Losses RMB'000	Subtotal RMB'000		
2017													
Beginning of financial year	257,321	46,060	565,589	7,268	23,767	8,324	(2,147)	7,409	-	(573,574)	340,017	202,313	542,330
Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	19,802	19,802	15,189	34,991
Transfer	-	-	-	-	2,051	-	-	-	-	(2,051)	-	-	-
Disposal of subsidiaries	-	-	-	496	(2,082)	-	-	-	-	-	(1,586)	(87,121)	(88,707)
Capital reorganisation	(244,455)	-	244,455	-	-	-	-	-	-	-	-	-	-
Special dividend	-	-	-	-	-	-	-	-	-	(75,695)	(75,695)	(40,000)	(115,695)
Scrip shares issued	4,913	19,652	-	-	-	-	-	-	-	-	24,565	-	24,565
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	2,250	2,250
Share buybacks	-	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
End of financial year	17,779	65,712	810,044	7,764	23,736	8,324	(2,147)	7,409	(1)	(631,518)	307,102	92,631	399,733
2018													
Beginning of financial year	17,779	65,712	810,044	7,764	23,736	8,324	(2,147)	7,409	(1)	(631,518)	307,102	92,631	399,733
Adoption of IFRS 15	-	-	-	-	-	-	-	-	-	(1,728)	(1,728)	(1,152)	(2,880)
Balance as at 1 January 2018	17,779	65,712	810,044	7,764	23,736	8,324	(2,147)	7,409	(1)	(633,246)	305,374	91,479	396,853
Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	7,162	7,162	11,355	18,517
Transfer	-	-	-	-	1,819	-	-	-	-	(1,819)	-	-	-
Share options lapsed	-	-	-	-	-	-	-	(295)	-	295	-	-	-
Share buybacks	-	-	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Sale of treasury shares	-	-	-	-	-	-	-	-	9	-	9	-	9
End of financial year	17,779	65,712	810,044	7,764	25,555	8,324	(2,147)	7,114	-	(627,608)	312,537	102,834	415,371

COMPANY

	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Capital Redemption Reserve RMB'000	Share Options Reserve RMB'000	Treasury shares RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
2017									
Beginning of financial year	257,321	46,060	565,589	479	8,324	7,409	-	(319,188)	565,994
Total comprehensive loss for the financial year	-	-	-	-	-	-	-	(4,995)	(4,995)
Capital reorganisation	(244,455)	-	244,455	-	-	-	-	-	-
Special dividend	-	-	-	-	-	-	-	(75,696)	(75,696)
Scrip shares issued	4,913	19,652	-	-	-	-	-	-	24,565
Share buybacks	-	-	-	-	-	-	(1)	-	(1)
End of financial year	17,779	65,712	810,044	479	8,324	7,409	(1)	(399,879)	509,867
2018									
Beginning of financial year	17,779	65,712	810,044	479	8,324	7,409	(1)	(399,879)	509,867
Total comprehensive loss for the financial year	-	-	-	-	-	-	-	(3,839)	(3,839)
Share options lapsed	-	-	-	-	-	(295)	-	295	-
Share buybacks	-	-	-	-	-	-	(8)	-	(8)
Sale of treasury shares	-	-	-	-	-	-	9	-	9
End of financial year	17,779	65,712	810,044	479	8,324	7,114	-	(403,423)	506,029

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

A capital reorganization exercise of reducing the par value of each share from S\$1.00 to S\$0.05 was completed and became effective on 20 May 2017.

On 27 June 2017, 20,003,350 new shares (“New Shares”) were allotted and issued at an issue price of S\$0.25 per New Share in the sum of S\$5,000,528 (approximately equivalent to RMB24,565,000) to eligible shareholders of the Company who have elected to participate in the Scrip Dividend Scheme.

As announced on 01 December 2018, the Company repurchased 3,600 unit of shares during the period 21 December 2017 to 16 October 2018.

As at 31 December 2018, 400,000 options granted in accordance with CIHL Share Option Scheme 2010 have lapsed and 2.3 million options remain outstanding (31 December 2017: 2.7 million). If all of these options are exercised, 2,300,000 shares in the capital of the Company would be issued on conversion. Under the 2010 scheme, 2,300,000 options representing 100% (of all options granted under the Scheme) could be exercised as at 31 December 2018 (31 December 2017: 2,700,000, 100%).

The Company did not hold any of its issued shares as treasury shares as at 31 December 2018 (31 December 2017: 400 shares).

The Company did not hold any of its issued shares as subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.2018	31.12.2017
Total number of issued shares	71,233,533	71,233,533
Less: treasury shares	-	(400)
Total number of issued shares excluding treasury shares	<u>71,233,533</u>	<u>71,233,133</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Treasury shares
Beginning of FY2018	400
Share buyback in FY2018	3,200
Sale of treasury shares	<u>(3,600)</u>
End of FY2018	<u>-</u>

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's external auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the same accounting policies and methods of computations used in the audited financial statements for the year ended 31 December 2017 have been applied to the financial statements for the current year.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new *IFRS 9 Financial Instruments* and *IFRS 15 Revenue from contracts with customers* effective for the financial year beginning on or after 1 January 2018.

The Group previously recognised revenue from construction of water pipeline contracts ("Construction Contracts") over the period of the contract activity with reference to the stage of completion.

In FY2018, the Group has assessed the implications of the adoption of IFRS 15 based on Construction Contracts entered with the customers. Based on the assessment of the Construction Contracts, each comprise of a single performance obligation which is satisfied at a point in time, i.e. when the promised services has been handover to the customer. Hence, revenue is recognised upon the completion of services rendered.

For the transition to IFRS 15, the Group has elected to apply the modified retrospective transition approach by adjusting the cumulative effect of initially applying this standard to the retained earnings as at 1 January 2018. The effect of adjustment to opening retained earnings is RMB2.88 million.

The cumulative effect made to the consolidated Statement of Financial Position as at 1 January 2018 for the adoption of IFRS 15 is as follow:

	Balance as at 31 December 2017	Effect of IFRS 15	Balance as at 01 January 2018
	RMB'000	RMB'000	RMB'000
Statements of Financial Position			
ASSETS			
Current assets			
Trade and other receivables	351,421	(1,659)	349,762
Other current assets - costs to fulfil a contract	-	2,962	2,962
LIABILITIES			
Current liabilities			
Trade and other payables	180,291	5,143	185,434
Current income tax liabilities	15,235	(960)	14,275
EQUITY			
Equity attributable to equity holders of the Company			
Accumulated losses	(631,518)	(1,728)	(633,246)
Non-controlling interests	92,631	(1,152)	91,479

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	31.12.2018	31.12.2017
Earnings attributable to owners of the parent (RMB'000)		
-Continuing operations	7,162	18,210
-Discontinued operations	-	1,592
	<u>7,162</u>	<u>19,802</u>
Weighted average number of ordinary shares in issue ('000)	<u>71,234</u>	<u>61,533</u>
Basic and diluted earnings per share (RMB fen)		
-Continuing operations	10.05	29.59
-Discontinued operations	-	2.59
	<u>10.05</u>	<u>32.18</u>

Basic earnings per share is calculated by dividing the profit for the financial years attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial years.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding and to assume the deemed exercise of the share options outstanding during the financial years have been issued at no consideration.

The share options of 2,300,000 (31 December 2017: 2,700,000) are anti-dilutive as the exercise prices of the share options were higher than the average market prices of the Company's ordinary shares during the financial years ended 31 December 2018 and 31 December 2017.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net asset value * (RMB'000)	312,537	307,102	506,029	509,867
Number of shares ('000)	71,234	71,233	71,234	71,233
Net asset per share (RMB)	4.387	4.311	7.104	7.158

* Exclude non-controlling interests

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit or Loss Analysis

Revenue in FY2018 of the Group was RMB89.68 million, a decrease of RMB1.15 million or 1.3% compared RMB90.83 million in FY2017.

Cost of sales and services provided in FY2018 increased by 4.4% to RMB38.66 million, an increase of RMB1.65 million as compared to RMB37.01 million in FY2017. The increase is mainly due to higher cost of water operations.

Gross profit margin decreased from 59.2% in FY2017 to 56.9% in FY2018, as the cost of sales went up in FY2018 by 4.4%.

Other income in FY2018 was RMB7.77 million, representing a decrease of RMB26.37 million as compared to the RMB34.14 million in FY2017. The decrease of 77.2% was attributed mainly to a gain on disposal of subsidiaries and a gain on waiver of amount payable recorded in the previous year.

Other operating expenses in FY2018 were RMB24.66 million, which represent an increase of RMB6.01 million as compared to the RMB18.65 million in FY2017. This increase of 32.2% arose mainly from legal and professional expenses in FY2018, after the Company paid professional service expenses in respect of disposal of Yichang project, and staff costs.

Finance costs in FY2018 was RMB2.39 million, a decrease of RMB6.33 million or 72.6% as compared to the RMB8.72 million in FY2017. The decrease was mainly due to lower interest expenses following the repayment of borrowings in Quarter 2 of FY2018.

Share of loss from associated companies in FY2018 was RMB2.90 million while a share of profit of RMB6.44 million was recorded in FY2017. A loss in FY2018 is attributed from the KYWJ Group due to a higher expenses incurred for general advertising / marketing activities by the new operating

company, Hong Kun which focused more on advertising and marketing to attract new buyers.

The Group recorded an after tax profit of RMB18.52 million in FY2018 compared to RMB32.10 million in FY2017.

Analysis on Statement of Financial Position

Property, plant and equipment increased from RMB143.88 million as at 31 December 2017 to RMB172.57 million as at 31 December 2018, which was mainly due to the construction of the new project (新河再生水厂项目) in CIHL (Tianjin) Water Development Company Limited.

Trade and other receivables decreased from RMB351.64 million as at 31 December 2017 to RMB219.68 million as at 31 December 2018, which was mainly due to a decrease in amount due from an associated company, Yichang Xinshougang Property Development Company Limited.

Other current assets of RMB27.81 million as at 31 December 2018 mainly comprises the direct costs incurred for a temporary wastewater treatment services supplied and pipe line construction in CIHL (Tianjin) Water Development Company Limited.

Total borrowings decreased from RMB90.85 million as at 31 December 2017 to RMB28.00 million as at 31 December 2018, since the deducted amount has been repaid by the Company.

Trade and other payables decreased from RMB180.51 million as at 31 December 2017 to RMB143.71 million as at 31 December 2018, which was mainly due to dividend payment to a non-controlling shareholder.

Deferred income of RMB16.30 million as at 31 December 2018 represents a grant from the government for supporting the new project (新河再生水厂项目) in CIHL (Tianjin) Water Development Company Limited. The deferred income will be credited as Other Income over the life of the related assets, in the same manner in which that asset is depreciated.

Cash and bank balances as at 31 December 2018 was RMB64.27 million as compared to RMB57.06 million as at 31 December 2017.

Cash Flows Analysis

As at 31 December 2018, included in cash and bank balances are restricted bank balances of approximately RMB146,000, which was deposited for securing the performance and fund utilisation for a land development project of the Group.

Net cash used in operating activities was RMB41.20 million in FY2018, and comprised mainly of payments of refundable deposits made by CIHL (Tianjin) City Development Limited, and temporary wastewater treatment services costs in CIHL (Tianjin) Water Development Company Limited.

Net cash provided by investing activities in FY2018 was RMB147.38 million, mainly from recovery of loans made to the KYWJ Group.

Net cash used in financing activities in FY2018 was RMB98.98 million, mainly for the payment of dividend to a non-controlling shareholder and for the repayment of borrowings.

- 9 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.

- 10 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 reporting period and the next 12 months.

The Group expects the current operations of the Tianjin Water project (“Tianjin Water”) to have a positive performance in 2019. The Group has commenced the construction of the new project (新河再生水厂项目) in 2018 and expects to complete the construction of the new project in the second half of 2019. The new project is a water treatment plant for reclaimed water (再生水厂). It will treat the water discharged from a wastewater treatment plant (污水处理厂) to the standard of reclaimed water, and to be fed into the network of the Tianjin Water. It is expected to significantly increase the water supply capacity of Tianjin Water when completed. The new project is expected to cost approximately RMB160 million and will be financed from internal cash resources and debt financing.

The Company has no other investment plans at present and is focusing on the execution of the existing plans.

Subsequent to the disposal of its 5% interest, the Group retained 50% shareholding in the KYWJ Group with significant influence and became a significant associated company to the Group. Property development remains a significant focus to the Group. As of to-date, the property development project is still in development, and has commenced the development in “new” Phases 3-1, 3-2 and 3-3 during FY2018. The KYWJ Group is expecting to continuously generate cash inflow through the sales of available units from completed Phases 1 and 2 and pre-sales of Phase 3-1.

The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and is considering to dispose this investment when there is an opportunity. The project will remain under care and maintenance.

The Group has made full impairment for the related investment in the Group’s project in Papua New Guinea in Q4 FY2015 and is considering to dispose this investment when there is an opportunity.

The Group will going forward be focused on cash generation from property development and further developing the water treatment business in China.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared nor recommended by the directors on fourth quarter and the financial year ended 31 December 2018.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business activities

	Continuing operations			Total RMB'000
	Water supply services RMB'000	Land development RMB'000	All other segments RMB'000	
Financial year ended 31 December 2018				
Total segment revenue	89,681	-	-	89,681
Inter-segment revenue	-	-	-	-
Revenue from external parties	89,681	-	-	89,681
 Segment results	 51,024	 -	 -	 51,024
Interest income	351	1	6,361	6,713
Rental income	-	-	1,230	1,230
Other income	14	-	(28)	(14)
Administrative expenses	-	-	(8,771)	(8,771)
Other operating expenses	(11,437)	(1,670)	(11,549)	(24,656)
Currency translation loss	-	-	(162)	(162)
Operating profit				25,364
Finance costs	-	-	(2,391)	(2,391)
Share of profit of associated companies	-	-	(2,902)	(2,902)
Income tax (expense) / credit	(10,807)	-	9,253	(1,554)
 PROFIT FOR THE FINANCIAL YEAR				 18,517
Depreciation	(8,963)	(7)	(517)	(9,487)

Continuing operations

	Water supply services RMB'000	Land development RMB'000	All other segments RMB'000	Total RMB'000
As at 31 December 2018				
Total assets	284,745	31,013	332,869	648,627
Total assets includes:				
Property, plant and equipment	164,415	11	8,146	172,572
Intangible assets	243	-	-	243
Goodwill	20,303	-	-	20,303
Investment properties	-	-	34,800	34,800
Investment in associated companies	-	-	99,469	99,469
Deferred income tax assets	5,647	-	2,086	7,733
Inventories	1,750	-	-	1,750
Other current assets	27,809	-	-	27,809
Trade and other receivables	26,510	18,334	174,838	219,682
Cash and cash equivalents	38,068	12,668	13,530	64,266
Total assets				648,627
 Addition to non-current assets	 54,304	 -	 65	 54,369
As at 31 December 2018				
Total liabilities	122,044	4,156	107,056	233,256
Total liabilities includes:				
Short term borrowings	-	-	28,000	28,000
Trade and other payables	86,470	3,635	53,604	143,709
Current income tax liabilities	19,274	521	6,058	25,853
Deferred income tax liabilities	-	-	19,394	19,394
Deferred income	16,300	-	-	16,300
Total liabilities				233,256

	Continuing operations			Discontinued operations	
	Water supply services	Land development	All other segments	Property development	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial year ended					
31 December 2017					
Total segment revenue	90,826	-	-	392,438	483,264
Inter-segment revenue	-	-	-	(645)	(645)
Revenue from external parties	90,826	-	-	391,793	482,619
Segment results	53,814	-	-	765	54,579
Interest income	390	26	12,514	237	13,167
Rental income	-	-	1,072	-	1,072
Other income	-	-	11,280	1,500	12,780
Administrative expenses	-	-	(9,866)	-	(9,866)
Other operating expenses	(7,250)	(1,988)	(9,411)	(4,003)	(22,652)
Selling and marketing expenses	-	-	-	(3,340)	(3,340)
Fair value gain on investment properties	-	-	2,700	-	2,700
Gain on disposal of subsidiaries	-	-	6,415	-	6,415
Currency translation loss	-	-	(262)	-	(262)
Operating profit					54,593
Finance costs	-	-	(8,718)	-	(8,718)
Share of profit of associated companies	-	-	6,436	-	6,436
Income tax (expense) / credit	(11,594)	-	(13,461)	7,735	(17,320)
PROFIT FOR THE FINANCIAL YEAR					34,991
Depreciation	(7,390)	(29)	(768)	(371)	(8,558)
Reversal of development properties write-down	-	-	-	67,034	67,034

Continuing operations

	Water supply services RMB'000	Land development RMB'000	All other segments RMB'000	Total RMB'000
As at 31 December 2017				
Total assets	238,426	16,484	460,851	715,761
Total assets includes:				
Property, plant and equipment	136,013	18	7,846	143,877
Intangible assets	122	-	-	122
Goodwill	20,303	-	-	20,303
Investment properties	-	-	34,800	34,800
Investment in associated companies	-	-	102,371	102,371
Deferred income tax assets	1,339	-	2,086	3,425
Inventories and properties for development	2,165	-	-	2,165
Trade and other receivables	28,282	15,948	307,405	351,635
Cash and cash equivalents	50,202	518	6,343	57,063
Total assets				<u>715,761</u>
 Addition to non-current assets	 52,702	 -	 10	 52,712
As at 31 December 2017				
Total liabilities	<u>151,324</u>	<u>4,787</u>	<u>159,917</u>	<u>316,028</u>
Total liabilities includes:				
Short term borrowings	23,748	-	67,100	90,848
Trade and other payables	118,919	4,266	57,320	180,505
Current income tax liabilities	8,657	521	6,057	15,235
Deferred income tax liabilities	-	-	29,440	29,440
Total liabilities				<u>316,028</u>

(b) Geographical location

The income and profits of the Group are derived wholly in one geographical market, namely, the People's Republic of China (the "PRC").

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

This has been addressed in note 8 to this announcement.

15 A breakdown of sales.

	Latest Financial Year RMB'000 Group	Previous Financial Year RMB'000 Group	Increase/ (Decrease) %
(a) Turnover reported for first half year	36,898	50,519	(27.0)
(b) Operating profit / (loss) after tax before deducting minority interests reported for first half year	65	25,407	(99.7)
(c) Turnover reported for second half year	52,783	40,307	31.0
(d) Operating profit after tax before deducting minority interests reported for second half year	18,452	9,584	92.5

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2018	2017
Ordinary	-	S\$15,369,054.90
Preference	-	-
Total Annual Dividend	-	S\$15,369,054.90

17 If the Group has obtained a general mandate from shareholders for interested persons transactions ('IPT'), the aggregate value of such transaction as required under Rule 902(1)(a)(ii). If non mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for interested person transactions.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal Subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

None of the employees occupying a managerial position in the Company and any of its principal subsidiaries is a relative of any director, chief executive officer or substantial shareholder of the Company.

19 Undertakings confirmation pursuant to Rule 720(1)

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Zhang Rong Xiang
Managing Director
01 March 2019