

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

	3 months ended		Increase / (Decrease) %
	31.03.2018 RMB'000	31.03.2017 RMB'000	
<b>Continuing operations</b>			
<b>Revenue</b>	15,421	19,952	(22.7)
Cost of sales and services provided	(5,856)	(5,090)	15.0
<b>Gross profit</b>	9,565	14,862	(35.6)
Other income - net	2,983	17,217	(82.7)
Expenses			
- Administrative	(2,393)	(2,448)	(2.2)
- Other operating	(7,969)	(4,227)	88.5
- Finance	(1,344)	(3,108)	(56.8)
Share of profit from associated companies accounted for using the equity method	364	-	NM
<b>Profit before income tax</b>	1,206	22,296	(94.6)
Income tax expense	(1,569)	(3,326)	(52.8)
<b>(Loss) / profit for the financial period from continuing operations</b>	(363)	18,970	(101.9)
<b>Discontinued operations</b>			
Loss for the financial period from discontinued operations	-	(7,039)	(100.0)
<b>(Loss) / profit for the financial period</b>	(363)	11,931	(103.0)
<b>(Loss) / profit for the financial period attributable to:</b>			
Owners of the parent	(2,471)	11,163	(122.1)
Non-controlling interests	2,108	768	174.5
	(363)	11,931	(103.0)
<b>Total (loss) / profit for the financial period attributable to equity holders of the Company arises from:</b>			
Continuing operations	(2,471)	15,034	(116.4)
Discontinued operations	-	(3,871)	(100.0)
	(2,471)	11,163	(122.1)

NM: Not Meaningful

Notes:

1. Discontinued operations and disposal of the 5% interest in Yichang Project: Beijing Kaiyuan Wanjia Management Consulting Company Limited and its subsidiaries.

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 Hongkunweiyue 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 March 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 profit of RMB0.36 million in respect of the KYWJ Group instead of accounting for its results as discontinued operations in Q1 2018.

2. Operation of significant associated companies, the KYWJ Group

(i) The results of the KYWJ Group for Q1 2018 and Q1 2017 are as follow:

	3 months ended		Increase / (Decrease) %
	31.03.2018 RMB'000	31.03.2017 RMB'000	
<b>Revenue</b>	67,988	22,234	205.8
Cost of sales and services provided	(63,971)	(24,373)	162.5
<b>Gross profit / (loss)</b>	4,017	(2,139)	287.8
Other income - net	19	137	(86.1)
Other operating expenses	(1,280)	(2,206)	(42.0)
Selling and marketing expenses	(2,770)	(2,027)	36.7
<b>Loss before income tax</b>	(14)	(6,235)	(99.8)
Income tax credit / (expenses)	742	(804)	(192.3)
<b>Profit / (loss) for the financial period</b>	728	(7,039)	110.3

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

	31.03.2018 RMB'000'	31.12.2017 RMB'000'
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	175,468	161,726
	<b>175,468</b>	<b>161,726</b>
<b>CURRENT ASSETS</b>		
Property for development	682,918	693,033
Trade and other receivables	633,298	15,857
Cash and bank balances	35,212	44,481
Deferred tax assets	10,165	9,291
	<b>1,361,593</b>	<b>762,662</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	-	-
Trade and other payables	1,287,498	674,768
	<b>1,287,498</b>	<b>674,768</b>
<b>Net Current Assets</b>	74,095	87,894
<b>Total assets less current liabilities</b>	249,563	249,620
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	44,093	44,880
<b>Net Assets</b>	<b>205,470</b>	<b>204,740</b>
<b>Equity</b>		
Share capital	4,444	4,444
Reserves	140,816	140,816
Accumulated profit	60,210	59,480
	<b>205,470</b>	<b>204,740</b>

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

	Q1 - 2018			Q1 - 2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	2,797	-	2,797	6,177	-	6,177
Rental income, net	323	-	323	-	-	-
Depreciation of property, plant and equipment	(2,455)	-	(2,455)	(2,095)	-	(2,095)
Currency translation loss	(108)	-	(108)	(38)	-	(38)
Auditors' remuneration	(217)	-	(217)	(218)	-	(218)
Gain on waiver of amount payable	-	-	-	11,000	-	11,000
Share of profit of associated companies	364	-	364	-	-	-

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	
	31.03.2018 RMB'000	31.12.2017 RMB'000	31.03.2018 RMB'000	31.12.2017 RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	159,870	143,877	-	-
Intangible assets	122	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	102,735	102,371	-	-
Deferred income tax assets	3,611	3,425	-	-
	<b>321,441</b>	<b>304,898</b>	<b>196,000</b>	<b>196,000</b>
<b>Current Assets</b>				
Development properties	-	-	-	-
Inventories	2,626	2,165	-	-
Trade and other receivables	316,039	351,421	458,795	460,798
Cash and cash equivalents	39,751	57,063	1	1
	<b>358,416</b>	<b>410,649</b>	<b>458,796</b>	<b>460,799</b>
<b>Current Liabilities</b>				
Borrowings	78,856	90,848	-	-
Trade and other payables	157,839	180,291	146,026	146,932
Current income tax liabilities	14,374	15,235	-	-
	<b>251,069</b>	<b>286,374</b>	<b>146,026</b>	<b>146,932</b>
<b>NET CURRENT ASSETS</b>	<b>107,347</b>	<b>124,275</b>	<b>312,770</b>	<b>313,867</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>428,788</b>	<b>429,173</b>	<b>508,770</b>	<b>509,867</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	-	-	-
Deferred income tax liabilities	29,421	29,440	-	-
	<b>29,421</b>	<b>29,440</b>	-	-
<b>NET ASSETS</b>	<b>399,367</b>	<b>399,733</b>	<b>508,770</b>	<b>509,867</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	17,779	17,779	17,779	17,779
Reserves	920,867	920,841	891,964	891,967
Accumulated losses	(634,018)	(631,518)	(400,973)	(399,879)
	304,628	307,102	508,770	509,867
Non-controlling interests	94,739	92,631	-	-
<b>TOTAL EQUITY</b>	<b>399,367</b>	<b>399,733</b>	<b>508,770</b>	<b>509,867</b>

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

Amount repayable in one year or less, or on demand

As at 31.03.2018 (RMB'000)		As at 31.12.2017 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
11,756	67,100	23,748	67,100

Amount repayable after one year

As at 31.03.2018 (RMB'000)		As at 31.12.2017 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The borrowings of the Group are secured as follows:

- (i) First legal mortgage over the entire pipeline network of the Group; and
- (ii) First legal mortgage over certain investment properties, land and buildings of the Group.

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.

	3 months ended	
	31.03.2018	31.03.2017
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before income tax including discontinued operations	1,206	16,061
Adjustments for:		
- Depreciation of property, plant and equipment	2,455	2,095
- Interest expenses	1,343	3,106
- Interest income	(2,797)	(6,177)
- Waiver of payable	-	(11,000)
- Share of results of associated companies	(364)	-
	<u>1,843</u>	<u>4,085</u>
Changes in working capital		
- Development properties	-	(85,014)
- Inventories	(461)	79
- Trade and other receivables	(1,744)	10,933
- Trade and other payables	(13,594)	72,075
Cash provided by operations	<u>(13,956)</u>	<u>2,158</u>
Interest paid	-	(5,955)
PRC income tax paid	(2,633)	(5,483)
Net cash used in operating activities	<u>(16,589)</u>	<u>(9,280)</u>
<b>Cash flows from investing activities</b>		
Interest received	106	222
Purchases of property, plant and equipment	(18,505)	(10,446)
Increase of restricted bank deposits	-	(2,218)
Repayment of loans from an associated company	40,000	-
Net cash provided by / (used in) investing activities	<u>21,601</u>	<u>(12,442)</u>
<b>Cash flows from financing activities</b>		
Interest and other finance costs paid	(329)	(7,009)
Repayments of borrowings to a non-related parties	(11,992)	(70,862)
Dividend paid to a non-controlling shareholder	(10,000)	-
Purchase of treasury shares	(3)	-
Net cash used in financing activities	<u>(22,324)</u>	<u>(77,871)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,312)</b>	<b>(99,593)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
BEGINNING OF FINANCIAL PERIOD	56,918	146,399
END OF FINANCIAL PERIOD	<u>39,606</u>	<u>46,806</u>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	39,751	59,600
Restricted bank balances	(145)	(12,794)
	<u>39,606</u>	<u>46,806</u>

As at 31 March 2018, cash and cash equivalents include restricted bank balances of approximately RMB145,000 (31 March 2017: RMB12,794,000)

The restricted cash mainly comprise of:

- (i) Restricted bank balances of approximately RMB145,000 (31 March 2017: RMB143,000) for securing the performance and fund utilization for a land development project of the Group; and
- (ii) Cash of RMBnil (31 March 2017: RMB12,651,000) deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the buyers of the Group's development properties. Such guarantees will only be released after the loan has been settled or issued of the real estate ownership certificate to the buyers, whichever is earlier.



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
<b>2017</b>													
<b>Beginning of financial period</b>	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 period	-	-	-	-	-	-	-	-	-	11,163	11,163	768	11,931
Transfer	-	-	-	-	578	-	-	-	-	(578)	-	-	-
<b>End of financial period</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>7,268</b>	<b>24,345</b>	<b>8,324</b>	<b>(2,147)</b>	<b>7,409</b>	<b>-</b>	<b>(562,989)</b>	<b>351,180</b>	<b>203,081</b>	<b>554,261</b>
<b>2018</b>													
<b>Beginning of financial period</b>	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
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	-	(2,471)	(2,471)	2,108	(363)
Transfer	-	-	-	-	29	-	-	-	-	(29)	-	-	-
Share buybacks	-	-	-	-	-	-	-	-	(3)	-	(3)	-	(3)
<b>End of financial period</b>	<b>17,779</b>	<b>65,712</b>	<b>810,044</b>	<b>7,764</b>	<b>23,765</b>	<b>8,324</b>	<b>(2,147)</b>	<b>7,409</b>	<b>(4)</b>	<b>(634,018)</b>	<b>304,628</b>	<b>94,739</b>	<b>399,367</b>

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
<b>2017</b>									
<b>Beginning of financial period</b>	257,321	46,060	565,589	479	8,324	7,409	-	(319,188)	565,994
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	(1,262)	(1,262)
<b>End of financial period</b>	<u>257,321</u>	<u>46,060</u>	<u>565,589</u>	<u>479</u>	<u>8,324</u>	<u>7,409</u>	<u>-</u>	<u>(320,450)</u>	<u>564,732</u>
<b>2018</b>									
<b>Beginning of financial period</b>	17,779	65,712	810,044	479	8,324	7,409	(1)	(399,879)	509,867
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	(1,094)	(1,094)
	-	-	-	-	-	-	(3)	-	(3)
<b>End of financial period</b>	<u>17,779</u>	<u>65,712</u>	<u>810,044</u>	<u>479</u>	<u>8,324</u>	<u>7,409</u>	<u>(4)</u>	<u>(400,973)</u>	<u>508,770</u>

- 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.

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 to eligible shareholders of the Company who have elected to participate in the Scrip Dividend Scheme.

A capital reorganisation 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.

As at 31 March 2018 and 31 March 2017, 2,700,000 options granted in accordance with CIHL Share Option Scheme 2010 remained outstanding. If all of these options are exercised, 2,700,000 shares in the capital of the Company would be issued on conversion. Under the 2010 scheme, 2,700,000 options representing 100% (of all options granted under the Scheme) could be exercised as at 31 March 2018 and 31 March 2017.

The Company held 1,000 unit of its issued shares as treasury shares as at 31 March 2018 (31 March 2017: nil).

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

As at 31 March 2018, the number of issued shares excluding treasury shares and subsidiary holdings was 71,232,533 ordinary shares (31 December 2017: 71,233,133).

- 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.

Not applicable.

- 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.

There are a number of new or revised International Financial Reporting Standards (“IFRSs”) and related interpretations promulgated by International Financial Reporting Interpretations Committee (“IFRICs”) that are effective for accounting periods beginning on or after 1 January 2018. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the financial period ended 31 March 2018. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the financial period ended 31 March 2018 are the same as those used in the annual financial statements of the Group for the financial year ended 31 December 2017.

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 or amended IFRSs and IFRICs that are mandatory for application for financial year beginning on or after 1 January 2018. The adoption of these new or amended IFRSs and IFRICs did not result in substantial changes to the Group’s accounting policies nor any significant impact on the consolidated financial statements.

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.

	31.03.2018	31.03.2017
(Loss) / earnings attributable to owners of the parent (RMB’000)		
-Continuing operations	(2,471)	15,034
-Discontinued operations	-	(3,871)
	<u>(2,471)</u>	<u>11,163</u>
Weighted average number of ordinary shares in issue (’000)	<u>71,233</u>	<u>51,230</u>
Basic and diluted (loss) / earnings per share (RMB fen)		
-Continuing operations	(3.47)	29.35
-Discontinued operations	-	(7.56)
	<u>(3.47)</u>	<u>21.79</u>

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

Diluted (loss) / earnings per share is calculated by dividing the (loss) / 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 periods have been issued at no consideration.

The share options of 2,700,000 (31 March 2017: 2,700,000) are anti-dilutive as (i) the exercise price of the share options was higher than the average market price of the Company’s ordinary shares during the financial periods ended 31 March 2018 and 31 March 2017 and (ii) the Group recorded loss for the financial period ended 31 March 2018.

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	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
Net asset value (RMB'000)	304,628	307,102	508,770	509,867
Number of shares ('000)	71,233	71,233	71,233	71,233
Net asset per share (RMB)	4.276	4.311	7.142	7.158

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 Q1 2018 of the Group was RMB15.42 million, a decrease of RMB4.53 million or 22.7% compared RMB19.95 million in Q1 2017. The decrease of 22.7% came mainly from lower revenue on construction of water pipeline, representing normal volatility of such operations.

Cost of sales and services provided in Q1 2018 increased by 15% to RMB5.86 million, an increase of RMB0.77 million as compared to RMB5.09 million in Q1 2017 with higher cost of water operations.

Gross profit margin decreased from 74.5% in Q1 2017 to 62.0% in Q1 2018, as the cost of sales went up in Q1 2018.

The Group recorded a gross profit of RMB9.57 million in Q1 2018, a decrease of 35.6% compared to RMB14.86 million in Q1 2017.

Other income in Q1 2018 was RMB2.98 million, representing a decrease of RMB14.23 million as compared to the RMB17.22 million in Q1 2017. The decrease of 82.7% was attributed mainly to a gain on waiver of payable recorded in Q1 2017.

Other operating expenses in Q1 2018 were RMB7.97 million, which represent an increase of RMB3.74 million as compared to the RMB4.23 million in Q1 2017. The increase of 88.5% was mainly due to an increase of professional expenses recorded in Q1 2018.

Finance costs in Q1 2018 was RMB1.34 million, a decrease of RMB1.76 million or 56.8%, mainly from lower interest expenses in CIHL (Tianjin) City Development Limited following the repayment of borrowings.

Share of profit of associated companies in Q1 2018 was RMB0.36 million. Upon completion of the disposal of its 5% interest in KYWJ Group on 1 June 2017, the KYWJ Group ceased to be subsidiaries and was treated as associated companies. The Company recorded its share of profit of the KYWJ Group using the equity method.

The Group recorded an after tax loss of RMB0.36 million in Q1 2018 compared to profit of RMB11.93

million in Q1 2017.

### **Analysis on Statement of Financial Position**

Trade and other receivables decreased from RMB351.42 million as at 31 December 2017 to RMB316.04 million as at 31 March 2018, which was mainly due to decrease of due from an associated company, Yichang Xinshougang Property Development Company Limited.

Total borrowings decreased from RMB90.85 million as at 31 December 2017 to RMB78.86 million as at 31 March 2018, since the deducted amount has been repaid by the Company.

Trade and other payables decreased from RMB180.29 million as at 31 December 2017 to RMB157.84 million as at 31 March 2018, which was mainly due to decrease in trade payables in CIHL (Tianjin) Water Development Company Limited.

Cash and cash equivalents as at 31 March 2018 was RMB39.75 million as compared to RMB57.06 million as at 31 December 2017.

### **Cash Flows Analysis**

As at 31 March 2018, included in cash and cash equivalents are restricted bank balances of approximately RMB145,000, 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 RMB16.59 million in Q1 2018, and was paid mainly to payables in CIHL (Tianjin) Water Development Company Limited.

Net cash provided by investing activities in Q1 2018 was RMB21.60 million, mainly from partial recovery of loans made to the KYWJ Group.

Net cash used in financing activities in Q1 2018 was RMB22.32 million, mainly for the payment of dividend to a non-controlling shareholder and 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 at the Tianjin Water project to have a positive performance in 2018. 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 later part of 2018 or the first 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, to be fed into the network of the Tianjin Water. It is expected to significantly increase the water supply capacity of Tianjin Water once the new project is completed. The new project is expected to cost approximately RMB160 million and will be financed from internal cash resources and debt financing.

Subsequent to the disposal of 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 core business of the Group. As of to-date, the property development project is still in development, and expecting to commence the development in Phases 3 and 4 during Quarter2 2018. The KYWJ Group is expecting to continuously generate cash inflow through the sales of available units in completed Phases 1 and 2 and pre-sales of Phases 3 and 4.

The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and is considering disposing of 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 disposing of 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 first quarter ended 31 March 2018

## 13 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.

## 14 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.

#### 15 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and of the Company for financial period ended 31 March 2018 to be false or misleading in any material aspect.

#### **On behalf of the Board of Directors**

Zhang Rong Xiang  
Managing Director

Zhu Jun  
Executive Director

Shen Xia  
Executive Director

#### 16 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  
28 February 2019