

THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

1(a) A Consolidated 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) %	Group 9 months ended		Increase / (Decrease) %
	30.09.2016 RMB'000	30.09.2015 RMB'000		30.09.2016 RMB'000	30.09.2015 RMB'000	
Continuing operations						
Revenue	56,478	22,507	150.9	121,552	63,449	91.6
Cost of sales and services provided	(30,657)	(12,783)	139.8	(67,949)	(28,454)	138.8
Gross profit	25,821	9,724	165.5	53,603	34,995	53.2
Other income / (loss) - net	901	(221)	507.7	3,115	7,824	(60.2)
-Administrative expenses	(2,313)	(2,915)	(20.7)	(7,721)	(9,167)	(15.8)
-Other operating expenses	(6,021)	(9,316)	(35.4)	(13,155)	(22,738)	(42.1)
-Selling and marketing expenses	(5,752)	(1,419)	305.4	(8,864)	(2,918)	203.8
-Finance costs	(7,859)	(11,146)	(29.5)	(23,230)	(38,611)	(39.8)
Share of losses of associated companies accounted for using the equity method	-	(306)	(100.0)	-	(1,854)	(100.0)
Profit / (loss) before income tax	4,777	(15,599)	130.6	3,748	(32,469)	111.5
Income tax expense	(6,334)	(1,789)	254.1	(14,840)	(7,320)	102.7
Loss for the financial period from continuing operations	(1,557)	(17,388)	(91.0)	(11,092)	(39,789)	(72.1)
Discontinued operations						
Loss for the financial period from discontinued operations	-	(471)	(100.0)	-	(660)	(100.0)
Loss for the financial period	(1,557)	(17,859)	(91.3)	(11,092)	(40,449)	(72.6)

	3 months ended			9 months ended		Increase / (Decrease) %
	30.09.2016 RMB'000	30.09.2015 RMB'000		30.09.2016 RMB'000	30.09.2015 RMB'000	
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation gains on translating foreign operations	-	1,106	(100.0)	-	473	(100.0)
Other comprehensive income for the financial period, net of tax	-	1,106	(100.0)	-	473	(100.0)
Total comprehensive loss for the financial period	<u>(1,557)</u>	<u>(16,753)</u>	(90.7)	<u>(11,092)</u>	<u>(39,976)</u>	(72.3)
(Loss) / profit for the financial period attributable to:						
Owners of the parent	(5,150)	(18,764)	(72.6)	(20,346)	(44,304)	(54.1)
Non-controlling interests	3,593	905	297.0	9,254	3,855	140.1
	<u>(1,557)</u>	<u>(17,859)</u>	(91.3)	<u>(11,092)</u>	<u>(40,449)</u>	(72.6)
Total comprehensive (loss) / income for the financial period attributable to:						
Owners of the parent	(5,150)	(17,658)	(70.8)	(20,346)	(43,831)	(53.6)
Non-controlling interests	3,593	905	297.0	9,254	3,855	140.1
	<u>(1,557)</u>	<u>(16,753)</u>	(90.7)	<u>(11,092)</u>	<u>(39,976)</u>	(72.3)

Note:

Discontinued operations: CCI Andi Bridges Co., Ltd

CCI Andi Bridges Co., Ltd (“Andi”), a subsidiary of the Group has been granted with a 25 years of concession rights on toll collection on 25 December 1998. The Group has an equity interest of 60% in Andi. However, the Group is only entitled to 55% of the profits due to a profit sharing agreement with the non-controlling shareholder.

On 2 January 2013, the Company announced that Andi has been notified by Hebei Provincial Government to cease its toll charging operations effective from 31 December 2012.

On 11 November 2015, the Company disposed of its 100% equity interest in Hebei Bridges Investments Limited (“HBIL”), the holding corporation of Andi. Following the disposal, HBIL and Andi ceased to be subsidiaries of the Company.

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

	3 months ended			3 months ended		
	30.09.2016			30.09.2015		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	64	-	64	2,097	-	2,097
Rental income, net	686	-	686	313	-	313
Employee share option expense	-	-	-	(374)	-	(374)
Depreciation of property, plant and equipment	(2,196)	-	(2,196)	(2,124)	-	(2,124)
Currency translation gain / (loss)	109	-	109	(2,632)	-	(2,632)
Auditors' remuneration	(243)	-	(243)	(232)	-	(232)
Penalty on breach of contract	-	-	-	(9)	-	(9)
Share of losses of associated companies	-	-	-	(306)	-	(306)

	9 months ended			9 months ended		
	30.09.2016			30.09.2015		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	222	-	222	9,887	-	9,887
Rental income, net	1,360	-	1,360	934	-	934
Employee share option expense	(335)	-	(335)	(1,905)	-	(1,905)
Depreciation of property, plant and equipment	(6,663)	-	(6,663)	(6,447)	-	(6,447)
Currency translation loss	(292)	-	(292)	(3,319)	-	(3,319)
Auditors' remuneration	(717)	-	(717)	(698)	-	(698)
Reversal of loss incurred as guarantor	4,933	-	4,933	-	-	-
Penalty on breach of contract	-	-	-	(2,753)	-	(2,753)
Reversal of impairment on trade receivables	-	-	-	1,431	-	1,431
Share of losses of associated companies	-	-	-	(1,854)	-	(1,854)

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	
	30.09.2016 RMB'000	31.12.2015 RMB'000	30.09.2016 RMB'000	31.12.2015 RMB'000
Non-Current Assets				
Property, plant and equipment	261,264	258,756	-	-
Intangible assets	122	122	-	-
Investment properties	32,100	32,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Deferred income tax assets	1,125	982	-	-
	314,914	312,263	196,000	196,000
Current Assets				
Properties for development	944,015	1,098,156	-	-
Inventories	3,662	4,009	-	-
Trade and other receivables	71,186	102,732	496,652	504,603
Cash and cash equivalents	53,727	18,861	1	1
	1,072,590	1,223,758	496,653	504,604
Assets of disposal group classified as held for sale	268,990	-	-	-
	1,341,580	1,223,758	496,653	504,604
Current Liabilities				
Borrowings	479,311	424,891	-	-
Trade and other payables	587,816	479,672	125,053	129,329
Current income tax liabilities	11,427	14,896	-	-
	1,078,554	919,459	125,053	129,329
Liabilities of disposal group classified as held for sale	1,337	-	-	-
	1,079,891	919,459	125,053	129,329
NET CURRENT ASSETS	261,689	304,299	371,600	375,275
TOTAL ASSETS LESS CURRENT LIABILITIES	576,603	616,562	567,600	571,275
Non-Current Liabilities				
Borrowings	35,274	68,513	-	-
Deferred income tax liabilities	69,389	65,352	-	-
	104,663	133,865	-	-
NET ASSETS	471,940	482,697	567,600	571,275
EQUITY				
Equity attributable to owners of the parent				
Share capital	257,321	257,321	257,321	257,321
Reserves	655,474	656,433	627,861	630,285
Accumulated losses	(657,306)	(638,254)	(317,582)	(316,331)
	255,489	275,500	567,600	571,275
Non-controlling interests	216,451	207,197	-	-
TOTAL EQUITY	471,940	482,697	567,600	571,275

Note:

Proposed Disposal: Tianjin Xinzhong Property Development Co. , Limited.

On 4 October 2016, the Company announced that CIHL (Tianjin) City Development Limited, a wholly owned subsidiary corporation of the Company, has on 29 September 2016 entered into a conditional sale and purchase agreement with Beijing Hongkunweiye Property Development Co. Ltd (“ Purchaser”) in relation to the disposal of the entire equity and debt interests in its subsidiary corporation, Tianjin Xinzhong Property Development Co. , Limited. (“XZPD" or the "Jixian Project”) to the Purchaser.

On 7 October 2016, Company received a letter from SGX-ST which states that the Proposed Disposal is not in the ordinary course of business and granted the Company the waiver of the requirement to convene a special general meeting to seek shareholder’s approval subject to certain conditions. One of the conditions is that Board's confirmation that substantial shareholders holding 64.55% interests have undertaken to vote in favor of the proposed disposal. Based on the announcement on 11 October 2016, Company has obtained undertaking letters from two substantial shareholders who collectively hold 43.08% interests in the Company, to vote in favor of the proposed disposal at the special general meeting to be convened, if required. The Company is still in the process of obtaining undertaking from the remaining substantial shareholder and further announcements will be made in due course.

Under IFRS 5, Non-current Assets Held For Sale and Discontinued Operations, requires an entity to classify a Non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Management has assessed and satisfied that the proposed disposal of XZPD has met the criteria under IFRS 5. The assets and liabilities of XZPD has been classified separately in the statement of financial position as assets of disposal group classified as held for sale and liabilities of disposal group classified as held for sale respectively.

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

Amount repayable in one year or less, or on demand

As at 30.09.2016 (RMB’000)		As at 31.12.2015 (RMB’000)	
Secured	Unsecured	Secured	Unsecured
419,311	60,000	374,691	50,200

Amount repayable after one year

As at 30.09.2016 (RMB’000)		As at 31.12.2015 (RMB’000)	
Secured	Unsecured	Secured	Unsecured
35,274	-	68,513	-

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;
- (ii) First legal mortgage over certain investment properties, land and buildings of the Group;
- (iii) First legal mortgage over share equity in one of the subsidiaries held by the Group;
- (iv) First legal mortgage over land use right in two of the subsidiaries held by 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		9 months ended	
	30.09.2016 RMB'000	30.09.2015 RMB'000	30.09.2016 RMB'000	30.09.2015 RMB'000
Cash flows from operating activities				
Profit / (loss) before income tax including discontinued operations	4,777	(16,070)	3,748	(33,129)
Adjustments for:				
-Depreciation of property, plant and equipment	2,196	2,124	6,663	6,447
-Interest expenses	7,859	11,147	23,230	38,310
-Interest income	(64)	(2,097)	(222)	(9,887)
-Employee share option expense	-	374	335	1,905
-Gain on disposal of property, plant and equipment	(2)	-	(7)	-
-Share of losses of associates	-	306	-	1,854
-Reversal of impairment on trade receivables	-	-	-	(1,431)
-Unrealised currency translation (gain) / loss	(156)	(1,734)	161	(1,643)
	14,610	(5,950)	33,908	2,426
Changes in working capital				
-Development properties	(42,412)	(16,240)	(125,972)	(29,393)
-Inventories	302	(3,247)	346	(2,887)
-Trade and other receivables	(8,205)	(15,694)	(3,639)	(32,254)
-Trade and other payables	86,642	33,751	158,644	11,719
Cash provided by / (used in) operations	50,937	(7,380)	63,287	(50,389)
Interest paid	(1,880)	(3,415)	(14,654)	(17,059)
PRC income tax paid	(5,356)	(5,137)	(14,415)	(7,978)
Net cash provided by / (used in) operating activities	43,701	(15,932)	34,218	(75,426)
Cash flows from investing activities				
Interest received	29	1,183	29,532	5,433
Purchases of property, plant and equipment	(8,766)	(195)	(17,997)	(5,625)
(Decreased)/Increased of restricted bank balances pledged	(161)	160,651	(5,582)	(4,675)
Proceed from disposal of property, plant and equipment	-	-	13	-
Loans to associates	191	(401)	(126)	(1,857)
Repayment of loan receivables	-	-	-	150,000
Repayment of other receivables from a third party	-	-	-	173,000
Net cash (used in) / provided by investing activities	(8,707)	161,238	5,840	316,276
Cash flows from financing activities				
Proceeds from borrowings				
-non-related parties	-	-	60,000	242,851
-related parties	-	-	21,800	-
Repayments of borrowings				
-non- related parties	(10,439)	(200,695)	(80,508)	(469,782)
-related parties	(9,000)	-	(12,000)	-
Net cash used in financing activities	(19,439)	(200,695)	(10,708)	(226,931)
Net increase / (decrease) in cash and cash equivalents	15,555	(55,389)	29,350	13,919
CASH AND CASH EQUIVALENTS:				
BEGINNING OF FINANCIAL PERIOD	29,673	120,773	15,878	51,465
END OF FINANCIAL PERIOD	45,228	65,384	45,228	65,384

	3 months ended		9 months ended	
	30.09.2016 RMB'000	30.09.2015 RMB'000	30.09.2016 RMB'000	30.09.2015 RMB'000
Analysis of Cash and Cash Equivalents				
Cash and bank balances	53,794	72,906	53,794	72,906
Restricted bank balances	(8,566)	(7,912)	(8,566)	(7,912)
Cash held by discontinued operations	-	390	-	390
	<u>45,228</u>	<u>65,384</u>	<u>45,228</u>	<u>65,384</u>

As at 30 September 2016, cash and cash equivalents include restricted bank balances of approximately RMB8,566,000 (30 September 2015: RMB7,912,000).

The restricted cash mainly comprise of:

- (i) Cash 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; and
- (ii) Restricted bank balances of approximately RMB143,000 (30 September 2015: RMB143,000) for securing the performance and fund utilization for a land development project of the Group;
- (iii) Short-term bank deposits of a PRC subsidiary pledged to a lender as securities for the RMB borrowings granted to a PRC subsidiary, (30 September 2015: nil).

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 →

	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	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
2015												
Beginning of financial period	257,321	46,060	565,589	7,764	22,660	8,324	(3,864)	10,857	(257,838)	656,873	331,527	988,400
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	-	473	-	(44,304)	(43,831)	3,855	(39,976)
Transfer	-	-	-	-	1,271	-	-	-	(1,271)	-	-	-
Share option lapsed	-	-	-	-	-	-	-	(4,359)	4,359	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	1,905	-	1,905	-	1,905
End of financial period	257,321	46,060	565,589	7,764	23,931	8,324	(3,391)	8,403	(299,054)	614,947	335,382	950,329
2016												
Beginning of financial period	257,321	46,060	565,589	7,268	21,506	8,324	(2,147)	9,833	(638,254)	275,500	207,197	482,697
Total comprehensive (loss) / income for the financial period	-	-	-	-	-	-	-	-	(20,346)	(20,346)	9,254	(11,092)
Transfer	-	-	-	-	1,465	-	-	-	(1,465)	-	-	-
Share option lapsed	-	-	-	-	-	-	-	(2,759)	2,759	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	335	-	335	-	335
End of financial period	257,321	46,060	565,589	7,268	22,971	8,324	(2,147)	7,409	(657,306)	255,489	216,451	471,940

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	Accumulated losses RMB'000	Total equity RMB'000
2015								
Beginning of financial period	257,321	46,060	565,589	479	8,324	10,857	(294,683)	593,947
Total comprehensive loss for the financial period	-	-	-	-	-	-	(6,059)	(6,059)
Share option lapsed	-	-	-	-	-	(4,359)	4,359	-
Recognition of share-based payments	-	-	-	-	-	1,905	-	1,905
End of financial period	257,321	46,060	565,589	479	8,324	8,403	(296,383)	589,793
2016								
Beginning of financial period	257,321	46,060	565,589	479	8,324	9,833	(316,331)	571,275
Total comprehensive loss for the financial period	-	-	-	-	-	-	(4,010)	(4,010)
Share option lapsed	-	-	-	-	-	(2,759)	2,759	-
Recognition of share-based payments	-	-	-	-	-	335	-	335
End of financial period	257,321	46,060	565,589	479	8,324	7,409	(317,582)	567,600

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The Share Consolidation of every twenty (20) existing issued ordinary shares into one (1) ordinary share was completed and effective as at 9 a.m. on 20 August 2015.

As at 30 September 2016, 1.15 million options granted in accordance with CIHL Share Option Scheme 2010 has lapsed and 2.70 million options remain outstanding. If all of these options are exercised, 2.70 million shares in the capital of the Company may be issued on conversion (30 September 2015: 3.325 million). Under the 2010 scheme, 2.70 million options representing 100% (of all options granted under the Scheme) could be exercised as at 30 September 2016 (30 September 2015: 2.175 million, 65.41%).

The Company did not hold any of its issued shares as treasury shares as at 30 September 2016 and 30 September 2015.

- 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 30 September 2016, the number of issued shares excluding treasury shares was 51,230,187 ordinary shares (31 December 2015: 51,230,187)

- 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.

- 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 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 2016. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the financial period ended 30 September 2016. 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 30 September 2016 are the same as those used in the annual

financial statements of the Group for the financial year ended 31 December 2015.

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 2016. 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.

	30.09.2016	30.09.2015
Loss attributable to owners of the parent (RMB'000)		
-Continuing operations	(20,346)	(43,941)
-Discontinued operations	-	(363)
	<u>(20,346)</u>	<u>(44,304)</u>
Weighted average number of ordinary shares in issue ('000)	<u>51,230</u>	<u>51,230</u>
Basic and diluted loss per share (RMB fen)		
-Continuing operations	(39.72)	(85.77)
-Discontinued operations	-	(0.71)
	<u>(39.72)</u>	<u>(86.48)</u>

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

Diluted loss per share is calculated by dividing the loss 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 (30 September 2015: 3,325,000) are anti-dilutive as (i) the Group recorded loss for the financial periods ended 30 September 2016 and 30 September 2015 and (ii) 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 30 September 2016 and 30 September 2015.

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	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
Net asset value (RMB'000)	255,489	275,500	567,600	571,275
Number of shares ('000)	51,230	51,230	51,230	51,230
Net asset per share (RMB)	4.987	5.378	11.079	11.151

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 during Q3 2016 of the Group was RMB56.48 million, an increase of RMB33.97 million as compared to the revenue of RMB22.51 million in Q3 2015, representing an increase of 150.9%, mainly due to an increase in property sales by Yichang Xinshougang Property Development Company Limited.

Cost of sales and services provided in Q3 2016 increased by 139.8% to RMB30.66 million, an increase of RMB17.88 million as compared to RMB12.78 million in Q3 2015, mainly due to an increase in property development costs in Yichang Xinshougang Property Development Company Limited.

As a result of the above, the Group recorded a gross profit of RMB25.82 million in Q3 2016, an increase of 165.5% as compared to a gross profit of RMB9.72 million in Q3 2015.

Other income in Q3 2016 was RMB0.90 million, which represents an increase of RMB1.12 million compared to other loss of RMB0.22 million for Q3 2015. The increase of 507.7% was mainly due to exchange gain in Q3 2016, instead of exchange loss in Q3 2015.

Administrative expenses in Q3 2016 was RMB2.31 million, a decrease of RMB0.61 million compared to administrative expenses of RMB2.92 million as in Q3 2015, which represents a decrease of 20.7%, mainly due to decrease of staff costs and rent fees.

Other operating expenses in Q3 2016 was RMB6.02 million, a decrease of RMB3.30 million as compared with other operating expenses of RMB9.32 million in Q3 2015, representing a decrease of 35.4%, which was mainly due to decrease of legal and professional fees in CIHL (Tianjin) City Development Limited.

Selling and marketing expenses in Q3 2016 was RMB5.75 million, an increase of RMB4.33 million as compared to selling and marketing expenses of RMB1.42 million in Q3 2015, which represents an increase of 305.4%, mainly due to increase in advertising fee and marketing agency fee in Yichang Xinshougang Property Development Company Limited.

Finance costs in Q3 2016 was RMB7.86 million, a decrease of RMB3.29 million as compared to RMB11.15 million in Q3 2015, which represents a decrease of 29.5%, mainly due to decrease in interest expense in CIHL (Tianjin) City Development Limited.

Income tax expenses for Q3 2016 was RMB6.33 million, representing an increase of 254.1% as

compared to income tax expenses of RMB1.79 million for Q3 2015, mainly due to increase in tax expenses in CIHL (Tianjin) Water Development Limited.

Loss from discontinued operations for Q3 2016 was nil, representing a decrease of 100% as compared to RMB0.47 million for Q3 2015, upon completion of disposal of CCI Andi Bridges Co., Ltd on 11 November 2015.

As a result of the above, the Group recorded an after tax loss of RMB1.56 million for Q3 2016 as compared to a loss of RMB17.86 million for Q3 2015.

Analysis on Statement of Financial Position

Trade and other receivables decreased from RMB102.73 million as at 31 December 2015 to RMB71.19 million as at 30 September 2016, after collection of interest receivable in Beijing Shijilongquan Real Estate Co., Ltd.

Trade and other payables increased from RMB479.67 million as at 31 December 2015 to RMB587.82 million as at 30 September 2016, which was mainly due to increase in receipts in advance - presale in Yichang Xinshougang Property Development Company Limited.

Cash and cash equivalents as at 30 September 2016 was RMB53.73 million as compared to RMB18.86 million as at 31 December 2015.

Cash Flows Analysis

As at 30 September 2016, included in cash and cash equivalents are restricted bank balances of approximately RMB8.57 million. The restricted cash mainly represents cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to certain buyers in Yichang Xinshougang Property Development Company Limited.

Net cash generated from operating activities is RMB43.70 million for Q3 2016, mainly due to increase of receipts in advance - presale in Yichang Xinshougang Property Development Company Limited.

Net cash used in investing activities for Q3 2016 was RMB8.71 million, mainly due to payments of construction in progress in Yichang Xinshougang Property Development Company Limited.

Net cash used in financing activities for Q3 2016 was RMB19.44 million, comprising a repayment of RMB10.44 million in borrowings from a non-related party and the repayment of RMB9.00 million of borrowings from a related company.

The related company is Beijing Jinglongshidai Investment Co., Ltd (北京津隆时代投资有限公司) (“BJIL”). The Company had previously disclosed the relationship between the Company and BJIL in the Company’s announcements on 12 June 2015 and 5 May 2016, an extract of which is set out below: Beijing Jinglongshidai Investment Co., Ltd (北京津隆时代投资有限公司) (“BJIL”) is an investment company established in the PRC. Mr. Zhang is a non-executive director of BJIL.

The shareholders of BJIL are Beijing Longaoxintong Jianzhuzhuangshi Co. Ltd (北京隆澳新通建筑装饰有限公司) (“BLJC”) and CIH (Tianjin) Haihe Development Limited (中翔(天津)海河发展有限公司) (“CIHTHD”).

CIHTHD is an urban infrastructure construction and engineering management company established in the PRC. Both Mr. Shan and Mr. Zhang are non-executive directors of CIHTHD.

Save as disclosed above, none of the directors and/or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in BLJC and CIHTHD.

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

Not applicable

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 Chinese economy to remain challenging in 2016. The property market in the first tier cities, and to some extent, the second tier cities has benefited from decreases in mortgage rates. However we are yet to see any benefits from the reduction in borrowing costs in third tier cities such as Yichang and Ji Xian where we operate. The ease in monetary policy has not made it easier for the developers to raise capital. This will affect the pace of development of many projects in China, including our real estate development projects and water supply service operations. Moreover, as far as property developers are concerned, the credit market is yet to show any sign of relief. The Group has been focused on cash generation from its property development projects as well as other businesses, and will continue such efforts on cash generation in 2016. The Group has entered in a definitive agreement with a third party to dispose our Jixian Project. The transaction is expected to complete by the end of 2016. If completed, the Group's financial position will be significantly improved.

The Group's Liuhe Gold project has received all licenses required for commercial operation, but has not commence commercial production due to the weak gold price in Q3 FY2016. 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 oil and gas exploration and exploitation is a high risk and high cost business. The Group's project in Papua New Guinea is still at its early stages of exploration. The Group undertook limited scope of work during the past year in order to minimize expenses in the environment of weak oil prices. The Group expects the current poor market for oil and gas exploration to continue resulting in the inability to continue to obtain new funds. As the situation continues it would not be commercially viable to raise finance for further exploration. The Group has made a 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 more focused on property development and water project 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 third quarter and nine months financial period ended 30 September 2016.

13 If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for Interested Persons Transactions.

14 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 the third quarter and nine months financial period ended 30 September 2016 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

15 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
8 November 2016