
THIRD QUARTER AND THE NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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) %
	30.09.2015 RMB'000	30.09.2014 RMB'000		30.09.2015 RMB'000	30.09.2014 RMB'000	
Continuing operations						
Revenue	22,507	25,391	(11.4)	63,449	69,362	(8.5)
Cost of sales and services provided	(12,783)	(15,076)	(15.2)	(28,454)	(45,082)	(36.9)
Gross profit	9,724	10,315	(5.7)	34,995	24,280	44.1
Other (loss) / income - net	(221)	8,064	(102.7)	7,824	19,768	(60.4)
Administrative expenses	(2,915)	(7,095)	(58.9)	(9,167)	(17,095)	(46.4)
Other operating expenses	(9,316)	(7,081)	31.6	(22,738)	(19,406)	17.2
Selling and marketing expenses	(1,419)	(2,717)	(47.8)	(2,918)	(5,139)	(43.2)
Operating (loss) / profit	(4,147)	1,486	(379.1)	7,996	2,408	232.1
Finance costs	(11,146)	(10,611)	5.0	(38,611)	(28,937)	33.4
Share of losses of associated companies accounted for using the equity method	(306)	(727)	(57.9)	(1,854)	(1,967)	(5.7)
Loss before income tax	(15,599)	(9,852)	58.3	(32,469)	(28,496)	13.9
Income tax (expense) / credit	(1,789)	2,391	174.8	(7,320)	2,929	349.9
Loss for the financial period from continuing operations	(17,388)	(7,461)	133.1	(39,789)	(25,567)	55.6
Discontinued operations						
Loss for the financial period from discontinued operations	(471)	(199)	136.7	(660)	(697)	(5.3)
Loss for the financial period	(17,859)	(7,660)	133.1	(40,449)	(26,264)	54.0

	3 months ended		Group		9 months ended		Increase / (Decrease) %
	30.09.2015	30.09.2014	Increase / (Decrease)	30.09.2015	30.09.2014	Increase / (Decrease)	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	
Other comprehensive income / (loss):							
Item that may be reclassified subsequently to profit or loss:							
Currency translation gains / (losses) on translating foreign operations	1,106	(17)	6,605.8	473	380	24.5	
Other comprehensive income / (loss) for the financial period, net of tax	<u>1,106</u>	<u>(17)</u>	6,605.8	<u>473</u>	<u>380</u>	24.5	
Total comprehensive loss for the financial period	<u>(16,753)</u>	<u>(7,677)</u>	118.2	<u>(39,976)</u>	<u>(25,884)</u>	54.4	
(Loss) / profit for the financial period attributable to:							
Owners of the parent	(18,764)	(7,893)	137.7	(44,304)	(25,295)	75.1	
Non-controlling interests	905	233	288.4	3,855	(969)	497.8	
	<u>(17,859)</u>	<u>(7,660)</u>	133.1	<u>(40,449)</u>	<u>(26,264)</u>	54.0	
Total comprehensive (loss) / income for the financial period attributable to:							
Owners of the parent	(17,658)	(7,910)	123.2	(43,831)	(24,915)	75.9	
Non-controlling interests	905	233	288.4	3,855	(969)	497.8	
	<u>(16,753)</u>	<u>(7,677)</u>	118.2	<u>(39,976)</u>	<u>(25,884)</u>	54.4	

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 had announced that a proposed disposal of 100% equity interest in Hebei Bridges Investments Limited ("HBIL"), the holding company of Andi. Following the proposed disposal, HBIL and Andi will cease 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					
	30.09.2015			30.09.2014		
	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000
Interest income	2,097	-	2,097	7,768	-	7,768
Depreciation of property, plant and equipment	(2,124)	-	(2,124)	(2,183)	-	(2,183)
Currency translation loss, net	(2,632)	-	(2,632)	(30)	-	(30)
Share of losses of associated companies	(306)	-	(306)	(727)	-	(727)
Auditors' remuneration	(232)	-	(232)	(223)	-	(223)
Rental income, net	313	-	313	310	-	310
Employee share option expense	(374)	-	(374)	(1,469)	-	(1,469)

	9 months ended					
	30.09.2015			30.09.2014		
	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000
Interest income	9,887	-	9,887	20,535	-	20,535
Depreciation of property, plant and equipment	(6,447)	-	(6,447)	(6,402)	-	(6,402)
Currency translation loss, net	(3,319)	-	(3,319)	(1,864)	-	(1,864)
Share of losses of associated companies	(1,854)	-	(1,854)	(1,967)	-	(1,967)
Auditors' remuneration	(698)	-	(698)	(730)	-	(730)
Rental income, net	934	-	934	931	-	931
Employee share option expense	(1,905)	-	(1,905)	(3,272)	-	(3,272)
Penalty on breach of contract	(2,753)	-	(2,753)	-	-	-
Reversal of impairment on trade receivables	1,431	-	1,431	-	-	-

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	
	30.09.2015 RMB'000	31.12.2014 RMB'000	30.09.2015 RMB'000	31.12.2014 RMB'000
Non-Current Assets				
Property, plant and equipment	266,992	268,520	-	-
Intangible assets	122	122	-	-
Investment properties	33,100	33,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in associated companies	98,222	99,603	-	-
Investment in subsidiaries	-	-	220,000	220,000
Deferred income tax assets	941	839	-	-
	419,680	422,487	220,000	220,000
Current Assets				
Development properties	1,331,881	1,279,634	-	-
Loan receivable	-	150,000	-	-
Prepayments, deposits and other receivables	76,917	212,883	54	53
Inventories	4,027	1,140	-	-
Trade receivables	6,930	5,466	-	-
Gross amounts due from customers for contract work	15,464	15,472	-	-
Due from associated companies	77,551	74,052	-	-
Due from subsidiaries	-	-	525,236	514,221
Due from non-controlling shareholders of subsidiaries	10,053	10,091	-	-
Cash and cash equivalents	72,906	54,665	-	*
	1,595,729	1,803,403	525,290	514,274
Assets of discontinued operations	8,765	8,413	-	-
	1,604,494	1,811,816	525,290	514,274
Current Liabilities				
Trade payables	14,268	27,265	-	-
Other payables and accruals	90,264	138,120	1,989	2,332
Receipts in advance	86,449	18,668	-	-
Gross amounts due to customers for contract work	16,486	4,241	-	-
Due to subsidiaries	-	-	153,508	137,995
Due to non-controlling shareholders of subsidiaries	167,088	175,428	-	-
Current income tax liabilities	12,752	12,315	-	-
Loans payable	-	147,623	-	-
Borrowings	448,446	452,762	-	-
	835,753	976,422	155,497	140,327
Liabilities of discontinued operations	787	474	-	-
	836,540	976,896	155,497	140,327
NET CURRENT ASSETS	767,954	834,920	369,793	373,947
TOTAL ASSETS LESS CURRENT LIABILITIES	1,187,634	1,257,407	589,793	593,947

*: Less than RMB1, 000

	Group		Company	
	30.09.2015 RMB'000	31.12.2014 RMB'000	30.09.2015 RMB'000	31.12.2014 RMB'000
Non-Current Liabilities				
Borrowings	79,161	109,869	-	-
Deferred income tax liabilities	158,144	159,138	-	-
	237,305	269,007	-	-
NET ASSETS	950,329	988,400	589,793	593,947
EQUITY				
Equity attributable to owners of the parent				
Share capital	257,321	257,321	257,321	257,321
Reserves	656,680	657,390	628,855	631,309
Accumulated losses	(299,054)	(257,838)	(296,383)	(294,683)
	614,947	656,873	589,793	593,947
Non-controlling interests	335,382	331,527	-	-
TOTAL EQUITY	950,329	988,400	589,793	593,947

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

Amount repayable in one year or less, or on demand

As at 30.09.2015 (RMB'000)		As at 31.12.2014 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
446,446	2,000	452,762	147,623

Amount repayable after one year

As at 30.09.2015 (RMB'000)		As at 31.12.2014 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
79,161	-	109,869	-

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 one 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	
	30.09.2015 RMB'000	30.09.2014 RMB'000	30.09.2015 RMB'000	30.09.2014 RMB'000
Cash flows from operating activities				
Loss before income tax	(16,070)	(10,050)	(33,129)	(29,193)
Adjustments for:				
Depreciation of property, plant and equipment	2,124	2,183	6,447	6,402
Interest expenses and other finance costs	11,147	11,461	38,310	27,590
Interest income	(2,097)	(7,768)	(9,887)	(20,535)
Employee share option expense	374	1,469	1,905	3,272
Gain on additions to investments in an associated company	-	-	-	(91)
Share of losses of associated companies	306	727	1,854	1,967
Reversal of impairment on trade receivables	-	-	(1,431)	-
Unrealised currency translation (loss) / gain	(1,734)	(1,182)	(1,643)	1,348
	(5,950)	(3,160)	2,426	(9,240)
Changes in working capital				
Development properties	(16,240)	5,595	(29,393)	21,434
Prepayments, deposits and other receivables	(18,232)	(4,582)	(32,266)	(28,182)
Inventories	(3,247)	5	(2,887)	(197)
Trade receivables	2,278	1,628	(34)	38,482
Gross amount due from customers for contract work	240	59	8	217
Due from related parties	-	29,920	-	(251)
Due from non-controlling shareholders	20	5	38	33
Trade payables	(4,651)	(1,872)	(12,997)	(17,807)
Other payables and accruals	6,368	6,102	(46,970)	(9,593)
Receipts in advance	25,370	(3,955)	67,782	12,992
Gross amounts due to customers for contract work	6,664	191	12,245	(572)
Due to non-controlling shareholders	-	-	(8,341)	720
Cash (used in) / generated from operations	(7,380)	29,936	(50,389)	8,036
PRC income tax paid	(5,137)	(1,117)	(7,978)	(4,851)
Net cash (used in) / generated from operating activities	(12,517)	28,819	(58,367)	3,185
Cash flows from investing activities				
Payments for consideration of acquisition of subsidiaries	-	(40,080)	-	(160,080)
Interests received	1,183	9,465	5,433	15,787
Collection of loan receivable	-	-	150,000	-
Collection of other receivables from a third party	-	-	173,000	-
Purchases of property, plant and equipment	(195)	(3,762)	(5,625)	(15,362)
Decrease / (increase) of restricted bank balances pledged	160,651	647	(4,675)	(1,099)
Loans to non-related parties	-	-	-	(73,000)
Capital contribution to an associated company	-	-	-	(3,980)
Loans to associated companies	(401)	(6,380)	(1,857)	(10,296)
Net cash generated from / (used in) investing activities	161,238	(40,110)	316,276	(248,030)
Cash flows from financing activities				
Interest and other finance costs paid	(3,415)	(7,246)	(17,059)	(16,232)
Proceeds from placement of shares	-	-	-	38,125
Borrowings from non-related parties	-	-	242,851	220,000
Borrowings from a related party	-	70,000	-	70,000
Dividend paid to equity holders of the company	-	-	-	(15,342)
Repayment of borrowings	(200,695)	(63,910)	(469,782)	(76,209)

	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RMB'000	RMB'000	RMB'000	RMB'000
Net cash (used in) / generated from financing activities	(204,110)	(1,156)	(243,990)	220,342
Net (decrease) / increase in cash and cash equivalents	(55,389)	(12,447)	13,919	(24,503)
CASH AND CASH EQUIVALENTS:				
BEGINNING OF FINANCIAL PERIOD	120,773	33,444	51,465	45,500
END OF FINANCIAL PERIOD	65,384	20,997	65,384	20,997
Analysis of Cash and Cash Equivalents				
Cash and bank balances	72,906	24,332	72,906	24,332
Restricted bank balances	(7,912)	(3,369)	(7,912)	(3,369)
Cash held by discontinued operations	390	34	390	34
	65,384	20,997	65,384	20,997

As at 30 September 2015, cash and cash equivalents include restricted bank balances of approximately RMB7,912,000 (30 September 2014: RMB3,369,000).

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 2014: RMB143,000) for securing the performance and fund utilization for a land development project of the Group.

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	Accumulated Losses RMB'000			Subtotal RMB'000
2014												
Beginning of financial period	219,943	45,312	565,589	7,764	21,450	8,324	(4,169)	6,608	(165,326)	705,495	351,493	1,056,988
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	-	380	-	(25,295)	(24,915)	(969)	(25,884)
Payment of dividends	-	-	-	-	-	-	-	-	(15,342)	(15,342)	-	(15,342)
Proceeds from shares issued	37,378	748	-	-	-	-	-	-	-	38,126	-	38,126
Transfer	-	-	-	-	174	-	-	-	(174)	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	3,272	-	3,272	-	3,272
End of financial period	<u>257,321</u>	<u>46,060</u>	<u>565,589</u>	<u>7,764</u>	<u>21,624</u>	<u>8,324</u>	<u>(3,789)</u>	<u>9,880</u>	<u>(206,137)</u>	<u>706,636</u>	<u>350,524</u>	<u>1,057,160</u>
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	<u>257,321</u>	<u>46,060</u>	<u>565,589</u>	<u>7,764</u>	<u>23,931</u>	<u>8,324</u>	<u>(3,391)</u>	<u>8,403</u>	<u>(299,054)</u>	<u>614,947</u>	<u>335,382</u>	<u>950,329</u>

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
2014								
Beginning of financial period	219,943	45,312	565,589	479	8,324	6,608	(268,120)	578,135
Total comprehensive loss for the financial period	-	-	-	-	-	-	(8,390)	(8,390)
Proceeds from shares issued	37,378	748	-	-	-	-	-	38,126
Payment of dividends	-	-	-	-	-	-	(15,342)	(15,342)
Recognition of share-based payments	-	-	-	-	-	3,272	-	3,272
End of financial period	257,321	46,060	565,589	479	8,324	9,880	(291,852)	595,801
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

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.

The Company has on 10 March 2014 made an offer to grant the options pursuant to the rules of CIHL Share Option Scheme (the "2010 Scheme"), 50% of such options could be exercised on and after 10 March 2015 (30 September 2014: nil).

As at 30 September 2015, 1.600 million options granted in accordance with CIHL Share Option Scheme 2010 has lapsed and 3.325 million options remain outstanding. If all of these options are exercised, 3.325 million shares in the capital of the Company may be issued on conversion (30 September 2014: 98.5 million[^]). Under the 2010 scheme, 2,175,000 options representing 65.41% (of all options granted under the Scheme) could be exercised as at 30 September 2015 (30 September 2014: 44,500,000[^], 45.18%).

The Company did not hold any of its issued shares as treasury shares as at 30 September 2015 and 30 September 2014.

[^]*Before consolidation of every 20 share options into 1 ordinary share option in conjunction with consolidation of every 20 shares into 1 ordinary share on 20 August 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 2015, the number of issued shares excluding treasury shares was 51,230,187 ordinary shares (31 December 2014: 1,024,603,750*).

**Before consolidation of every 20 shares into 1 ordinary share as completed by the Company on 20 August 2015.*

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 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 2015. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the period ended 30 September 2015. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the period ended 30 September 2015 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2014.

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 periods beginning on or after 1 January 2015. 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.

	30.09.2015	30.09.2014
Loss attributable to owners of the parent (RMB’000)		
-Continuing operations	(43,941)	(24,912)
-Discontinued operations	(363)	(383)
	<u>(44,304)</u>	<u>(25,295)</u>
Weighted average number of ordinary shares in issue ('000)	<u>51,230</u>	<u>47,412*</u>
Basic and diluted loss per share (RMB)		
-Continuing operations	(0.86)	(0.53)
-Discontinued operations	(0.01)	(0.01)
	<u>(0.87)</u>	<u>(0.54)</u>

**Adjusted for consolidation of every 20 shares into 1 ordinary share as completed by the Company on 20 August 2015, for comparative purpose, basic loss and diluted loss per ordinary share of the Group for the third quarter ended 30 September 2014 have been computed based on number of issued shares for the period adjusted for the consolidation.*

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

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares assumed the deemed exercise of the share options outstanding during the reporting financial period have been issued at no consideration.

The share options of 3,325,000 (2014: 98,500,000[^]) are not potential dilutive ordinary shares since the Company recorded loss during the financial periods ended 30 September 2015 and 30 September 2014.

[^]*Before consolidation of every 20 share options into 1 ordinary share option in conjunction with*

consolidation of every 20 shares into 1 ordinary share on 20 August 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	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Net asset value (RMB'000)	614,947	656,873	589,793	593,947
Number of shares ('000)	51,230	51,230*	51,230	51,230*
Net asset per share (RMB)	12.004	12.822	11.513	11.594

**Adjusted for consolidation of every 20 shares into 1 ordinary share as completed by the Company on 20 August 2015, for comparative purpose, net asset per share at 31 December 2014 have been computed based on number of issued shares for the date adjusted for the consolidation.*

- 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

The revenue during Q3 2015 of the Group was RMB22.51 million, a decrease of RMB2.88 million as compared with the revenue of RMB25.39 million in Q3 2014, this represents a decrease of 11.4%, mainly due to a decrease of sales revenue in Yichang Xinshougang Property Development Company Limited.

The cost of services provided in Q3 2015 decreased by 15.2% to RMB12.78 million, a decrease of RMB2.29 million as compared to RMB15.08 million in Q3 2014, which was mainly due to a decrease of cost of properties in Yichang Xinshougang Property Development Company Limited.

As a result of the above, the Group recorded a gross profit of RMB9.72 million in Q3 2015, which represents a decrease of 5.7% as compared to gross profit of RMB10.32 million in Q3 2014.

Other loss in Q3 2015 was RMB0.22 million, which represents a decrease of 102.7% as compared to other income of RMB8.06 million for Q3 2014. The decrease mainly due to decrease in interest income in Beijing Shiji Longquan Real Estate Development Co., Limited and CIHL (Tianjin) City Development Limited, which corresponds with decrease in loan receivable and other receivables.

Administrative expenses in Q3 2015 was RMB2.92 million, a decrease of RMB4.18 million compared to administrative expenses of RMB7.10 million as in Q3 2014, which represents a decrease of 58.9%, mainly due to decrease of legal and professional fees.

Other operating expenses in Q3 2015 was RMB9.32 million, an increase of RMB2.24 million as compared with other operating expenses of RMB7.08 million in Q3 2014, representing an increase of 31.6%, which was mainly due to increase of legal and professional fees in CIHL (Tianjin) City Development Limited.

Selling and marketing expenses in Q3 2015 was RMB1.42 million, a decrease of RMB1.30 million as compared to selling and marketing expenses of RMB2.72 million in Q3 2014, which represents a decrease of 47.8%, mainly due to decrease of advertising fee in Yichang Xinshougang Property Development Company Limited.

Income tax expenses for Q3 2015 was RMB1.79 million, representing an increase of 174.8% as compared to tax credit of RMB2.39 million for Q3 2014, mainly due to increase in tax expenses in CIHL (Tianjin) Water Development Limited.

Loss from discontinued operations for Q3 2015 was RMB0.47 million, representing an increase of 136.7% as compared to RMB0.20 million for Q3 2014, mainly due to increase in administrative expenses in CCI Andi Bridges Co., Ltd.

As a result of the above, the Group recorded after tax loss of RMB17.86 million for Q3 2015 as compared to loss of RMB7.66 million for Q3 2014.

Analysis on Statement of Financial Position

Loan receivable decreased from RMB150.00 million as at 31 December 2014 to nil as at 30 September 2015, since the amount has been received in full by the Company.

Prepayments, deposits and other receivables decreased from RMB212.88 million as at 31 December 2014 to RMB76.92 million as at 30 September 2015, which was mainly due to a collection of fund of the resettlement housing project in Beijing Shiji Longquan Real Estate Development Co., Ltd.

Trade receivables increased from RMB5.47 million as at 31 December 2014 to RMB6.93 million as at 30 September 2015 was mainly due to the increase of receivables from customers in CIHL (Tianjin) Water Development Company Limited.

Trade payables decreased from RMB27.27 million as at 31 December 2014 to RMB14.27 million as at 30 September 2015 was mainly due to the decrease of payable construction costs in Yichang Xinshougang Property Development Company Limited.

Other payables and accruals decreased from RMB138.12 million as at 31 December 2014 to RMB90.26 million as at 30 September 2015 was mainly due to decrease in other payables in Yichang Xinshougang Property Development Company Limited.

Receipt in advance increased from RMB18.67 million as at 31 December 2014 to RMB86.45 million as at 30 September 2015 was mainly due to the increase in advance sale of property and water pipes fees.

Gross amounts due to customers for contract work increased from RMB4.24 million as at 31 December 2014 to RMB16.49 million as at 30 September 2015, this was due to increase of the remaining contract work as at 30 September 2014 in CIHL (Tianjin) Water Development Company Limited.

Loan payable decreased from RMB147.62 million as at 31 December 2014 to nil as at 30 September 2015, since the amount has been repaid in full by the Company.

Cash and cash equivalents as at 30 September 2015 was RMB72.91 million as compared to RMB54.67 million as at 31 December 2014.

Cash Flows Analysis

As at 30 September 2015, cash and cash equivalents include restricted bank balances of approximately RMB7.9.1 million. The restricted cash mainly represents cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the buyers in Yichang Xinchougang Property Development Company Limited.

Net cash used in operating activities is RMB12.52 million for Q3 2015, mainly due to increase of properties for development and increase of prepayments, deposits and other receivable.

Net cash generated from investing activities for Q3 2015 was RMB161.24 million, which was mainly due to decrease of restricted bank balances pledged.

Net cash used in financing activities for Q3 2015 was RMB204.11 million, which was mainly due to repayments of borrowings from non-related parties.

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 Chinese economy to remain challenging in the current year and the first half of 2016. The property market in the first tier, and to some extent, the second 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. 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. However, the credit market is expected to show signs of relief in the next 12 months. The Group will focus on cash generation from its property development projects as well as other businesses.

The Group's Liuhe Gold project has commenced its commercial operation on trial basis in the 3rd Quarter of FY2014; however, the output has not reached the designated capacity in Q3 FY2015 due to the current weak gold price.

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 further geological survey work during the past year in order to identify further prospects in the licensed area. The Group has secured an extension of the license to allow for the drilling of one or two wells for evaluation, which is expected to be carried out in the next couple of years. The Group is reviewing all options available in relation to the project.

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 2015.

- 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 second quarter and nine months financial period ended 30 September 2015 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

BY ORDER OF THE BOARD

Zhang Rong Xiang
Managing Director
13 November 2015