

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

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

	12 months ended		Increase / (Decrease) %
	31.12.2017 RMB'000	31.12.2016 RMB'000	
<b>Continuing operations</b>			
<b>Revenue</b>	90,826	92,327	(1.6)
Cost of sales and services provided	(37,012)	(29,266)	26.5
<b>Gross profit</b>	53,814	63,061	(14.7)
Other income - net	34,135	134,624	(74.6)
Expenses			
- Administrative	(9,866)	(10,730)	(8.1)
- Other operating	(18,649)	(15,712)	18.7
- Finance	(8,718)	(27,937)	(68.8)
Share of profit from associated companies accounted for using the equity method	6,436	-	NM
<b>Profit before income tax</b>	57,152	143,306	(60.1)
Income tax expense	(25,055)	(34,945)	(28.3)
<b>Profit for the financial year from continuing operations</b>	32,097	108,361	(70.4)
<b>Discontinued operations</b>			
Profit / (loss) for the financial year from discontinued operations	2,894	(49,063)	105.9
<b>Profit for the financial year</b>	34,991	59,298	(41.0)
<b>Profit / (loss) for the financial year attributable to:</b>			
Owners of the parent	19,802	64,182	(69.1)
Non-controlling interests	15,189	(4,884)	(411.0)
	34,991	59,298	(41.0)
<b>Total profit / (loss) for the financial year attributable to equity holders of the Company arises from:</b>			
Continuing operations	18,210	91,167	(80.0)
Discontinued operations	1,592	(26,985)	105.9
	19,802	64,182	(69.1)

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 Hongkunweiye Property Development Co. Ltd (“Purchaser”) in relation to the disposal of its 5% equity and debt interests in its subsidiaries, Beijing Kaiyuan Wanjia Management Consulting Company Limited and its subsidiaries (“KYWJ Group” or the “Yichang Project”) to the Purchaser.

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

The financial results of the KYWJ Group from 01 January 2017 to 31 May 2017 and FY2016 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 RMB6.44 million in respect of the KYWJ Group instead of accounting for its results as discontinued operations from 01 June 2017 to 31 December 2017.

2. Operation of significant associated companies, the KYWJ Group

(i) The results of the KYWJ Group for FY2017 and FY2016 are as follow:

	12 months ended		Increase /
	31.12.2017	31.12.2016	(Decrease
	RMB'000	RMB'000	)
			%
<b>Revenue</b>	494,145	154,551	219.7
Cost of sales and services provided <sup>(1)</sup>	<u>(466,839)</u>	<u>(190,762)</u>	144.7
<b>Gross profit / (loss)</b>	27,306	(36,211)	175.4
Other income - net	4,852	2,501	94.0
Other operating expenses	(9,829)	(12,021)	(18.2)
Selling and marketing expenses	<u>(10,570)</u>	<u>(14,332)</u>	(26.2)
<b>Profit / (loss) before income tax</b>	11,759	(60,063)	119.6
Income tax credit	4,007	11,000	(63.6)
<b>Profit / (loss) for the financial year</b>	<u>15,766</u>	<u>(49,063)</u>	132.1

(1) Included in cost of services provided in financial year 2016 is a write-down of properties for development of RMB58,332,000.

(ii) Statement of Financial Position as at 31 December 2017 for the KYWJ Group is as follows:

	31.12.2017 RMB'000'	31.12.2016 RMB'000'
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	161,726	156,100
	<b>161,726</b>	<b>156,100</b>
<b>CURRENT ASSETS</b>		
Property for development	693,033	895,747
Trade and other receivables	15,857	29,009
Cash and bank balances	44,481	18,037
Deferred tax assets	9,291	8,805
	<b>762,662</b>	<b>951,598</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	-	217,044
Trade and other payables	674,768	649,083
	<b>674,768</b>	<b>866,127</b>
<b>Net Current Assets</b>	<b>87,894</b>	<b>85,471</b>
<b>Total assets less current liabilities</b>	<b>249,620</b>	<b>241,571</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	44,880	51,358
<b>Net Assets</b>	<b>204,740</b>	<b>190,213</b>
<b>Equity</b>		
Share capital	4,444	4,444
Reserves	140,816	535,711
Accumulated profit / (losses)	59,480	(349,942)
	<b>204,740</b>	<b>190,213</b>

### 3. Disposal of a subsidiary in 2016: Tianjin CIHL Xinzhong Real Estate Development Co., Limited.

On 4 October 2016, the Company announced that CIHL (Tianjin) City Development Limited, a wholly owned subsidiary of the Company, had 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, Tianjin CIHL Xinzhong Real Estate Development Co., Limited. (“XZPD” or the “Jixian Project”) to the Purchaser.

On 26 December 2016, the Company disposed of its 100% equity interest in XZPD. Following the disposal, XZPD ceased to be a subsidiary of the Company.

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

	FY2017			FY2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	12,930	237	13,167	322	63	385
Rental income, net	1,072	-	1,072	1,580	-	1,580
(Loss) / gain incurred as guarantor	-	(36)	(36)	-	506	506
Reversal of impairment of trade receivables	-	-	-	2,198	-	2,198
Write-down of properties for development	-	-	-	-	(58,332)	(58,332)
Employee share option expense	-	-	-	(335)	-	(335)
Depreciation of property, plant and equipment	(8,187)	(371)	(8,558)	(7,876)	(907)	(8,783)
Currency translation loss	(262)	-	(262)	(148)	-	(148)
Gain on disposal of subsidiaries	6,415	-	6,415	130,056	-	130,056
Fair value gain on investment properties	2,700	-	2,700	-	-	-
Auditors' remuneration	(1,042)	-	(1,042)	(956)	-	(956)
Impairment loss of property, plant and equipment	-	-	-	-	(3,768)	(3,768)
Gain on waiver of amount payable	11,000	-	11,000	-	-	-
Share of profit of associated companies	6,436	-	6,436	-	-	-

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

	Group		Company	
	31.12.2017 RMB'000	31.12.2016 RMB'000	31.12.2017 RMB'000	31.12.2016 RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	143,877	256,303	-	-
Intangible assets	122	122	-	-
Investment properties	34,800	32,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Investment in associates	102,371	-	-	-
Deferred income tax assets	3,425	4,492	-	-
	<b>304,898</b>	<b>313,320</b>	<b>196,000</b>	<b>196,000</b>
<b>Current Assets</b>				
Development properties	-	895,747	-	-
Inventories	2,165	3,569	-	-
Trade and other receivables	351,422	93,830	460,799	494,747
Cash and cash equivalents	57,063	156,975	1	1
	<b>410,650</b>	<b>1,150,121</b>	<b>460,800</b>	<b>494,748</b>
<b>Current Liabilities</b>				
Borrowings	90,848	149,563	-	-
Trade and other payables	180,291	658,720	146,932	124,754
Current income tax liabilities	15,235	16,403	-	-
	<b>286,374</b>	<b>824,686</b>	<b>146,932</b>	<b>124,754</b>
<b>NET CURRENT ASSETS</b>	<b>124,276</b>	<b>325,435</b>	<b>313,868</b>	<b>369,994</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>429,174</b>	<b>638,755</b>	<b>509,868</b>	<b>565,994</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	23,749	-	-
Deferred income tax liabilities	29,440	72,676	-	-
	<b>29,440</b>	<b>96,425</b>	-	-
<b>NET ASSETS</b>	<b>399,734</b>	<b>542,330</b>	<b>509,868</b>	<b>565,994</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	17,779	257,321	17,779	257,321
Reserves	920,842	656,270	891,968	627,861
Accumulated losses	(631,518)	(573,574)	(399,879)	(319,188)
	307,103	340,017	509,868	565,994
Non-controlling interests	92,631	202,313	-	-
<b>TOTAL EQUITY</b>	<b>399,734</b>	<b>542,330</b>	<b>509,868</b>	<b>565,994</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 31.12.2017 (RMB'000)		As at 31.12.2016 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
23,748	67,100	109,463	40,100

Amount repayable after one year

As at 31.12.2017 (RMB'000)		As at 31.12.2016 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	23,749	-

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.

	12 months ended	
	31.12.2017	31.12.2016
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before income tax including discontinued operations	52,313	83,242
Adjustments for:		
- Depreciation of property, plant and equipment	8,558	8,783
- Impairment loss of property, plant and equipment	-	3,768
- Interest expenses	8,717	27,937
- Interest income	(13,167)	(385)
- Employee share option expense	-	335
- Gain on disposal of property, plant and equipment	(80)	(5)
- Gain on disposal of subsidiaries	(6,415)	(130,056)
- Share of gain of associates	(6,436)	-
- Reversal of impairment on trade receivables	-	(2,198)
- Fair value gain on investment properties	(2,700)	-
- Gain on partial waiver of amount payable	(11,000)	-
- Unrealised currency translation gain	(735)	(37)
	<u>29,055</u>	<u>8,616</u>
Changes in working capital		
- Development properties	(104,767)	(124,103)
- Inventories	1,404	440
- Trade and other receivables	9,270	(12,894)
- Trade and other payables	133,337	216,382
Cash provided by operations	<u>68,299</u>	<u>71,209</u>
Interest paid	(5,955)	(35,071)
PRC income tax paid	(27,738)	(18,623)
Net cash provided by operating activities	<u>34,606</u>	<u>17,515</u>
<b>Cash flows from investing activities</b>		
Disposal of subsidiaries, net of cash disposed of	20,116	451,256
Increase of restricted bank balances pledged	(5,854)	(7,593)
Interest received	554	29,729
Purchases of property, plant and equipment	(52,806)	(11,026)
Proceeds from disposal of property, plant and equipment	80	23
Repayment of loans from an associated company	59,800	-
Net cash provided by investing activities	<u>21,890</u>	<u>462,389</u>
<b>Cash flows from financing activities</b>		
Interest and other finance costs paid	(10,067)	(14,393)
Cash from non-controlling interest investment	2,250	-
Borrowings from non-related parties	28,000	60,000
Repayments of borrowings		
- non-related parties	(104,765)	(384,927)
- related parties	(1,000)	(10,100)
Special dividend paid	(51,130)	-
Dividend paid to a non-controlling shareholder	(10,000)	-
Net cash used in financing activities	<u>(146,712)</u>	<u>(349,420)</u>

	12 months ended	
	31.12.2017	31.12.2016
	RMB'000	RMB'000
Net (decrease) / increase in cash and cash equivalents	(90,216)	130,484
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>BEGINNING OF FINANCIAL YEAR</b>	146,399	15,878
Effects of exchange rate changes on cash and cash equivalents	735	37
<b>End of financial year</b>	<u>56,918</u>	<u>146,399</u>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	57,063	156,975
Restricted bank balances	<u>(145)</u>	<u>(10,576)</u>
	<u>56,918</u>	<u>146,399</u>

As at 31 December 2017, cash and cash equivalents include restricted bank balances of approximately RMB145,000 (31 December 2016: RMB10,576,000).

The restricted cash mainly comprise of:

- (i) Restricted bank balances of approximately RMB145,000 (31 December 2016: RMB145,000) for securing the performance and fund utilisation for a land development project of the Group;
- (ii) Cash of RMB nil (31 December 2016: RMB10,418,000) deposited in certain banks as guarantee deposits for 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 upon issue of the real estate ownership certificate to the buyers, whichever is the earlier; and
- (iii) Short-term bank deposits of RMB nil (31 December 2016: RMB13,000) in a PRC subsidiary pledged to a lender as security for RMB borrowings granted to a PRC subsidiary.



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		
<b>2016</b>												
<b>Beginning of financial year</b>	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 income / (loss) for the financial year	-	-	-	-	-	-	-	-	64,182	64,182	(4,884)	59,298
Transfer	-	-	-	-	2,261	-	-	-	(2,261)	-	-	-
Share option lapsed	-	-	-	-	-	-	-	(2,759)	2,759	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	335	-	335	-	335
<b>End of financial year</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>7,268</b>	<b>23,767</b>	<b>8,324</b>	<b>(2,147)</b>	<b>7,409</b>	<b>(573,574)</b>	<b>340,017</b>	<b>202,313</b>	<b>542,330</b>
<b>2017</b>												
<b>Beginning of financial year</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 year	-	-	-	-	-	-	-	-	19,802	19,802	15,189	34,991
Transfer	-	-	-	-	2,051	-	-	-	(2,051)	-	-	-
Disposal of subsidiaries	-	-	-	496	(2,082)	-	-	-	-	(1,586)	(87,121)	(88,707)
Capital reorganisation	(244,455)	-	244,455	-	-	-	-	-	-	-	-	-
Special dividend	-	-	-	-	-	-	-	-	(75,695)	(75,695)	(40,000)	(115,695)
Scrip shares issued	4,913	19,652	-	-	-	-	-	-	-	24,565	-	24,565
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	2,250	2,250
<b>End of financial year</b>	<b>17,779</b>	<b>65,712</b>	<b>810,044</b>	<b>7,764</b>	<b>23,736</b>	<b>8,324</b>	<b>(2,147)</b>	<b>7,409</b>	<b>(631,518)</b>	<b>307,103</b>	<b>92,631</b>	<b>399,734</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	Accumulated Losses RMB'000	Total Equity RMB'000
<b>2016</b>								
<b>Beginning of financial year</b>	257,321	46,060	565,589	479	8,324	9,833	(316,331)	571,275
Total comprehensive loss for the financial year	-	-	-	-	-	-	(5,616)	(5,616)
Share option lapsed	-	-	-	-	-	(2,759)	2,759	-
Recognition of share-based payments	-	-	-	-	-	335	-	335
<b>End of financial year</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>(319,188)</u>	<u>565,994</u>
<b>2017</b>								
<b>Beginning of financial year</b>	257,321	46,060	565,589	479	8,324	7,409	(319,188)	565,994
Total comprehensive loss for the financial year	-	-	-	-	-	-	(4,995)	(4,995)
Capital reorganisation	(244,455)	-	244,455	-	-	-	-	-
Special dividend	-	-	-	-	-	-	(75,696)	(75,696)
Scrip shares issued	4,913	19,652	-	-	-	-	-	24,565
<b>End of financial year</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>(399,879)</u>	<u>509,868</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 December 2017 and 31 December 2016, 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 December 2017 and 31 December 2016.

The Company did not hold any of its issued shares as treasury shares as at 31 December 2017 and 31 December 2016.

The Company did not hold any of its issued shares as subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 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 December 2017, the number of issued shares excluding treasury shares and subsidiary holdings was 71,233,533 ordinary shares (31 December 2016: 51,230,183).

- 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 2017. 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 December 2017. 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 December 2017 are the same as those used in the annual financial statements of the Group for the financial year ended 31 December 2016.

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 2017. 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.

	31.12.2017	31.12.2016
Earnings / (loss) attributable to owners of the parent (RMB’000)		
-Continuing operations	18,210	91,167
-Discontinued operations	1,592	(26,985)
	<u>19,802</u>	<u>64,182</u>
Weighted average number of ordinary shares in issue (’000)	<u>61,533</u>	<u>51,230</u>
Basic and diluted earnings / (loss) per share (RMB fen)		
-Continuing operations	29.59	177.95
-Discontinued operations	2.59	(52.67)
	<u>32.18</u>	<u>125.28</u>

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

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

The share options of 2,700,000 (31 December 2016: 2,700,000) are anti-dilutive as the exercise price of the share options was higher than the average market prices of the Company’s ordinary shares during the financial years ended 31 December 2017 and 31 December 2016.

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

(b) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net asset value (RMB'000)	307,103	340,017	509,868	565,994
Number of shares ('000)	71,234	51,230	71,234	51,230
Net asset per share (RMB)	4.311	6.637	7.158	11.048

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 FY2017 of the Group was RMB90.83 million, a decrease of RMB1.50 million or 1.6% compared RMB92.33 million in FY2016.

Cost of sales and services provided in FY2017 increased by 26.5% to RMB37.01 million, an increase of RMB7.74 million as compared to RMB29.27 million in FY2016 with higher cost of water operations.

Gross profit margin decreased from 68.3% in FY2016 to 59.2% in FY2017, as the cost of sales went up in FY2017 by 26.5% and revenue fell 1.6%.

A comparison of the revenues and cost of sales and services provided is shown below:

	FY2017				FY2016			
	Revenue (net)	Cost of service provided	Gross profit	Gross profit rate	Revenue (net)	Cost of service provided	Gross profit	Gross profit rate
	RMB'000'	RMB'000'	RMB'000'	%	RMB'000'	RMB'000'	RMB'000'	%
Water supply	34,985	(23,910)	11,075	31.7	30,585	(17,859)	12,726	41.6
Construction of water pipeline	55,841	(13,102)	42,739	76.5	61,742	(11,407)	50,335	81.5
	90,826	(37,012)	53,814	59.2	92,327	(29,266)	63,061	68.3

The Group recorded a gross profit of RMB53.81 million in FY2017, a decrease of 14.7% compared to RMB63.06 million in FY2016.

Other income in FY2017 was RMB34.14 million, representing a decrease of RMB100.48 million as compared to the RMB134.62 million in FY2016. The decrease of 74.6% was attributed mainly to a significant gain on disposal of a subsidiary recorded in the previous year.

Other operating expenses in FY2017 were RMB18.65 million, which represent an increase of RMB2.94 million as compared to the RMB15.71 million in FY2016. The increase of 18.7% was mainly due to a reversal of impairment loss on trade receivables accounted for in FY2016.

Finance costs in FY2017 was RMB8.72 million, a decrease of RMB19.22 million or 68.8%, mainly from lower interest expenses in CIHL (Tianjin) City Development Limited following the repayment of borrowings.

Share of profit of associated companies in FY2017 was RMB6.44 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 profit of RMB34.99 million in FY2017 compared to RMB59.30 million in FY2016.

### Analysis on Statement of Financial Position

On 1 June 2017, the KYWJ Group ceased to be subsidiaries and became associated companies of the Company. As at 31 December 2017, the company's equity and debt interests in KYWJ Group have accordingly been reclassified and recognised as investment in associates of RMB102.37 million and other receivables of RMB304.51 million respectively, instead of eliminating them as intercompany balances in the Consolidated Statement of Financial Position. Details are as follow:

Financial statement line item of KYWJ Group in The Consolidated Statement of Financial Position

	31.12.2017			31.12.2016			Increase/(decrease)		
	KYWJ Group	Others	Total	KYWJ Group	Others	Total	KYWJ Group	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Investment in associates	102,371	-	102,371	-	-	-	102,371	-	102,371
Trade and other receivables	304,507	46,915	351,422	-	93,830	93,830	304,507	(46,915)*	257,592

\* The decrease of the others of trade and other receivables of RMB46.92 million is mainly due to the decrease of other receivables in CIHL (Tianjin) Water Development Company Limited.

The reclassification of investment in KYWJ Group as an associated company of the Company from 1 June 2017 resulted in its assets and liabilities were no longer consolidated in the consolidated balance sheet of the Group. Some balance sheet items decreased significantly. For example Property, plant and equipment decreased from RMB256.30 million as at 31 December 2016 to RMB143.88 million as at 31 December 2017, Property for development decreased from RMB895.75 million as at 31 December 2016 to RMB nil as at 31 December 2017, and Trade and other payables decreased from RMB658.72 million to RMB180.29 million as at 31 December 2017. Details are as follow:

Financial statement line item of the KYWJ Group in the consolidated Balance Sheet  
attributable to the KYWJ Group

	31.12.2017			31.12.2016			(Decrease) / Increase		
	KYWJ Group	Others	Total	KYWJ Group	Others	Total	KYWJ Group	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	-	143,877	143,877	156,100	100,203	256,303	(156,100)	43,674 <sup>(1)</sup>	(112,426)
Property for development	-	-	-	895,747	-	895,747	(895,747)	-	(895,747)
Trade and other payables	-	180,291	180,291	525,974	132,746	658,720	(525,974)	47,545 <sup>(2)</sup>	(478,429)

(1) The increase of other property, plant and equipment of RMB43.67 million is mainly due to the increase of construction costs of pipelines in CIHL (Tianjin) Water Development Company Limited.

(2) The increase of trade and other payables of RMB47.55 million is mainly due to the increase of dividend payable to a non-controlling shareholder of CIHL (Tianjin) Water Development Company Limited.

Cash and cash equivalents as at 31 December 2017 amounted to RMB57.06 million as compared to RMB156.98 million as at 31 December 2016.

### Cash Flows Analysis

As at 31 December 2017, 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 generated from operating activities was RMB34.61 million in FY2017, and was derived mainly from revenue of CIHL (Tianjin) Water Development Company Limited.

Net cash provided by investing activities in FY2017 was RMB21.89 million, mainly from partial recovery of loans made to the KYWJ Group.

Net cash used in financing activities in FY2017 was RMB146.71 million, mainly for the payment of a special dividend 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 expects to commence the construction of the new project (新河再生水厂项目) in 2018 and pending the timing of final approval from the relevant authority, the Company is expected 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 RMB 160 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 the first half 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?

A final tax-exempt dividend of 30 Singapore cents per ordinary share was declared for the corresponding period of the immediate preceding financial year.

### (c) Date Payable

Not applicable.

### (d) Books closure date

Not applicable.

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

No dividend has been declared nor recommended by the directors on fourth quarter and the financial year ended 31 December 2017.

The dividend in respect of the financial year ended 31 December 2016 was paid on 28 June 2017.



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

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

(a) Business activities

	Continuing operations			Discontinued operations	
	Water supply services	Land development	All other segments	Property development	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial year ended</b>					
<b>31 December 2017</b>					
Total segment revenue	90,826	-	-	391,791	482,619
Inter-segment revenue	-	-	-	-	-
Revenue from external parties	90,826	-	-	391,791	482,619
Segment results	53,814	-	-	766	54,580
Interest income	390	26	12,514	237	13,167
Rental income	-	-	1,072	-	1,072
Other income	-	-	11,280	1,500	12,780
Administrative expenses	-	-	(9,866)	-	(9,866)
Other operating expenses	(7,250)	(1,988)	(9,411)	(4,003)	(22,652)
Selling and marketing expenses	-	-	-	(3,340)	(3,340)
Fair value gain on investment properties	-	-	2,700	-	2,700
Gain on disposal of subsidiaries	-	-	6,425	-	6,415
Currency translation loss	-	-	(262)	-	(262)
Operating profit					54,594
Finance costs	-	-	(8,718)	-	(8,718)
Share of profit of associated companies	-	-	6,436	-	6,436
Income tax (expense) / credit	(11,594)	-	(13,461)	7,734	(17,321)
<b>PROFIT FOR THE FINANCIAL YEAR</b>					<b>34,991</b>
Depreciation	(7,390)	(29)	(768)	(371)	(8,558)

**Continuing operations**

	Water supply services RMB'000	Land development RMB'000	All other segments RMB'000	Total RMB'000
<b>As at 31 December 2017</b>				
<b>Total assets</b>	232,094	16,484	466,970	715,548
Total assets includes:				
Property, plant and equipment	134,889	18	8,970	143,877
Intangible assets	122	-	-	122
Goodwill	20,303	-	-	20,303
Investment properties	-	-	34,800	34,800
Investment in associated companies	-	-	102,371	102,371
Deferred income tax assets	1,339	-	2,086	3,425
Inventories and properties for development	2,165	-	-	2,165
Trade and other receivables	28,068	15,948	307,406	351,422
Cash and cash equivalents	45,208	518	11,337	57,063
<b>Total assets</b>				<u>715,548</u>
 Addition to non-current assets	 51,848	 -	 15,529	 67,377
<b>As at 31 December 2017</b>				
<b>Total liabilities</b>	<u>121,110</u>	<u>4,787</u>	<u>189,917</u>	<u>315,814</u>
<b>Total liabilities includes:</b>				
Short term borrowings	23,748	-	67,100	90,848
Trade and other payables	118,705	4,266	57,320	180,291
Current income tax liabilities	8,657	521	6,057	15,235
Deferred income tax liabilities	-	-	29,440	29,440
<b>Total liabilities</b>				<u>315,814</u>

	Continuing operations			Discontinued operations	
	Water supply	Land development	All other segments	Property development	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial year ended 31 December 2016</b>					
Total segment revenue	92,327	-	-	154,552	246,879
Inter-segment revenue	-	-	-	-	-
Revenue from external parties	92,327	-	-	154,552	246,879
Segment results	63,061	-	-	(36,210)	26,851
Interest income	189	-	134	-	323
Rental income	-	-	1,580	-	1,580
Other income	-	2,612	2,640	2,501	7,753
Administrative expenses	-	-	(14,498)	-	(14,498)
Other operating expenses	(4,639)	(2,359)	(7,385)	(12,021)	(26,404)
Selling and marketing expenses	-	-	-	(14,333)	(14,333)
Gain on disposal of a subsidiary	-	-	130,056	-	130,056
Currency translation loss	-	-	(148)	-	(148)
Operating profit					111,180
Finance costs	-	77	(28,014)	-	(27,937)
Income tax (expenses) / credit	(14,764)	-	(20,181)	11,000	(23,945)
<b>PROFIT FOR THE FINANCIAL YEAR</b>					<b>59,298</b>
Depreciation and amortisation	(6,701)	(42)	(1,231)	(809)	(8,783)
Share option expenses	-	-	(335)	-	(335)
Write-down of development properties	-	-	-	(58,332)	(58,332)

	Continuing operations			Discontinued operations	
	Water supply	Land development	All other segments	Property development	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 31 December 2016</b>					
<b>Total assets</b>	<b>184,460</b>	<b>21,529</b>	<b>161,659</b>	<b>1,095,793</b>	<b>1,463,441</b>
Total assets includes:					
Property, plant and equipment	90,429	47	10,092	155,735	256,303
Intangible assets	122	-	-	-	122
Goodwill	20,303	-	-	-	20,303
Investment properties	-	-	32,100	-	32,100
Deferred income tax assets	1,149	-	3,343	-	4,492
Inventories and properties for development	3,569	-	-	895,747	899,316
Trade and other receivables	27,884	16,273	23,359	26,314	93,830
Cash and cash equivalents	41,004	5,209	92,763	17,999	156,975
<b>Total assets</b>					<b>1,463,441</b>
Addition to non-current assets	6,786	24	305	30,293	37,408
<b>As at 31 December 2016</b>					
<b>Total liabilities</b>	<b>158,773</b>	<b>5,370</b>	<b>317,519</b>	<b>434,449</b>	<b>921,111</b>
<b>Total liabilities includes:</b>					
Short term borrowings	44,765	-	104,798	-	149,563
Loan payables	23,749	-	-	-	23,749
Trade and other payables	78,190	4,849	178,785	396,896	658,720
Current income tax liabilities	12,069	521	12,618	-	25,208
Deferred income tax liabilities	-	-	21,318	42,553	63,871
<b>Total liabilities</b>					<b>921,111</b>

(b) Geographical location

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

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

This has been addressed in note 8 to this announcement.

15 A breakdown of sales.

	Latest Financial Year RMB'000 Group	Previous Financial Year RMB'000 Group	Increase/ (Decrease) %
(a) Turnover reported for first half year	50,519	44,079	14.6
(b) Operating profit / (loss) after tax before deducting minority interests reported for first half year	25,407	(9,535)	366.5
(c) Turnover reported for second half year	40,307	48,248	(16.5)
(d) Operating profit after tax before deducting minority interests reported for second half year	9,584	68,833	(86.1)

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

	2017	2016
Ordinary	S\$15,369,054.90	-
Preference	-	-
Total Annual Dividend	S\$15,369,054.90	-

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

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

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

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

19 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 year ended 31 December 2017 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

20 [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 2018