
SECOND QUARTER AND HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		Group Increase / (Decrease) %	6 months ended		Increase / (Decrease) %
	30.06.2010 RMB'000	30.06.2009 RMB'000		30.06.2010 RMB'000	30.06.2009 RMB'000	
TURNOVER	5,892	11,473	(48.6)	8,186	21,701	(62.3)
Cost of services provided	(1,394)	(5,675)	(75.4)	(2,396)	(11,099)	(78.4)
Gross profit	4,498	5,798	(22.4)	5,790	10,602	(45.4)
Other income	5,873	2,692	118.2	7,339	7,225	1.6
Administrative expenses	(4,337)	(2,388)	81.6	(7,141)	(4,317)	65.4
Other operating expenses	(2,451)	(2,154)	13.8	(5,229)	(3,981)	31.3
Profit from operations	3,583	3,948	(9.2)	759	9,529	(92.0)
Share of (loss) / profit of a jointly controlled entity	1,640	72	NM	6,448	(350)	NM
Finance costs	(15)	(5)	200	(26)	(22)	18.2
PROFIT BEFORE TAX	5,208	4,015	29.7	7,181	9,157	(21.6)
Income tax expense	(1,158)	(1,034)	12	(1,215)	(1,632)	(25.6)
PROFIT FOR THE PERIOD	4,050	2,981	35.9	5,966	7,525	(20.7)
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	3,287	2,102	56.4	5,380	6,059	(11.2)
Non-controlling interests	763	879	(13.2)	586	1,466	(60.0)
	4,050	2,981	35.9	5,966	7,525	(20.7)

Consolidated statements of comprehensive income for the period ended 30 June 2010

	3 months ended		Increase / (Decrease) %	6 months ended		Increase / (Decrease) %
	30.06.2010 RMB'000	30.06.2009 RMB'000		30.06.2010 RMB'000	30.06.2009 RMB'000	
Net profit for the period	<u>4,050</u>	<u>2,981</u>	35.9	<u>5,966</u>	<u>7,525</u>	(20.7)
Total comprehensive income for the period	<u>4,050</u>	<u>2,981</u>	35.9	<u>5,966</u>	<u>7,525</u>	(20.7)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	3,287	2,102	56.4	5,380	6,059	(11.2)
Non-controlling interests	763	879	(13.2)	586	1,466	(60.0)
	<u>4,050</u>	<u>2,981</u>	35.9	<u>5,966</u>	<u>7,525</u>	(20.7)

The Group's statement of comprehensive income before tax is arrived at after crediting / (charging):

	3 months ended		6 months ended	
	30.06.2010 RMB'000	30.06.2009 RMB'000	30.06.2010 RMB'000	30.06.2009 RMB'000
Interest income	1,797	2,993	2,750	7,055
Depreciation	(357)	(295)	(712)	(740)
Amortisation of intangible assets	(491)	(2,538)	(754)	(4,883)
Loss on exchange, net	(137)	(793)	(172)	(804)
Share of (loss) / profit of a jointly controlled entity	1,640	72	6,448	(350)
Auditors' remuneration	(174)	(343)	(526)	(528)
Gain on disposal of a subsidiary	3,911	–	3,911	–

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

	Group		Company	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	10,822	11,514	-	-
Intangible assets	21,775	22,529	-	-
Investment properties	13,770	24,770	-	-
Interest in jointly controlled entity	40,289	33,841	-	-
Interest in subsidiaries			206,360	220,049
	<u>86,656</u>	<u>92,654</u>	<u>206,360</u>	<u>220,049</u>
Current Assets				
Accounts receivable, prepayments and other receivables	5,696	493,066	271	193,789
Refundable deposits	10,000	10,000	-	-
Due from a jointly controlled entity	56,176	6,176	-	-
Due from related companies	147	12,815	-	781
Due from subsidiaries	-	-	647,819	343,302
Due from minority shareholders	9,756	7,506	-	-
Cash and bank balances	619,127	171,119	1	1
	<u>700,902</u>	<u>700,682</u>	<u>648,091</u>	<u>537,873</u>
Total Assets	<u>787,558</u>	<u>793,336</u>	<u>854,451</u>	<u>757,922</u>
EQUITY AND LIABILITIES				
Non-Current Liabilities				
Deferred tax liabilities	2,682	3,973	-	-
Total Non-Current Liabilities	<u>2,682</u>	<u>3,973</u>	<u>-</u>	<u>-</u>
Current Liabilities				
Due to PRC JV partner	21,098	-	-	-
Due to a jointly controlled entity	7,500	7,500	-	-
Due to related companies	10	1,001	-	-
Due to subsidiaries	-	-	234,039	130,600
Accounts payable, other payables and accruals	10,414	16,938	339	870
Due to minority shareholders	26,000	26,000	-	-
Current tax liabilities	6,881	17,782	-	-
Total Current Liabilities	<u>71,903</u>	<u>69,221</u>	<u>234,378</u>	<u>131,470</u>
Total Liabilities	<u>74,585</u>	<u>73,194</u>	<u>234,378</u>	<u>131,470</u>
Equity attributable to owners of the parent				
Share capital	219,943	218,820	219,943	218,820
Reserves	451,341	459,618	400,130	407,632
	<u>671,284</u>	<u>678,438</u>	<u>620,073</u>	<u>626,452</u>

Non-controlling interests	<u>41,689</u>	<u>41,704</u>	<u>-</u>	<u>-</u>
Total Equity	<u>712,973</u>	<u>720,142</u>	<u>620,073</u>	<u>626,452</u>
Total Equity and Liabilities	<u><u>787,558</u></u>	<u><u>793,336</u></u>	<u><u>854,451</u></u>	<u><u>757,922</u></u>

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

Amount repayable in one year or less, or on demand

As at 30.06.2010 (RMB'000)		As at 31.12.2009 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.06.2010 (RMB'000)		As at 31.12.2009 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable

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

	3 months ended		6 months ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	5,208	4,015	7,181	9,157
Adjustments for:				
Amortisation of intangible assets	491	2,538	754	4,883
Depreciation of property, plant and equipment	357	295	712	740
Interest income	(1,797)	(2,993)	(2,750)	(7,055)
Share options granted to employees and directors	872	114	1,176	244
Gain on disposal of property, plant & equipment	(2)	-	(2)	-
Gain on disposal of a subsidiary	(3,911)	-	(3,911)	-
Gain on fair value changes of investment properties	-	-	(123)	-
Share of (profit) / loss of a jointly controlled entity	(1,640)	(72)	(6,448)	350
Operating profit before working capital changes	(422)	3,897	(3,411)	8,319
(Increase) / Decrease in accounts receivable, prepayments and other receivables	(1,214)	(2,336)	(1,262)	1,841
(Increase) / Decrease in due from related companies	(66)	817	(133)	1,053
(Decrease) / Increase in accounts payables, other payables and accruals	(89)	278	(6,363)	(1,539)
Cash generated from operations	(1,791)	2,656	(11,169)	9,674
PRC income tax paid	(205)	(808)	(1,286)	(1,330)
Net cash (used in) / generated from operating activities	(1,996)	1,848	(12,455)	8,344
Cash flows from investing activities				
Interest received	1,796	7	9,644	16,625
Payment of property, plant and equipment	(17)	(17)	(24)	(30)
Refund of refundable deposits paid on land development projects	-	-	150,000	-
Proceeds on disposal of operating right of a toll bridge and its ancillary facilities	85,000	-	140,000	-
Proceeds on disposal of property, plant & equipment	5	-	5	-
Proceeds on disposal of a subsidiary	12,000	-	12,000	-
Proceeds on disposal of a jointly controlled entity	-	-	-	75,000
Payment of land auction deposit	(7,600)	-	(7,600)	-
Refund of land auction deposit	7,600	-	7,600	-
Cash reduction on disposal of a subsidiary	(8,142)	-	(8,142)	-
Net cash generated from / (used in) investing activities	90,642	(10)	303,483	91,595
Cash flows from financing activities				
Share issued for exercised options	1,123	-	1,123	-
Dividend paid to equity holders of the Company	(14,833)	(13,578)	(14,833)	(13,578)
Loans granted to minority shareholders	(1,000)	(350)	(2,250)	(8,573)
Loans repaid from minority shareholders	718	100	1,098	100
Settlement of loans due from third parties	-	-	191,899	27,478
Remittance for dividend payment and others	-	-	-	(17,300)
Remittance received for dividend payment and others	-	15,433	-	15,433
Cash received on behalf of a PRC JV partner	20,000	-	20,000	-
Cash advanced from related companies	218	974	13,537	974
Cash repaid to related companies	(12,981)	(974)	(14,537)	(974)
Loans advanced to related companies	-	-	(1,000)	(17,100)
Loans repaid from related companies	-	-	13,029	10,100
Settlement of amounts due to a related company	-	-	-	(951)
Loan advanced by a director	876	-	1,752	-
Loan repaid to a director	(876)	-	(1,752)	(905)
Short term loan advanced by a third party	150,000	-	150,215	-
Short term loan repaid to a third party	(150,000)	-	(150,700)	-
Short term working capital loan to a subsidiary	(50,000)	-	(50,000)	-
Dividends paid to minority shareholders	(484)	(60)	(601)	(8,937)
Net cash generated from / (used in) financing activities	(57,239)	1,545	156,980	(14,233)
Net increase in cash and cash equivalents	31,407	3,383	448,008	85,706
Cash and cash equivalents at beginning of period	587,720	114,175	171,119	31,852
Cash and cash equivalents at end of period	619,127	117,558	619,127	117,558

Analysis of Balances of Cash and Cash Equivalents

Cash and bank balances

619,127117,558619,127117,558

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

GROUP

	Attributable to Owners of the Parent											Non-controlling Interests	Total Equity
	Share capital	Share premium	Contributed surplus	Capital reserve	Statutory Reserves	Capital redemption reserve	Exchange reserve	Share option reserve	Accumulated loss	Proposed final dividend	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 Jan 2009	218,820	44,553	565,589	6,955	12,095	8,324	(8)	13,818	(213,521)	13,578	670,203	72,681	742,884
Total comprehensive income for the period	-	-	-	-	-	-	-	-	6,058	-	6,058	1,467	7,525
Share options lapsed	-	-	-	-	-	-	-	(427)	427	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-	-	(13,578)	(13,578)	(8,937)	(22,515)
Transfer	-	-	-	-	412	-	-	-	(412)	-	-	-	-
Recognition of share-based payment	-	-	-	-	-	-	-	244	-	-	244	-	244
At 30 Jun 2009	218,820	44,553	565,589	6,955	12,507	8,324	(8)	13,635	(207,448)	-	662,927	65,211	728,138
At 1 Jan 2010	218,820	44,553	565,589	6,955	13,084	8,324	(8)	1,280	(194,916)	14,757	678,438	41,704	720,142
Total comprehensive income for the period	-	-	-	-	-	-	-	-	5,380	-	5,380	586	5,966
Share options exercised	1,123	759	-	-	-	-	-	(759)	-	-	1,123	-	1,123
Dividend on share options exercised	-	-	-	-	-	-	-	-	(76)	76	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-	-	(14,833)	(14,833)	(601)	(15,434)
Transfer	-	-	-	-	200	-	-	-	(200)	-	-	-	-
Recognition of share-based payment	-	-	-	-	-	-	-	1,176	-	-	1,176	-	1,176
At 30 Jun 2010	219,943	45,312	565,589	6,955	13,284	8,324	(8)	1,697	(189,812)	-	671,284	41,689	712,973

COMPANY

	Share Capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Capital redemption reserve RMB'000	Share option reserve RMB'000	Accumulated loss RMB'000	Proposed final dividend RMB'000	Total RMB'000
At 1 Jan 2009	218,820	44,553	565,589	479	8,324	13,818	(231,847)	13,578	633,314
Total comprehensive income for the period	-	-	-	-	-	-	2,390	-	2,390
Share options lapsed	-	-	-	-	-	(427)	427	-	-
Payment of dividends	-	-	-	-	-	-	-	(13,578)	(13,578)
Recognition of share-based payment	-	-	-	-	-	244	-	-	244
At 30 Jun 2009	218,820	44,553	565,589	479	8,324	13,635	(229,030)	-	622,370
At 1 Jan 2010	218,820	44,553	565,589	479	8,324	1,280	(227,350)	14,757	626,452
Total comprehensive income for the period	-	-	-	-	-	-	6,155	-	6,155
Share options exercised	1,123	759	-	-	-	(759)	-	-	1,123
Dividend on share options exercised	-	-	-	-	-	-	(76)	76	-
Payment of dividends	-	-	-	-	-	-	-	(14,833)	(14,833)
Recognition of share-based payment	-	-	-	-	-	1,176	-	-	1,176
At 30 Jun 2010	219,943	45,312	565,589	479	8,324	1,697	(221,271)	-	620,073

- 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, 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.

Pursuant to the exercise of options granted under the CIHL Share Option Scheme 2004 adopted by shareholders of the Company on 10 May 2004, a total of 4,500,000 ordinary shares in the capital of the Company (the "Option Shares") were issued on April 27, 2010 at the subscription price of S\$0.05 each. Upon the issue of the Option Shares, the number of issued and paid-up shares in the capital of the Company was increased to 874,603,750 ordinary shares. As at 30 June 2010, 27.5 million options issued in accordance with CIHL Share Option Scheme ("the Scheme") are outstanding for conversion into 27.5 million shares in the capital of the Company (9 million as at 31 December 2009). According to the Scheme, 1.8 million options, representing approximately 6.55% options granted, could be exercised as at 30 June 2010 (77.5 million as at 30 June 2009). The Company did not hold any of its issued shares as treasury shares as at 30 June 2010 and as at 31 December 2009.

- 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 June 2010, the number of issued shares excluding treasury shares was 874,603,750 ordinary shares (870,103,750 ordinary shares as at 31 December 2009).

- 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 auditors.

- 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.

The same accounting policies and methods of computation have been applied since the last audited annual financial statements.

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

Not applicable

- 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.

	3 months ended		6 months ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Earnings per share based on weighted average number of ordinary shares in issue (RMB fen)	0.38	0.24	0.62	0.70
Weighted average number of ordinary shares ('000)	871,720	870,104	871,720	870,104
Earnings per share based on fully diluted basis (RMB fen)	0.38	0.24	0.62	0.70
Weighted average number of diluted ordinary shares ('000)	871,720	870,104	871,720	870,104

- 7 Net asset value (for 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	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
Net asset value (RMB'000)	671,284	678,438	620,073	626,452
Number of shares ('000)	874,604	870,104	874,604	870,104
Net asset per share (RMB)	0.768	0.780	0.709	0.720

- 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 and Loss Analysis

Q2 2010 versus Q2 2009

The turnover of Q2 2010 of the Group was RMB5.89 million, a decrease of RMB5.58 million compared with the turnover of RMB11.47 million in Q2 2009, representing a reduction of 48.6% due to the termination of the management fee for Haihe Bridge and the termination of operating income of Haimen Bridge after the compulsory acquisition by the local government on 31 December 2009. The turnover at Andi Bridge for Q1 and Q2 2010 were RMB2.29 million and RMB 5.89 million, representing increases of RMB0.68 million and RMB3.71 million respectively compared with corresponding periods in 2009 due to increased traffic.

In line with the lower turnover, cost of services provided in Q2 2010 decreased by 75.4% to RMB1.39 million, as compared to RMB5.68 million in Q2 2009.

The gross profit of Q2 2010 of the Group was RMB4.50 million, a decrease of RMB1.30 million compared with the gross profit of RMB5.80 million in Q2 2009, representing a reduction of 22.4%.

Other income increased in Q2 2010 to RMB5.87 million, representing an increase of 118% as compared to RMB2.69 million for Q2 2009. The increase was mainly due to the gain of RMB3.91 million on the disposal of the Company's subsidiary, CIHL City Development Ltd (中翔城市发展有限公司) on 30 April 2010, as well as increase of interest income.

Administrative expenses in Q2 2010 were RMB4.34 million, representing an increase of 81.6% as compared to RMB2.39 million for Q2 2009. The increase was mainly due to increased professional fees and option expenses.

Other operating expenses increased by RMB0.30 million in Q2 2010 to RMB 2.45 million compared with RMB2.15 million in Q2 2009.

The share of the profit of a jointly controlled entity in the amount of RMB1.64 million was attributed to the operation of CIHL (Tianjin) Water Development Company Limited. It was mainly due to the increase in water pipe installation fee income in Q2 2010.

The finance costs increased from RMB0.005 million in Q2 2009 to RMB0.015 million in Q2 2010 mainly due to increase in bank charge.

Income tax expenses for Q2 2010 were RMB1.16 million, representing an increase of 12% as compared to RMB1.03 million in Q2 2009.

The total comprehensive income for Q2 2010 increased to RMB4.05 million compared with the total comprehensive income of RMB2.98 million in Q2 2009.

1H 2010 versus 1H 2009

The turnover of 1H 2010 of the Group was RMB8.19 million, a decrease of RMB13.51 million compared with the turnover of RMB21.70 million in 1H 2009, representing a reduction of 62.3% due to the termination of the management fee for Haihe Bridge and the termination of operating income of Haimen Bridge after the compulsory acquisition by the local government on 31 December 2009. The turnover at Andi Bridge for 1H 2010 was RMB8.19 million, representing increase of RMB4.39 million compared with 1H 2009 due to increased traffic.

In line with the lower turnover, the cost of services provided in 1H 2010 was RMB2.4 million, a decrease of RMB8.7 million versus the cost of services provided of RMB11.1 million in 1H 2009.

The gross profit of 1H 2010 of the Group was RMB5.79 million, a decrease of RMB4.81 million compared with the gross profit of RMB10.60 million in 1H 2009, representing a reduction of 45.4%.

Other income of 1H 2010 increased to RMB7.34 million versus the other income of RMB7.23 million in 1H 2009, representing an increase of 1.6%.

Both administrative expenses and operating expenses increased by RMB2.82 million and RMB1.25 million respectively in 1H 2010 compared with the administrative expenses of RMB4.32 million and the operating expenses of RMB3.98 million in 1H 2009. The increase was mainly due to increased professional fees and option expenses.

Share of profit in CIHL (Tianjin) Water Development Company Limited increased to RMB6.45 million in 1H 2010 compared to the share of losses of RMB0.35 million in 1H 2009, mainly due to the increase in water pipe installation fee income in 1H 2010.

The income tax expenses decreased from RMB1.63 million in 1H 2009 to RMB1.21 million in 1H 2010.

As a result of the above, the total comprehensive income for 1H 2010 decreased to RMB5.97 million compared with the total comprehensive income of RMB7.53 million in 1H 2009, representing a reduction of 20.7%.

Balance Sheet Analysis

Accounts receivable, prepayments and other receivables decreased from RMB493 million as at 31 December 2009 to RMB 5.7 million as at 30 June 2010 mainly due to the refund of the tender deposit of RMB150 million, the repayment of RMB 198 million from the purchasers for the disposal of China Bridges Investment Limited and the two payments totaling RMB140 million from the compulsory acquisition of Haimen Bridge.

The amount due from a jointly controlled entity increased from RMB6.17 million as at 31 December 2009 to RMB56.17 million as at 30 June 2010 due to an interest free short-term working capital loan from a subsidiary to the jointly controlled entity. The Management envisages this short-term loan to be repaid by 30 September 2010.

The amount due from minority shareholders increased by RMB2.25 million from RMB7.51 million to RMB9.76 million. Of the increase of RMB2.25 million, RMB0.25 million was the cash advanced by CCI Andi Bridges Co. Ltd to its minority shareholder 张家口安地道桥有限责任公司, and RMB2 million was cash advanced by Haimen Bridge to its minority shareholder 天津市塘沽城市建设投资公司.

The amount of RMB21.1 million due to PRC JV partner represents the collection of the portion of compensation from compulsory acquisition of Haimen Bridge on behalf of the PRC JV partner.

The cash and bank balance as at 30 June 2010 was RMB 619.13 million.

Cashflow Analysis

The net cash used in operating activities of RMB12.4 million for 1H 2010 was mainly due to the decrease of accounts payable in the amount of RMB 6.36 million and the increase of accounts receivables in the amount of RMB1.26 million.

The net cash generated from investing activities of RMB303.5 million for 1H 2010 was mainly due to the refund of tender deposit of RMB150 million and compensation payments of RMB140 million for compulsory acquisition of the Haimen Bridge.

The net cash generated from financing activities of RMB157 million for 1H 2010 was mainly due to the repayment of RMB192 million from the purchaser for the disposal of China Bridge Investment Limited.

- 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 Company has on 30 July 2010 announced that it has been awarded by 天津市国土资源和房屋管理局蓟县国土资源局 the tender for the acquisition of land use right for a parcel of land located in the North Shore of Cui Ping Lake Tourist District in Tianjin Ji County for a total consideration of RMB200 million. The land use right is for 70 years from the signing date of land use right grant agreement. The land can be developed into residential and accommodative commercial areas according to the regulatory plan. The Company plans to carry out the development of this real estate property in the next three years and envisages reasonable profitability upon completion of this real estate project.

The Company continues to explore business opportunities in energy and natural resources sector and has announced the appointment of Mr. Shen Xia as executive director to oversee the corporate finance function of the Group as well as responsible for the operations and performance of the energy and natural resources business division of the Group.

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.

The directors do not recommend any dividend for the second quarter and half-year financial period ended 30 June 2010.

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 half-year financial period ended 30 June 2010 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 August 2010