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**FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

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

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

	3 months ended		Increase /
	31.03.2015	31.03.2014	(Decrease)
	RMB'000	RMB'000	%
<b>Continuing operations</b>			
<b>Revenue</b>	10,549	24,545	(57.0)
Cost of sales and services provided	<u>(11,029)</u>	<u>(13,938)</u>	(20.9)
<b>Gross (loss) / profit</b>	(480)	10,607	(104.5)
Other income - net	4,552	6,460	(29.5)
Administrative expenses	(3,532)	(5,806)	(39.2)
Other operating expenses	(8,085)	(5,768)	40.2
Selling and marketing expenses	<u>(430)</u>	<u>(1,478)</u>	(70.9)
<b>Operating (loss) / profit</b>	(7,975)	4,015	(298.6)
Finance costs	(14,259)	(6,893)	106.9
Share of losses of associated companies accounted for using the equity method	<u>(1,079)</u>	<u>(577)</u>	87.0
<b>Loss before income tax</b>	(23,313)	(3,455)	574.8
Income tax credit / (expense)	<u>1,429</u>	<u>(889)</u>	(260.7)
<b>Loss for the financial period from continuing operations</b>	(21,884)	(4,344)	403.8
<b>Discontinued operations</b>			
Loss for the financial period from discontinued operations	<u>(85)</u>	<u>(249)</u>	(65.9)
<b>Loss for the financial period</b>	<u>(21,969)</u>	<u>(4,593)</u>	378.3
<b>Other comprehensive (loss) / income:</b>			
Item that may be reclassified subsequently to profit or loss:			
Currency translation (losses) / gains on translating foreign operations	<u>(318)</u>	<u>121</u>	(362.8)
<b>Other comprehensive (loss) / income for the financial period, net of tax</b>	<u>(318)</u>	<u>121</u>	(362.8)
<b>Total comprehensive loss for the financial period</b>	<u>(22,287)</u>	<u>(4,472)</u>	398.4

	3 months ended		Increase / (Decrease) %
	31.03.2015 RMB'000	31.03.2014 RMB'000	
<b>Loss for the financial period attributable to:</b>			
Owners of the parent	(18,830)	(5,302)	255.2
Non-controlling interests	<u>(3,139)</u>	<u>709</u>	(542.7)
	<u>(21,969)</u>	<u>(4,593)</u>	378.3
<b>Total comprehensive (loss) / income for the financial period attributable to:</b>			
Owners of the parent	(19,148)	(5,181)	269.6
Non-controlling interests	<u>(3,139)</u>	<u>709</u>	(542.7)
	<u>(22,287)</u>	<u>(4,472)</u>	398.4

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.

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

	3 months ended			3 months ended		
	31.03.2015			31.03.2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	4,562	-	4,562	5,786	-	5,786
Depreciation of property, plant and equipment	(2,123)	-	(2,123)	(2,155)	-	(2,155)
Currency translation (loss) / gain, net	(347)	-	(347)	353	-	353
Share of losses of associated companies	(1,079)	-	(1,079)	(577)	-	(577)
Auditors' remuneration	(221)	-	(221)	(215)	-	(215)
Rental income, net	307	-	307	307	-	307
Employee share option expense	(1,096)	-	(1,096)	(351)	-	(351)
Penalty on breach of contract	(2,464)	-	(2,464)	-	-	-

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

	Group		Company	
	31.03.2015 RMB'000	31.12.2014 RMB'000	31.03.2015 RMB'000	31.12.2014 RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	268,017	268,520	-	-
Intangible assets	122	122	-	-
Investment properties	33,100	33,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in associated companies	98,206	99,603	-	-
Investment in subsidiaries	-	-	220,000	220,000
Deferred income tax assets	874	839	-	-
	<b>420,622</b>	<b>422,487</b>	<b>220,000</b>	<b>220,000</b>
<b>Current Assets</b>				
Development properties	1,290,117	1,279,634	-	-
Loan receivable	150,000	150,000	-	-
Prepayments, deposits and other receivables	228,756	212,883	53	53
Inventories	1,645	1,140	-	-
Trade receivables	10,222	5,466	-	-
Gross amounts due from customers for contract work	15,569	15,472	-	-
Due from associated companies	74,814	74,052	-	-
Due from subsidiaries	-	-	512,176	514,221
Due from non-controlling shareholders of subsidiaries	10,097	10,091	-	-
Cash and cash equivalents	20,564	54,665	*	*
	<b>1,801,784</b>	<b>1,803,403</b>	<b>512,229</b>	<b>514,274</b>
Assets of discontinued operations	8,407	8,413	-	-
	<b>1,810,191</b>	<b>1,811,816</b>	<b>512,229</b>	<b>514,274</b>
<b>Current Liabilities</b>				
Trade payables	15,205	27,265	-	-
Other payables and accruals	106,943	138,120	1,951	2,332
Receipts in advance	40,037	18,668	-	-
Gross amounts due to customers for contract work	7,119	4,241	-	-
Due to subsidiaries	-	-	137,717	137,995
Due to non-controlling shareholders of subsidiaries	118,890	175,428	-	-
Current income tax liabilities	9,794	12,315	-	-
Loans payable	147,790	147,623	-	-
Borrowings	559,359	452,762	-	-
	<b>1,005,137</b>	<b>976,422</b>	<b>139,668</b>	<b>140,327</b>
Liabilities of discontinued operations	434	474	-	-
	<b>1,005,571</b>	<b>976,896</b>	<b>139,668</b>	<b>140,327</b>
<b>NET CURRENT ASSETS</b>	<b>804,620</b>	<b>834,920</b>	<b>372,561</b>	<b>373,947</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,225,242</b>	<b>1,257,407</b>	<b>592,561</b>	<b>593,947</b>

\* Less than RMB1,000

	Group		Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-Current Liabilities</b>				
Borrowings	99,835	109,869	-	-
Deferred income tax liabilities	158,198	159,138	-	-
	<b>258,033</b>	<b>269,007</b>	-	-
<b>NET ASSETS</b>	<b>967,209</b>	<b>988,400</b>	<b>592,561</b>	<b>593,947</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	257,321	257,321	257,321	257,321
Reserves	655,652	657,390	629,716	631,309
Accumulated losses	(274,152)	(257,838)	(294,476)	(294,683)
	638,821	656,873	592,561	593,947
Non-controlling interests	328,388	331,527	-	-
<b>TOTAL EQUITY</b>	<b>967,209</b>	<b>988,400</b>	<b>592,561</b>	<b>593,947</b>

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

Amount repayable in one year or less, or on demand

As at 31.03.2015 (RMB'000)		As at 31.12.2014 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
514,359	192,790	452,762	147,623

Amount repayable after one year

As at 31.03.2015 (RMB'000)		As at 31.12.2014 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
99,835	-	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 land and buildings of the Group in Beijing and Tianjin;
- (iii) First legal mortgage over investment properties of the Group in Beijing;
- (iv) First legal mortgage over share equity in one of the subsidiaries held by the Group;
- (v) First legal mortgage over land use right in one of the subsidiaries held by the Group; and
- (vi) First legal mortgage over land use right held by a related company.

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

	3 months ended	
	31.03.2015	31.03.2014
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(23,397)	(3,704)
Adjustments for:		
Depreciation of property, plant and equipment	2,123	2,155
Interest expenses and other finance costs	16,407	4,693
Interest income	(4,562)	(5,786)
Employee share option expense	1,096	351
Share of losses of associated companies	1,079	577
Unrealised currency translation gain	339	2,197
	(6,915)	483
<b>Changes in working capital</b>		
Development properties	(3,791)	7,001
Prepayments, deposits and other receivables	(14,611)	(19,028)
Inventories	(505)	191
Trade receivables	(4,756)	32,888
Gross amounts due from customers for contract work	(97)	217
Due from related parties	-	(87)
Due from non-controlling shareholders	(6)	-
Trade payables	(12,061)	(17,760)
Other payables and accruals	(31,216)	(9,379)
Receipts in advance	21,370	3,936
Gross amounts due to customers for contract work	2,878	(250)
Due to non-controlling shareholders	(56,538)	(1,500)
Cash used in operations	(106,248)	(3,288)
PRC income tax paid	(2,068)	(3,963)
Net cash used in operating activities	(108,316)	(7,251)
<b>Cash flows from investing activities</b>		
Payment for consideration of acquisition of subsidiaries	-	(120,000)
Interest received	3,267	3,153
Purchases of property, plant and equipment	(1,889)	(3,973)
Increased of restricted bank balances pledged	(358)	(854)
Loans to associated companies	(936)	(2,622)
Net cash generated from / (used in) investing activities	84	(124,296)
<b>Cash flows from financing activities</b>		
Interest and other finance costs paid	(9,023)	(4,557)
Borrowings from non-related parties	94,800	125,000
Repayment of borrowings from non- related parties	(12,009)	(8,564)
Net cash generated from financing activities	73,768	111,879
Net decrease in cash and cash equivalents	(34,464)	(19,668)
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>BEGINNING OF FINANCIAL PERIOD</b>	51,465	45,500
<b>END OF FINANCIAL PERIOD</b>	17,001	25,832

	3 months ended	
	31.03.2015	31.03.2014
	RMB'000	RMB'000
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	20,564	28,896
Restricted bank balances	(3,596)	(3,124)
Cash held by discontinued operations	33	60
	<u>17,001</u>	<u>25,832</u>

As at 31 March 2015, cash and cash equivalents include restricted bank balances of approximately RMB3,596,000 (31 March 2014: RMB3,124,000). 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 Xinshougang Property Development Company Limited.

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	Total RMB'000		
<b>2014</b>												
<b>Beginning of financial year</b>	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 year	-	-	-	-	-	-	305	-	(75,960)	(75,655)	(19,966)	(95,621)
Payment of dividends	-	-	-	-	-	-	-	-	(15,342)	(15,342)	-	(15,342)
Proceeds from shares issued	37,378	748	-	-	-	-	-	-	-	38,126	-	38,126
Transfer	-	-	-	-	1,210	-	-	-	(1,210)	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	4,249	-	4,249	-	4,249
<b>End of financial year</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>7,764</b>	<b>22,660</b>	<b>8,324</b>	<b>(3,864)</b>	<b>10,857</b>	<b>(257,838)</b>	<b>656,873</b>	<b>331,527</b>	<b>988,400</b>
<b>2015</b>												
<b>Beginning of financial period</b>	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 loss for the financial period	-	-	-	-	-	-	(318)	-	(18,830)	(19,148)	(3,139)	(22,287)
Transfer	-	-	-	-	173	-	-	-	(173)	-	-	-
Share option lapsed	-	-	-	-	-	-	-	(2,689)	2,689	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	1,096	-	1,096	-	1,096
<b>End of financial period</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>7,764</b>	<b>22,833</b>	<b>8,324</b>	<b>(4,182)</b>	<b>9,264</b>	<b>(274,152)</b>	<b>638,821</b>	<b>328,388</b>	<b>967,209</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>2014</b>								
<b>Beginning of financial year</b>	219,943	45,312	565,589	479	8,324	6,608	(268,120)	578,135
Total comprehensive loss for the financial year	-	-	-	-	-	-	(11,221)	(11,221)
Proceeds from shares issued	37,378	748	-	-	-	-	-	38,126
Payment of dividends	-	-	-	-	-	-	(15,342)	(15,342)
Recognition of share-based payments	-	-	-	-	-	4,249	-	4,249
<b>End of financial year</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>479</b>	<b>8,324</b>	<b>10,857</b>	<b>(294,683)</b>	<b>593,947</b>
<b>2015</b>								
<b>Beginning of financial period</b>	257,321	46,060	565,589	479	8,324	10,857	(294,683)	593,947
Total comprehensive loss for the financial year	-	-	-	-	-	-	(2,482)	(2,482)
Share option lapsed	-	-	-	-	-	(2,689)	2,689	-
Recognition of share-based payments	-	-	-	-	-	1,096	-	1,096
<b>End of financial period</b>	<b>257,321</b>	<b>46,060</b>	<b>565,589</b>	<b>479</b>	<b>8,324</b>	<b>9,264</b>	<b>(294,476)</b>	<b>592,561</b>

- 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 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 (31 March 2014: nil)

As at 31 March 2015, 17 million options granted in accordance with CIHL Share Option Scheme 2010 has lapsed and 81.5 million options remain outstanding. If all of these options are exercised, 81.5 million shares in the capital of the Company may be issued on conversion (31 March 2014: 98.5 million). Under the 2010 scheme, 54,500,000 options representing 66.87% (of all options granted under the Scheme) could be exercised as at 31 March 2015 (31 March 2014: 44,500,000, 45.18%).

The Company did not hold any of its issued shares as treasury shares as at 31 March 2015 and 31 March 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2015, the number of issued shares excluding treasury shares was 1,024,603,750 ordinary shares (31 December 2014: 1,024,603,750).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation have been applied since the last audited annual financial statements as well as all applicable International Financial Reporting Standards ("IFRS") that become effective for financial year beginning on or after 1 January 2015. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact to the financial statements.

- 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.

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.

	31.03.2015	31.03.2014
Loss attributable to owners of the parent (RMB'000)		
-continuing operations	(18,783)	(5,165)
-discontinued operations	(47)	(137)
	<u>(18,830)</u>	<u>(5,302)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,024,604</u>	<u>874,604</u>
Basic and diluted loss per share (RMB fen)		
-continuing operations	(1.83)	(0.59)
-discontinued operations	*	(0.02)
	<u>(1.83)</u>	<u>(0.61)</u>

\* *Less than 0.01RMB fen*

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 81,500,000 (2014: 98,500,000) are not potential dilutive ordinary shares since the Company recorded loss during the financial periods ended 31 March 2015 and 31 March 2014.

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

	GROUP		COMPANY	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Net asset value (RMB'000)	638,821	656,873	592,561	593,947
Number of shares ('000)	1,024,604	1,024,604	1,024,604	1,024,604
Net asset per share (RMB)	0.623	0.641	0.578	0.580

- 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**

The revenue during Q1 2015 of the Group was RMB10.55 million, a decrease of RMB14.00 million as compared to the revenue of RMB24.55 million in Q1 2014, representing a decrease of 57.0%, mainly due to decrease of sales from development properties in Yichang Xinshougang Property Development Company Limited.

The cost of services provided in Q1 2015 decreased by 20.9% to RMB11.03 million, a decrease of RMB2.91 million as compared to RMB13.94 million in Q1 2014, mainly due to a decrease of cost of properties in Yichang Xinshougang Property Development Company Limited, which corresponds with a decrease in sales of properties.

The Group recorded a gross loss of RMB0.48 million in Q1 2015, representing a decrease of 104.5% as compared to gross profit of RMB10.61 million in Q1 2014 was mainly due to the decrease from sales revenue of the properties in Yichang Xinshougang Property Development Company Limited.

Other income in Q1 2015 was RMB4.55 million, which represents a decrease of RMB1.91 million as compared to RMB6.46 million for Q1 2014, which represents a decrease of 29.5%, the decrease was mainly due to decrease in interest income in Beijing Shiji Longquan Real Estate Development Co. Limited.

Administrative expenses in Q1 2015 was RMB3.53 million, a decrease of RMB2.27 million as compared to administrative expenses of RMB5.81 million in Q1 2014, which represents a decrease of 39.2%, mainly due to decrease of legal and professional fees.

Other operating expenses in Q1 2015 was RMB8.09 million, an increase of RMB2.32 million as compared with other operating expenses of RMB5.77 million in Q1 2014, which represents an increase of 40.2%, mainly due to increase of penalty on breach of contract in Yichang Xinshougang Property Development Company Limited.

Selling and marketing expenses in Q1 2015 was RMB0.43 million, a decrease of RMB1.05 million as compared to selling and marketing expenses of RMB1.48 million in Q1 2014, which represents a decrease of 70.9%, mainly due to decrease in advertising fee and marketing agency fee in Yichang Xinshougang Property Development Company Limited.

Finance costs in Q1 2015 was RMB14.26 million, an increase of RMB7.37 million as compared to RMB6.89 million in Q1 2014, which represents an increase of 106.9%, mainly due to interest expenses on borrowings to finance the acquisition of Yichang Xinshougang Property Development Company Limited.

Income tax credit for Q1 2015 was RMB1.43 million, representing a decrease of 260.7% as compared to income expense of RMB0.89 million for Q1 2014, mainly due to deferred tax assets arising from non-current assets in CIHL (Tianjin) City Development Limited.

Loss from discontinued operations for Q1 2015 was RMB0.09 million, representing a decrease of

65.9% as compared to RMB0.25 million for Q1 2014, mainly due to decrease in administrative expenses in CCI Andi Bridges Co., Ltd.

As a result of the above, the Group recorded after tax loss of RMB21.97 million for Q1 2015 as compared to loss of RMB4.59 million for Q1 2014.

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

Trade receivables increased from RMB5.47 million as at 31 December 2014 to RMB10.22 million as at 31 March 2015 was mainly due to the increase of receivables from customers in Yichang Xinshougang Property Development Company Limited and CIHL (Tianjin) Water Development Company Limited.

Trade payables decreased from RMB27.27 million as at 31 December 2014 to RMB15.21 million as at 31 March 2015 was mainly due to the decrease of payable construction costs in CIHL (Tianjin) Water Development Company Limited.

Other payables and accruals decreased from RMB138.12 million as at 31 December 2014 to RMB106.94 million as at 31 March 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 RMB40.04 million as at 31 March 2015 was mainly due to the increase in advance from sale of property and water pipes fees receipt in advance in Yichang Xinshougang Property Development Company Limited and CIHL (Tianjin) Water Development Company Limited.

Amount due to non-controlling shareholders decreased from RMB175.43 million as at 31 December 2014 to RMB118.89 million as at 31 March 2015 was mainly due to a payment made by the Group to non-controlling shareholder of Yichang Xinshougang Property Development Company Limited.

Borrowings increased to RMB559.36 million as at 31 March 2015 from RMB452.76 million as at 31 December 2014 mainly due to additional borrowings in CIHL (Tianjin) City Development Limited, which were mainly used for operating activities for the financial period ended 31 March 2015.

Cash and cash equivalents as at 31 March 2015 was RMB20.56 million as compared to RMB54.67 million as at 31 December 2014.

### **Cash Flows Analysis**

As at 31 March 2015, cash and cash equivalents include restricted bank balances of approximately RMB3.60 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 Xinshougang Property Development Company Limited.

Net cash used in operating activities is RMB108.32 million for Q1 2015, mainly due to decrease of amount due to non-controlling shareholders and payment of other payables, other than payment of cost and expenses.

Net cash generated from investing activities for Q1 2015 was RMB0.08 million, mainly due to interest received, which was offset by addition in property, plant and equipment.

Net cash generated from financing activities for Q1 2015 was RMB73.77 million, which was mainly due to 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.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the overall global macro economy to remain challenging and uncertain. The current significant slowdown in the PRC property market and the credit market tightening in China are expected to show sign of relief in the next 12 months. This will affect the pace of development of many projects in China, including our real estate development projects and water supply service operations. 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, the output would be gradually rammged up in FY2015.

The oil and gas exploration and exploitation is a high risk and cost business. The Group's project in Papua New Guinea ('PNG') is still at its early stage of exploration. The Group undertook further geological studies in the past year in order to identify further prospects in the licensed area. The analysis of the information gathered from this field work is still underway. The Group has been notified by the PNG government of the renewal of the exploration license which would allow the Group and our partners to undertake further exploration work in the next few years, including possibly the drilling of one or two wells for evaluation.

The Company has submitted its application to Accounting and Corporate Regulatory Authority ('ACRA') on 28 November 2014 to strike off its wholly-owned dormant subsidiary, China Toll Bridges & Roads (S) Pte. Limited. The Company will make relevant announcement once receive the approval from ACRA.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No dividend has been declared nor recommended by the directors on first quarter ended 31 March 2015.

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

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

14 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 first quarter and the three months financial period ended 31 March 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  
05 May 2015