

**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 /
	31.12.2016	31.12.2015	(Decrease)
	RMB'000	RMB'000	%
<b>Continuing operations</b>			
<b>Revenue</b>	246,879	116,372	112.1
Cost of sales and services provided <sup>(1)</sup>	(220,028)	(410,106)	(46.3)
<b>Gross profit / (loss)</b>	26,851	(293,734)	109.1
Other income - net	137,125	18,747	631.5
Expenses			
- Administrative	(14,498)	(183,404)	(92.1)
- Other operating	(23,966)	(33,059)	(27.5)
- Selling and marketing	(14,333)	(6,981)	105.3
- Finance	(27,937)	(53,077)	(47.4)
Share of losses of associated companies accounted for using the equity method	-	(32,422)	(100.0)
<b>Profit / (loss) before income tax</b>	83,242	(583,930)	114.3
Income tax (expense) / credit	(23,944)	80,292	129.8
<b>Profit / (loss) for the financial year from continuing operations</b>	59,298	(503,638)	111.8
<b>Discontinued operations</b>			
Loss for the financial year from discontinued operations	-	(660)	(100.0)
<b>Profit / (loss) for the financial year</b>	59,298	(504,298)	111.8
<b>Other comprehensive income:</b>			
Item that may be reclassified subsequently to profit or loss:			
Currency translation losses on translating foreign operations	-	1,717	(100.0)
<b>Other comprehensive income for the financial year, net of tax</b>	-	1,717	(100.0)
<b>Total comprehensive profit / (loss) for the financial year</b>	59,298	(502,581)	111.8

(1) Included in cost of services provided in financial year 2016 is a write-down of properties for development of RMB58,332,000, (FY2015: RMB357, 480,000).

	12 months ended		Increase /
	31.12.2016	31.12.2015	(Decrease)
	RMB'000	RMB'000	%
<b>Profit / (loss) for the financial year attributable to:</b>			
Owners of the parent	64,182	(384,999)	116.7
Non-controlling interests	(4,884)	(119,299)	(95.9)
	<u>59,298</u>	<u>(504,298)</u>	111.8
<b>Total comprehensive income / (loss) for the financial year attributable to:</b>			
Owners of the parent	64,182	(383,282)	116.7
Non-controlling interests	(4,884)	(119,299)	(95.9)
	<u>59,298</u>	<u>(502,581)</u>	111.8

Note:

1. Disposal of subsidiary: 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, has on 29 September 2016 entered into a conditional sale and purchase agreement with Beijing Hongkunweiye Property Development Co. Ltd (“purchaser”) in relation to the disposal of the entire equity and debt interests in its subsidiary, 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.

2. Discontinued operations in 2015: CCI Andi Bridges Co., Ltd

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

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

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

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

	FY2016			FY2015		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	operations	operations		operations	operations	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	385	-	385	19,847	-	19,847
Rental income, net	1,580	-	1,580	1,248	-	1,248
Gain/(loss) incurred as guarantor	506	-	506	(3,943)	-	(3,943)
Penalty on breach of contract	-	-	-	(283)	-	(283)
Reversal of / (allowances for) impairment of						
- trade receivables	2,198	-	2,198	-	-	-
- other receivables-non-related parties	-	-	-	(3,500)	-	(3,500)
- other receivables-associated companies	-	-	-	(86,070)	-	(86,070)
Write-down of properties for development	(58,332)	-	(58,332)	(357,480)	-	(357,480)
Employee share option expense	(335)	-	(335)	(2,405)	-	(2,405)
Depreciation of property, plant and equipment	(8,783)	-	(8,783)	(8,627)	-	(8,627)
Currency translation (loss) / gain	(148)	-	(148)	797	-	797
Gain/(loss) on disposal of subsidiary	130,056	-	130,056	(2,930)	-	(2,930)
Fair value loss on investment properties	-	-	-	(1,000)	-	(1,000)
Auditors' remuneration	(956)	-	(956)	(900)	-	(900)
Impairment loss of						
- investment in associated companies	-	-	-	(68,899)	-	(68,899)
- property, plant and equipment	(3,768)	-	(3,768)	(14,121)	-	(14,121)

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	256,303	258,756	-	-
Intangible assets	122	122	-	-
Investment properties	32,100	32,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Deferred income tax assets	4,492	982	-	-
	<b>313,320</b>	<b>312,263</b>	<b>196,000</b>	<b>196,000</b>
<b>Current Assets</b>				
Properties for development	895,747	1,098,156	-	-
Inventories	3,569	4,009	-	-
Trade and other receivables	93,830	102,732	494,747	504,603
Cash and cash equivalents	156,975	18,861	1	1
	<b>1,150,121</b>	<b>1,223,758</b>	<b>494,748</b>	<b>504,604</b>
<b>Current Liabilities</b>				
Borrowings	149,563	424,891	-	-
Trade and other payables	658,720	479,672	124,754	129,329
Current income tax liabilities	16,403	14,896	-	-
	<b>824,686</b>	<b>919,459</b>	<b>124,754</b>	<b>129,329</b>
<b>NET CURRENT ASSETS</b>	<b>325,435</b>	<b>304,299</b>	<b>369,994</b>	<b>375,275</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>638,755</b>	<b>616,562</b>	<b>565,994</b>	<b>571,275</b>
<b>Non-Current Liabilities</b>				
Borrowings	23,749	68,513	-	-
Deferred income tax liabilities	72,676	65,352	-	-
	<b>96,425</b>	<b>133,865</b>	-	-
<b>NET ASSETS</b>	<b>542,330</b>	<b>482,697</b>	<b>565,994</b>	<b>571,275</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	257,321	257,321	257,321	257,321
Reserves	656,270	656,433	627,861	630,285
Accumulated losses	(573,574)	(638,254)	(319,188)	(316,331)
	340,017	275,500	565,994	571,275
Non-controlling interests	202,313	207,197	-	-
<b>TOTAL EQUITY</b>	<b>542,330</b>	<b>482,697</b>	<b>565,994</b>	<b>571,275</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 31.12.2016 (RMB'000)		As at 31.12.2015 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
109,463	40,100	374,691	50,200

Amount repayable after one year

As at 31.12.2016 (RMB'000)		As at 31.12.2015 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
23,749	-	68,513	-

Details of any collateral

The borrowings of the Group are secured as follows:

- (i) First legal mortgage over the entire pipeline network of the Group;
- (ii) First legal mortgage over certain investment properties, land and buildings of the Group;
- (iii) First legal mortgage over share equity in a subsidiary held by the Group;
- (iv) First legal mortgage over land use right in a subsidiary held by the Group.

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

	12 months ended	
	31.12.2016 RMB'000	31.12.2015 RMB'000
<b>Cash flows from operating activities</b>		
Profit / (loss) before income tax including discontinued operations	83,242	(584,590)
Adjustments for:		
- Depreciation of property, plant and equipment	8,783	8,627
- Development properties write-down	58,332	357,480
- Impairment loss of property, plant and equipment	3,768	14,121
- Impairment loss of investment in associates	-	68,899
- Interest expenses	27,937	50,110
- Interest income	(385)	(19,847)
- Employee share option expense	335	2,405
- Fair value losses on investment properties	-	1,000
- Gain on disposal of property, plant and equipment	(5)	-
- (Gain) / loss on disposal of subsidiaries	(130,056)	2,930
- Share of losses of associates	-	32,422
- Reversal of impairment on trade receivables	(2,198)	-
- Unrealised currency translation gain	(37)	(3,260)
	<u>49,716</u>	<u>(69,703)</u>
Changes in working capital		
- Development properties	(182,678)	(69,213)
- Inventories	440	(2,869)
- Trade and other receivables	(12,894)	63,153
- Trade and other payables	<u>216,382</u>	<u>39,474</u>
Cash provided by / (used in) operations	70,966	(39,158)
Interest paid	(35,071)	(30,315)
PRC income tax paid	<u>(18,623)</u>	<u>(10,286)</u>
Net cash provided by / (used in) operating activities	<u>17,272</u>	<u>(79,759)</u>
<b>Cash flows from investing activities</b>		
Disposal of subsidiaries, net of cash disposed of	451,256	(389)
Payments for acquisition of non-controlling interests	-	(150)
(Increase) / decrease of restricted bank balances pledged	(7,593)	255
Interest received	29,729	5,954
Purchases of property, plant and equipment	(10,778)	(15,020)
Proceeds from disposal of property, plant and equipment	18	-
Loans to associates	-	(2,834)
Repayment of loan receivables	-	150,000
Repayment of other receivables from a third party	-	173,000
Net cash provided by investing activities	<u>462,632</u>	<u>310,816</u>
<b>Cash flows from financing activities</b>		
Interest and other finance costs paid	(14,393)	(46,036)
Proceeds from borrowings		
- non-related parties	60,000	493,551
- related parties	-	50,200
Repayments of borrowings		
- non-related parties	(384,927)	(764,483)
- related parties	<u>(10,100)</u>	<u>-</u>
Net cash used in financing activities	<u>(349,420)</u>	<u>(266,768)</u>

	12 months ended	
	31.12.2016	31.12.2015
	RMB'000	RMB'000
Net increase / (decrease) in cash and cash equivalents	130,484	(35,711)
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>BEGINNING OF FINANCIAL YEAR</b>	15,878	51,465
Effects of exchange rate changes on cash and cash equivalents	37	124
<b>End of financial year</b>	<b>146,399</b>	<b>15,878</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	156,975	18,861
Restricted bank balances	(10,576)	(2,983)
Cash held by discontinued operations	-	-
	<b>146,399</b>	<b>15,878</b>

As at 31 December 2016, cash and cash equivalents include restricted bank balances of approximately RMB10,576,000 (31 December 2015: RMB2,983,000).

The restricted cash mainly comprise of:

- (i) Cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the buyers of the Group's development properties. Such guarantees will only be released after the loan has been settled or issued of the real estate ownership certificate to the buyers, whichever is earlier; and
- (ii) Restricted bank balances of approximately RMB143,000 (31 December 2015: RMB143,000) for securing the performance and fund utilization for a land development project of the Group.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP

	Attributable to owners of the parent										Non-controlling Interests RMB'000	Total Equity RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Statutory Reserves RMB'000	Capital Redemption Reserve RMB'000	Exchange Reserve RMB'000	Share Options Reserve RMB'000	Accumulated Losses RMB'000	Subtotal RMB'000		
<b>2015</b>												
<b>Beginning of financial year</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 income / (loss) for the financial year	-	-	-	-	-	-	1,717	-	(384,999)	(383,282)	(119,299)	(502,581)
Transfer	-	-	-	-	2,074	-	-	-	(2,074)	-	-	-
Disposal of subsidiaries	-	-	-	-	(3,228)	-	-	-	3,228	-	(5,377)	(5,377)
Effects of acquiring non-controlling interests in subsidiary	-	-	-	(496)	-	-	-	-	-	(496)	346	(150)
Share option lapsed	-	-	-	-	-	-	-	(3,429)	3,429	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	2,405	-	2,405	-	2,405
<b>End of financial year</b>	<u>257,321</u>	<u>46,060</u>	<u>565,589</u>	<u>7,268</u>	<u>21,506</u>	<u>8,324</u>	<u>(2,147)</u>	<u>9,833</u>	<u>(638,254)</u>	<u>275,500</u>	<u>207,197</u>	<u>482,697</u>
<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>	<u>257,321</u>	<u>46,060</u>	<u>565,589</u>	<u>7,268</u>	<u>23,767</u>	<u>8,324</u>	<u>(2,147)</u>	<u>7,409</u>	<u>(573,574)</u>	<u>340,017</u>	<u>202,313</u>	<u>542,330</u>



COMPANY

	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Capital Redemption Reserve RMB'000	Share Options Reserve RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
<b>2015</b>								
<b>Beginning of financial year</b>	257,321	46,060	565,589	479	8,324	10,857	(294,683)	593,947
Total comprehensive loss for the financial year	-	-	-	-	-	-	(25,077)	(25,077)
Share option lapsed	-	-	-	-	-	(3,429)	3,429	-
Recognition of share-based payments	-	-	-	-	-	2,405	-	2,405
<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>9,833</u>	<u>(316,331)</u>	<u>571,275</u>
<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>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

As at 31 December 2016, 1,150,000 options granted in accordance with CIHL Share Option Scheme 2010 has lapsed and 2,700,000 options remain outstanding. If all of these options are exercised, 2,700,000 shares in the capital of the Company may be issued on conversion (31 December 2015: 3,850,000). Under the 2010 scheme, 2,700,000 options representing 100% (of all options granted under the Scheme) could be exercised as at 31 December 2016 (31 December 2015: 2,500,000, 64.94%).

The Company did not hold any of its issued shares as treasury shares as at 31 December 2016 and 31 December 2015.

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

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

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's 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 2016. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the financial year ended 31 December 2016. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the financial year ended 31 December 2016 are the same as those used in the annual financial statements of the Group for the financial year ended 31 December 2015.

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

The Group adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial year beginning on or after 1 January 2016. The adoption of these new or amended IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	31.12.2016	31.12.2015
Earnings / (loss) attributable to owners of the parent (RMB'000)		
-Continuing operations	64,182	(384,636)
-Discontinued operations	-	(363)
	<u>64,182</u>	<u>(384,999)</u>
Weighted average number of ordinary shares in issue ('000)	<u>51,230</u>	<u>51,230</u>
Basic and diluted earnings / (loss) per share (RMB fen)		
-Continuing operations	125.28	(750.80)
-Discontinued operations	-	(0.71)
	<u>125.28</u>	<u>(751.51)</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 2015: 3,850,000) are anti-dilutive as (i) the exercise price of the share options was higher than the average market price of the Company's ordinary shares during the financial years ended 31 December 2016 and 31 December 2015 and (ii) the Group recorded loss for the financial year ended 31 December 2015.

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

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset value (RMB'000)	340,017	275,500	565,994	571,275
Number of shares ('000)	51,230	51,230	51,230	51,230
Net asset per share (RMB)	6.637	5.378	11.048	11.151

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Profit or Loss Analysis**

Revenue during FY2016 of the Group was RMB246.88 million, an increase of RMB130.51 million as compared to RMB116.37 million in FY2015. This represents an increase of 112.1%, mainly due to an increase in property sales by Yichang Xinshougang Property Development Company Limited.

Cost of services (excluding the write-down of RMB58.33 million) provided in FY2016 was RMB161.70 million, an increase of RMB109.07 million as compared to RMB52.63 million (excluding write-down of RMB357.48 million) in FY2015, mainly due to an increase in property development costs in Yichang Xinshougang Property Development Company Limited.

Included in cost of services provided was a write-down of properties for development in Yichang Xinshougang Property Development Company Limited in FY2016 of RMB58.33 million to its expected net realisable value ('NRV').

Write-down of properties (inventory) for development as at 31 December 2016

	Carried value	Lower of costs and net realizable value	Write-down amount	The cost of percentage of write-down
Category of	RMB'000	RMB'000	RMB'000	%
write-down properties				
Phase 1 area 1	83,871	83,161	(710)	(0.8)
Phase 1 area 2	140,504	134,288	(6,216)	(4.4)
Phase 1 area 3	33,106	33,106	-	-
Phase 2	379,406	328,000	(51,406)	(13.5)
Phase 3 and Phase 4	283,258	283,258	-	-
Hotel	33,934	33,934	-	-
	954,079	895,747	(58,332)	(6.1)

The Group makes a write down of its development properties after taking into account the Group's recent experience in estimating net realisable values of completed units and properties under development by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change and affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be further written down in future periods.

As a result of the above, the Group recorded a gross profit of RMB26.85 million in FY2016, which represents an increase of 109.1% as compared to gross loss of RMB293.73 million in FY2015.

Other income in FY2016 was RMB137.13 million, which represents an increase of 631.5% as compared to RMB18.75 million for FY2015. The increase was mainly from a gain on disposal of a subsidiary, Tianjin CIHL Xinzhong Real Estate Development Limited.

Gain on disposal of a subsidiary in FY2016 was RMB130.06 million, arising from the disposal of 100% equity interest in Tianjin CIHL Xinzhong Real Estate Development Limited, which the Company had announced on 19 December 2016.

Administrative expenses in FY2016 was RMB14.50 million, a decrease of RMB168.90 million compared to RMB183.40 million in FY2015, which represents a decrease of 92.1%, mainly due to lower impairment loss on amount due from associated companies.

The significant decrease in 'Administrative expenses' is mainly due to:

Administrative expenses:	12 months ended			
	31.12.2016 RMB'000'	31.12.2015 RMB '000'	Increase/ (Decrease)	%
Legal and professional fees	1,215	3,140	(1,925)	(61.3)
Employee share option expense	335	2,405	(2,070)	(86.1)
Impairment loss on property, plant and equipment	3,768	14,121	(10,353)	(73.3)
Impairment loss on amount due from associated companies	-	86,070	(86,070)	(100.0)
Impairment loss of investments in associated companies	-	68,899	(68,899)	(100.0)
Others	9,180	8,769	411	4.7
	14,498	183,404	(168,906)	(92.1)

The Group made an impairment loss of RMB3.77 million on the property, plant and equipment ('PPE') of the work-in-progress of its convention centre, as the recoverable amount, based on independent valuation, is less than its carrying amount.

Other operating expenses in FY2016 was RMB23.97 million, a decrease of RMB9.09 million as compared with RMB33.06 million in FY2015, representing a decrease of 27.5%. This was mainly due to lower impairment loss on amount due from other receivables and trade receivables.

Selling and marketing expenses in FY2016 was RMB14.33 million, an increase of RMB7.35 million as compared to RMB6.98 million in FY2015, which represents an increase of 105.3%, mainly due to increase in advertising fees in Yichang Xinshougang Property Development Company Limited.

Finance costs in FY2016 was RMB27.94 million, a decrease of RMB25.14 million compared to RMB53.08 million in FY2015. This represents a decrease of 47.4%, mainly due to decrease in interest expense in CIHL (Tianjin) City Development Limited.

Income tax expenses for FY2016 was RMB23.94 million, representing an increase of 129.8% as compared to tax credit of RMB80.29 million for FY2015, mainly due to decrease in tax credit arising from write-down of development properties in Yichang Xinshougang Property Development Company Limited in FY2015.

As a result of the above, the Group recorded an after tax profit of RMB59.30 million for FY2016 compared to a loss of RMB504.30 million for FY2015.

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

Properties for development decreased from RMB1,098.16 million as at 31 December 2015 to RMB895.75 million as at 31 December 2016, which was mainly due to decrease of property for development in a subsidiary, Tianjin CIHL Xinzhong Real Estate Development Limited, which the Company had disposed its 100% equity interest in FY2016.

Trade and other receivables decreased from RMB102.73 million as at 31 December 2015 to RMB93.83 million as at 31 December 2016, after collection of interest receivable in Beijing Shijilongquan Real Estate Co., Ltd.

Total borrowings decreased from RMB493.40 million as at 31 December 2015 to RMB173.31 million as at 31 December 2016, since the deducted amount has been repaid by the Company.

Trade and other payables increased from RMB479.67 million as at 31 December 2015 to RMB658.72 million as at 31 December 2016, which was mainly due to increase in receipts in advance - presale in Yichang Xinshougang Property Development Company Limited.

Cash and cash equivalents as at 31 December 2016 was RMB156.98 million as compared to RMB18.86 million as at 31 December 2015.

### **Cash Flows Analysis**

As at 31 December 2016, cash and cash equivalents include restricted bank balances of approximately RMB10.58 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, such guarantees will only be released after the loan has been settled the real estate ownership certificate issued to the buyers.

Net cash generated from operating activities is RMB17.27 million for FY2016, mainly due to increase of receipts in advance - presale in Yichang Xinshougang Property Development Company Limited.

Net cash provided by investing activities for FY2016 was RMB462.63 million, mainly due to proceeds from disposal of a subsidiary, Tianjin CIHL Xinzhong Real Estate Development Limited.

Net cash used in financing activities for FY2016 was RMB349.42 million, comprising a repayment of RMB384.93 million in borrowings from a non-related party and the repayment of RMB10.10 million of borrowings from a related company.

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

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

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

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

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

No forecast or prospect statement was previously provided.

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

The Group expects the Chinese economy to remain challenging in 2017. The property market in the first tier cities, and to some extent, the second tier cities has benefited from decreases in mortgage rates. However we are yet to see any benefits from the reduction in borrowing costs in third tier cities such as Yichang where we operate. The ease in monetary policy has not made it easier for the developers to raise capital. This will affect the pace of development of many projects in China, including our real estate development projects and water supply service operations. Moreover, as far as property developers are concerned, the credit market is yet to show any sign of relief. The Group has been focused on cash generation from its property development projects as well as other businesses, and will continue such efforts on cash generation in 2017. The Group entered into an agreement with a third party to dispose our Jixian Project. The transaction was completed before the end of 2016, and the Group's financial position has since improved significantly.

The Group's Liuhe Gold project has received all licenses required for commercial operation, but has not commence commercial production due to the weak gold price in Q4 FY2016. The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and is considering to dispose this investment when there is an opportunity.

The oil and gas exploration and exploitation is a high risk and high cost business. The Group's project in Papua New Guinea is still at its early stages of exploration. The Group undertook limited scope of work during the past year in order to minimize expenses in the environment of weak oil prices. The Group expects the current poor market for oil and gas exploration to continue resulting in the inability to continue to obtain new funds. As the situation continues it would not be commercially viable to raise finance for further exploration. The Group has made a full impairment for the related investment in the Group's project in Papua New Guinea in Q4 FY2015, and is considering to dispose this investment when there is an opportunity.

The Group will going forward be more focused on property development and water project in China.

## 11 Dividend

- (a) Current Financial Period Reported On  
Any dividend declared for the current financial period reported on?

The directors recommend a special tax-exempt dividend of 30 Singapore cents per ordinary share for the financial year ended 31 December 2016.

Payment of the dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. The books closure date to determine shareholders' entitlement to the proposed dividend, and the payment date of the dividend, will be announced at a later date.

The Directors propose to implement a scrip dividend scheme which will allow shareholders to elect to receive fully paid new ordinary shares in lieu of part only or all of the cash amount of their dividend.

- (b) Corresponding Period of the Immediately Preceding Financial Year  
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared nor recommended for the immediately preceding financial year.

- (c) Date Payable

To be announced later.

- (d) Books closure date

To be announced later.

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

Not applicable.



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

	Water supply services	Land development	Property development	All other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial year ended</b>					
<b>31 December 2016</b>					
Total segment revenue	92,327	-	153,672	2,206	248,205
Inter-segment revenue	-	-	-	(1,326)	(1,326)
Revenue from external parties	92,327	-	153,672	880	246,879
Segment results	63,061	-	(35,173)	(1,037)	26,851
Interest income	189	-	62	134	385
Rental income	-	-	-	1,580	1,580
Other income	-	2,612	-	2,640	5,252
Administrative expenses	-	-	-	(14,498)	(14,498)
Other operating expenses	(4,639)	(2,359)	(9,040)	(7,928)	(23,966)
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					111,179
Finance costs	-	77	-	(28,014)	(27,937)
Income tax (expense) / credit	(14,764)	-	11,001	(20,181)	(23,944)
<b>PROFIT FOR THE FINANCIAL YEAR</b>					<b>59,298</b>
Depreciation and amortisation	(6,701)	(42)	(809)	(1,231)	(8,783)
Write-down of development properties	-	-	(58,332)	-	(58,332)
Share option expenses	-	-	-	(335)	(335)

	Water supply services RMB'000	Land development RMB'000	Property development RMB'000	All other segments RMB'000	Total RMB'000
<b>As at 31 December 2016</b>					
<b>Total assets</b>	184,460	21,529	1,095,795	161,657	1,463,441
Total assets includes:					
Property, plant and equipment	90,429	47	155,735	10,092	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	26,314	23,359	93,830
Cash and cash equivalents	41,004	5,209	17,999	92,763	156,975
<b>Total assets</b>					1,463,441
Addition to non-current assets	6,786	24	30,293	305	37,408
<b>As at 31 December 2016</b>					
<b>Total liabilities</b>	158,773	5,370	439,449	317,519	921,111
<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	396,896	178,785	658,720
Current income tax liabilities	12,069	521	(8,805)	12,618	16,403
Deferred income tax liabilities	-	-	51,358	21,318	72,676
<b>Total liabilities</b>					921,111

	Continuing operations				Discontinued operations	
	Water	Land	Property	All other	Toll	Total
	supply	development	development	segments	collection	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial year ended</b>						
<b>31 December 2015</b>						
Total segment revenue	93,455	3,735	18,504	2,678	-	118,372
Inter-segment revenue	-	-	-	(2,000)	-	(2,000)
Revenue from external parties	93,455	3,735	18,504	678	-	116,372
Segment results	63,010	3,735	(359,561)	(918)	-	(293,734)
Interest income	321	9,479	33	10,014	-	19,847
Rental income	-	-	-	1,248	-	1,248
Other income	-	-	-	785	-	785
Administrative expenses	-	-	-	(183,404)	-	(183,404)
Other operating expenses	(6,356)	(5,761)	(12,022)	(8,920)	(660)	(33,719)
Selling and marketing expenses	-	-	(6,981)	-	-	(6,981)
Fair value gain on investment properties	-	-	-	(1,000)	-	(1,000)
Loss on disposal of a subsidiary	-	-	-	(2,930)	-	(2,930)
Currency translation gain	-	-	-	797	-	797
Operating loss						(499,091)
Finance costs	-	(17,346)	(2,469)	(33,262)	-	(53,077)
Share of losses of associated companies	-	-	-	(32,422)	-	(32,422)
Income tax (expense) / credit	(14,254)	-	93,713	833	-	80,292
<b>LOSS FOR THE FINANCIAL YEAR</b>						<b>(504,298)</b>
Depreciation and amortisation	(6,471)	(43)	(847)	(1,237)	(29)	(8,627)
Impairment loss of investment in associates	-	-	-	(68,988)	-	(68,988)
Impairment loss of trade and other receivables	-	-	-	(86,070)	-	(86,070)
Write-down of development properties	-	-	-	(357,480)	-	(357,480)
Share option expenses	-	-	-	(2,405)	-	(2,405)

	Continuing operations				
	Water				
	supply	Land	Property	All other	Total
	services	development	development	segments	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 31 December 2015</b>					
<b>Total assets</b>	130,917	52,010	1,266,286	86,808	1,536,021
Total assets includes:					
Property, plant and equipment	90,190	65	130,871	37,630	258,756
Intangible assets	122	-	-	-	122
Goodwill	20,303	-	-	-	20,303
Investment properties	-	-	-	32,100	32,100
Deferred income tax assets	961	-	-	21	982
Inventories and properties for development	4,009	-	1,098,156	-	1,102,165
Trade and other receivables	4,066	49,231	34,335	15,100	102,732
Cash and cash equivalents	11,266	2,714	2,924	1,957	18,861
<b>Total assets</b>					<u>1,536,021</u>
Addition to non-current assets	7,133	-	7,363	524	15,020
<b>As at 31 December 2015</b>					
<b>Total liabilities</b>	171,999	5,984	303,850	571,491	1,053,324
<b>Total liabilities includes:</b>					
Short term borrowings	41,356	-	-	383,535	424,891
Loan payables	68,513	-	-	-	68,513
Trade and other payables	52,585	5,463	320,082	101,541	479,672
Current income tax liabilities	9,545	521	(1,227)	6,057	14,896
Deferred income tax liabilities	-	-	60,975	4,377	65,352
<b>Total liabilities</b>					<u>1,053,324</u>

(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	65,074	40,942	58.9
(b) Operating loss after tax before deducting minority interests reported for first half year	(9,535)	(22,590)	(57.8)
(c) Turnover reported for second half year	181,805	75,430	141.0
(d) Operating profit / (loss) after tax before deducting minority interests reported for second half year	68,833	(481,708)	114.3

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

	2016	2015
Ordinary	-	-
Preference	-	-
Total Annual Dividend	-	-

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 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  
1 March 2017