



**THIRD QUARTER AND THE NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2013**

**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL
YEAR ANNOUNCEMENTS**
**1(a) A Consolidated Statement of Comprehensive Income (for the group) together with a comparative
statement for the corresponding period of the immediately preceding financial year.**

	3 months ended		Group Increase /	9 months ended		Increase /
	30.09.2013	30.09.2012	(Decrease)	30.09.2013	30.09.2012	(Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operations						
Revenue	9,522	5,351	77.9	38,017	28,931	31.4
Cost of services provided	(7,922)	(2,983)	165.6	(14,590)	(12,631)	15.5
Gross profit	1,600	2,368	(32.4)	23,427	16,300	43.7
Other income	9,397	5,424	73.2	21,470	11,842	81.3
Gain on bargain purchase	13,623	-	NM	13,623	-	NM
Administrative expenses	(3,012)	(2,264)	33.0	(10,438)	(8,523)	22.5
Other operating expenses	(5,398)	(6,027)	(10.5)	(15,131)	(14,749)	2.6
Selling expense	(416)	-	NM	(416)	-	NM
Operating profit / (loss)	15,794	(499)	3,265.1	32,535	4,870	568.1
Finance costs	(5,334)	(3,233)	65.0	(7,159)	(3,996)	79.2
Share of losses of associated companies	(251)	(206)	22.0	(743)	(240)	210.0
Profit / (loss) before income tax	10,209	(3,938)	359.2	24,633	634	3,785.3
Income tax credit / (expenses)	1,478	(943)	(256.7)	(4,802)	(3,443)	39.5
Profit / (loss) for the financial period from continuing operations	11,687	(4,881)	339.4	19,831	(2,809)	806.0
Discontinued operations						
(Loss) / profit for the financial period from discontinued operations	(600)	589	(201.9)	(2,061)	1,664	(223.9)
Profit / (loss) for the financial period	11,087	(4,292)	358.3	17,770	(1,145)	1,652

NM: Not Meaningful

	3 months ended		Group Increase / (Decrease) %	9 months ended		Increase / (Decrease) %
	30.09.2013 RMB'000	30.09.2012 RMB'000		30.09.2013 RMB'000	30.09.2012 RMB'000	
Other comprehensive income / (loss):						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	1	-	NM	(391)	-	NM
Other comprehensive income / (loss) for the financial period, net of tax	1	-	NM	(391)	-	NM
Total comprehensive income / (loss) for the financial period	11,088	(4,292)	358.3	17,379	(1,145)	1617.9
Profit / (loss) for the financial period attributable to						
Owners of the Company	12,846	(4,497)	385.6	14,722	(5,365)	372.9
Non-controlling interests	(1,759)	205	(957.9)	3,048	4,220	(25.9)
	11,087	(4,292)	355.7	17,770	(1,145)	1,651.9
Total comprehensive income / (loss) for the financial period attributable to						
Owners of the Company	12,847	(4,497)	385.6	14,331	(5,365)	365.6
Non-controlling interests	(1,759)	205	(957.9)	3,048	4,220	(25.9)
	11,088	(4,292)	358.3	17,379	(1,145)	1,617.7

NM: Not Meaningful

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 share 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.

Under IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area. Management has assessed and satisfied that the cessation of toll bridge business has met the criteria under IFRS 5.

Hence, the Company's third quarter financial statements for the financial period ended 30 September 2013 is prepared in accordance with presentation and disclosure prescribed under IFRS 5.

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

	3 months ended					
	30.09.2013			30.09.2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	8,436	-	8,436	4,310	20	4,330
Gain on bargain purchase	13,623	-	13,623	13,623	-	13,623
Depreciation of property, plant and equipment	(1,461)	(81)	(1,542)	(1,394)	(129)	(1,523)
Currency translation gain	625	-	625	844	-	844
Share of losses of associated companies	(251)	-	(251)	(206)	-	(206)
Auditors' remuneration	-	-	-	(225)	-	(225)
Loss on disposal of property, plant and equipment	-	-	-	(35)	-	(35)
Rental income, net	314	-	314	519	-	519
Amortisation of intangible assets	-	-	-	-	(592)	(592)

	9 months ended					
	30.09.2013			30.09.2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	18,163	2	18,165	10,344	84	10,428
Gain on bargain purchase	13,623	-	13,623	13,623	-	13,623
Depreciation of property, plant and equipment	(4,312)	(251)	(4,563)	(3,967)	(390)	(4,357)
Currency translation gain	2,041	-	2,041	706	-	706
Share of losses of associated companies	(743)	-	(743)	(240)	-	(240)
Auditors' remuneration	(684)	-	(684)	(859)	-	(859)
Gain / (loss) on disposal of property, plant and equipment	13	-	13	(48)	6	(42)
Rental income, net	1,245	-	1,245	767	-	767
Amortisation of intangible assets	-	-	-	-	(1,215)	(1,215)

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

	Group		Company	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
Non-Current Assets				
Property, plant and equipment	200,814	87,755	-	-
Intangible assets	122	122	-	-
Investment properties	27,500	27,500	-	-
Goodwill	20,303	20,303	-	-
Investment in subsidiaries	-	-	220,049	220,049
Investment in associated companies	99,861	100,996	-	-
Long-term loan receivable	150,000	150,000	-	-
Deferred income tax assets	669	606	-	-
	499,269	387,282	220,049	220,049
Current Assets				
Properties for development	1,379,287	240,334	-	-
Refundable deposits	-	122,235	-	122,235
Prepayments, deposits, and other receivables	129,416	101,105	298	376
Inventories	2,828	2,131	-	-
Trade receivables	12,308	5,004	-	-
Gross amounts due from customers for contract work	17,044	20,650	-	-
Due from associated companies	55,063	52,295	-	-
Due from related party	1,070	837	-	-
Due from subsidiaries	-	-	547,993	413,632
Due from non-controlling shareholders of subsidiaries	10,085	671	-	-
Restricted bank balances	1,751	143	-	-
Cash and cash equivalents	54,822	74,424	*	*
	1,663,674	619,829	548,291	536,243
Assets of discontinued operations	17,745	21,913	-	-
	1,681,419	641,742	548,291	536,243
Current Liabilities				
Trade payables	20,599	18,318	-	-
Other payables and accruals	91,936	9,720	2,078	2,358
Receipts in advance	41,172	16,621	-	-
Gross amounts due to customers for contract work	3,412	5,499	-	-
Due to subsidiaries	-	-	185,537	166,637
Due to non-controlling shareholders of subsidiaries	347,788	38,011	-	-
Current income tax liabilities	49,036	9,514	-	-
Long term loan, current portion	34,549	-	-	-
	588,492	97,683	187,615	168,995
Liabilities of discontinued operations	1,949	4,607	-	-
	590,441	102,290	187,615	168,995
Net Current Assets	1,090,978	539,452	360,676	367,248
Total Assets Less Current Liabilities	1,590,247	926,734	580,725	587,297

*Less than RMB1,000

	Group		Company	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
Non-Current Liabilities				
Deferred tax liabilities	226,151	5,454	-	-
Long term loan payables	303,639	148,436	-	-
	529,790	153,890	-	-
NET ASSETS	1,060,457	772,844	580,725	587,297
EQUITY				
Equity attributable to owners of the Company				
Share capital	219,943	219,943	219,943	219,943
Reserves	651,209	650,860	627,442	627,159
Accumulated losses	(163,905)	(178,170)	(266,660)	(259,805)
	707,247	692,633	580,725	587,297
Non-controlling interests	353,210	80,211	-	-
TOTAL EQUITY	1,060,457	772,844	580,725	587,297

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

Amount repayable in one year or less, or on demand

As at 30.09.2013 (RMB'000)		As at 31.12.2012 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
34,549	-	-	-

Amount repayable after one year

As at 30.09.2013 (RMB'000)		As at 31.12.2012 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
157,418	146,221	-	148,436

Details of any collateral

As at 30 September 2013, cash and cash equivalents include restricted bank balances of approximately RMB1,751,000 (31 December 2012: RMB143,000) mainly for securing fund for buyers in Yichang Xinshougang Real Estate Development Co. Limited. (2012: securing the performance and fund utilization for a land development project of the Group).

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

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before income tax	9,608	(3,153)	22,571	2,897
Adjustments for:				
Amortisation of intangible assets	-	592	-	1,215
Depreciation of property, plant and equipment	1,542	1,523	4,563	4,357
Interest expenses and other finance costs	5,325	858	6,981	1,575
Interest income	(8,436)	(4,330)	(18,165)	(10,428)
Employee share option expense	-	259	283	1,599
Gain on disposal of property, plant and equipment	-	(67)	(13)	(40)
Gain on bargain purchase	(13,623)	-	(13,623)	-
Share of losses of associated companies	251	206	743	240
	(5,333)	(4,112)	3,340	1,415
Changes in working capital				
Properties for development	1,628	(1,233)	(870)	(3,914)
Refundable deposit	-	-	-	10,000
Deposit for property development project	-	10,000	-	(10,000)
Prepayments, deposits and other receivables	(131,304)	2,280	(133,045)	1,941
Inventories	(1,600)	(2,866)	(644)	(1,927)
Due from non-controlling shareholders	36	(9)	594	(5)
Trade receivables	1,067	781	576	1,381
Gross amounts due from customers for contract work	6,616	1,703	3,606	(1,811)
Due from related party	(70)	(81)	(234)	(255)
Trade payables	3,453	(2,204)	1,455	264
Other payables and accruals	565	2,494	(2,944)	2,497
Receipts in advance	2,957	13,780	9,095	11,947
Gross amounts due to customers for contract work	-	(480)	(2,088)	(3,111)
Due to non-controlling shareholders	-	(188)	-	(177)
Cash (used in) / generated from operations	(121,985)	19,865	(121,159)	8,245
PRC income tax paid	(2,156)	(1,514)	(8,548)	(7,730)
Net cash (used in) / generated from operating activities	(124,141)	18,351	(129,707)	515
Cash flows from investing activities				
Acquisition of a subsidiary, net of cash acquired	(34,951)	-	(34,951)	-
Interest received	3,556	4,570	10,136	8,977
Payment for structured bank deposits	-	-	-	(20,000)
Proceeds on settlement of structured bank deposits	-	-	-	20,000
Payments for deposit of acquisition of a subsidiary	-	(122,235)	-	(122,235)
Purchases of property, plant and equipment	(14,156)	(1,805)	(33,017)	(16,872)
(Increased) / decreased of restricted bank balances pledged	(1,608)	-	(1,608)	8,320
Proceeds from disposal of property, plant and equipment	-	41	13	41
Payment for acquisition of non-controlling interests' shares	-	-	(500)	-
Capital contribution to associated companies	-	-	-	(10,205)
Loan advanced to other parties	-	(90,000)	(14,000)	(240,000)
Increase in loans to associated companies	(826)	(773)	(2,767)	(4,189)
Net cash used in investing activities	(47,985)	(210,202)	(76,694)	(376,163)
Cash flows from financing activities				
Interest and other finance costs paid	(5,188)	(860)	(6,845)	(1,483)
Loan advanced from other parties	-	(1,587)	-	149,562
Dividends paid to non-controlling shareholders	-	(500)	-	(1,190)
Cash paid for long term loan principal	(8,170)	-	(8,170)	-
Proceed from long term loan	200,000	-	200,000	-
Net cash generated from / (used in) financing activities	186,642	(2,947)	184,985	146,889
Net increase / (decrease) in cash and cash equivalents	14,516	(194,798)	(21,416)	(228,759)
Cash and cash equivalents at beginning of financial period	41,022	266,179	78,486	300,140
Effect of foreign exchange rate changes, net	(682)	-	(2,214)	-
Cash and cash equivalents at end of financial period	54,856	71,381	54,856	71,381

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RMB'000	RMB'000	RMB'000	RMB'000
Analysis of Cash and Cash Equivalents				
Cash and bank balances	56,573	71,524	56,573	71,524
Restricted bank balance	(1,751)	(143)	(1,751)	(143)
Cash held by discontinued operations	34	-	34	-
	<u>54,856</u>	<u>71,381</u>	<u>54,856</u>	<u>71,381</u>

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 Company										Non-con inter RM
	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 option reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	
At 1 January 2012	219,943	45,312	565,589	7,764	16,836	8,324	(2,503)	5,406	(184,384)	682,287	
Total comprehensive income for the financial year	-	-	-	-	-	-	209	-	8,088	8,297	
Payment of dividends	-	-	-	-	-	-	-	-	-	-	
Transfer	-	-	-	-	1,874	-	-	-	(1,874)	-	
Recognition of share-based payment	-	-	-	-	-	-	-	2,049	-	2,049	
At 31 December 2012	219,943	45,312	565,589	7,764	18,710	8,324	(2,294)	7,455	(178,170)	692,633	
At 1 January 2013	219,943	45,312	565,589	7,764	18,710	8,324	(2,294)	7,455	(178,170)	692,633	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	
Total comprehensive (loss) / income for the financial period	-	-	-	-	-	-	(391)	-	14,722	14,331	
Transfer	-	-	-	-	458	-	-	-	(458)	-	
Acquisition of additional interests from non-controlling interests	-	-	-	-	-	-	-	-	-	-	
Recognition of share-based payment	-	-	-	-	-	-	-	283	-	283	
At 30 September 2013	219,943	45,312	565,589	7,764	19,168	8,324	(2,685)	7,738	(163,906)	707,247	

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 losses RMB'000
At 1 January 2012	219,943	45,312	565,589	479	8,324	5,406	(251,360)
Total comprehensive loss for the financial year	-	-	-	-	-	-	(8,430)
Recognition of share-based payment	-	-	-	-	-	2,049	-
At 31 December 2012	219,943	45,312	565,589	479	8,324	7,455	(259,800)
At 1 January 2013	219,943	45,312	565,589	479	8,324	7,455	(259,800)
Total comprehensive loss for the financial period	-	-	-	-	-	-	(6,850)
Recognition of share-based payment	-	-	-	-	-	283	-
At 30 September 2013	219,943	45,312	565,589	479	8,324	7,738	(266,660)

- 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.

There was no change in the Company's share capital during the financial period under review. As at 30 September 2013, 44.5 million options issued in accordance with CIHL Share Option Schemes 2004 and 2010 ("the Schemes") are outstanding for conversion into 44.5 million shares in the capital of the Company (52 million as at 31 December 2012). According to the schemes, 44,500,000 options representing 100% (2012: 76.4%) options granted could be exercised as at 30 September 2013 (39,750,000 options as at 30 September 2012).

The Company did not hold any of its issued shares as treasury shares as at 30 September 2013 and 31 December 2012.

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

As at 30 September 2013, the number of issued shares excluding treasury shares was 874,603,750 ordinary shares (same as at 31 December 2012).

- 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 as well as all applicable International Financial Reporting Standards ("IFRS") that become effective for financial year beginning on or after 1 January 2013. 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 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.

	30.09.2013	30.09.2012
Profit / (loss) attributable to owners of the Company (RMB'000)		
- continuing operations	15,856	(6,280)
- discontinued operations	(1,134)	915
	<u>14,722</u>	<u>(5,365)</u>
Weighted average number of ordinary shares in issue ('000)	<u>874,604</u>	<u>874,604</u>
Basic and diluted earnings / (loss) per share (RMB Fen)		
- continuing operations	1.80	(0.71)
- discontinued operations	(0.13)	0.10
	<u>1.67</u>	<u>(0.61)</u>

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

Diluted earnings / (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 period have been issued at no consideration.

The share options are not potential dilutive ordinary shares since the exercise price of the share options was higher than the average market price of the Company's ordinary shares during the financial period ended 30 September 2013. Therefore, no shares were assumed to have been issued on the deemed exercise of the Company's outstanding share options during the financial period ended 30 September 2013.

- 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.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.09.2013</u>	<u>31.12.2012</u>	<u>30.09.2013</u>	<u>31.12.2012</u>
Net asset value (RMB'000)	1,060,457	772,844	580,725	587,297
Number of shares ('000)	874,604	874,604	874,604	874,604
Net asset per share (RMB)	1.212	0.884	0.664	0.672

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

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

Profit or Loss Analysis

The revenue of Q3 2013 of the Group was RMB9.52 million, an increase of RMB4.17 million compared with the revenue of RMB5.35 million in Q3 2012, representing an increase of 77.9%, due to increase of water fee income at CIHL (Tianjin) Water Development Company Limited .

The cost of services provided in Q3 2013 increased by 165.5% to RMB7.92 million, an increase of RMB4.94 million versus the cost of services provided of RMB2.98 million in Q3 2012 due to increased of depreciation of the added assets at CIHL (Tianjin) Water Development Company Limited.

The Group recorded a gross profit of RMB1.60 million in Q3 2013, representing a decrease of 32.4% as compared to RMB2.37 million in Q3 2012.

A provisional gain on bargain purchase in Q3 2013 of RMB13.62 million was recognised arising from the acquisition of 55% equity interest in Beijing Kaiyuanwanjia Management Consulting Limited (formerly known as Shoukong (Beijing) Management Consulting Company Limited) and its subsidiaries. Management is in the midst of finalizing the fair value of the identifiable assets acquired and liabilities assumed. This acquisition was approved by the shareholders of the Company at a Special General Meeting held on 12 August 2013.

Other income in Q3 2013 was RMB9.40 million, representing an increase of 73.2% as compared to RMB5.42 million for Q3 2012 mainly due to increase of interest income.

Selling expense in Q3 2013 was RMB0.42 million due to the marketing cost at Yichang Xinshougang Real Estate Development Co. Limited.

Finance costs in Q3 2013 was RMB 5.33 million, an increase of RMB3.22 million as compared to Q3 2012 representing an increase of 65% mainly due to interest expenses.

Income tax credit for Q3 2013 was RMB1.48 million, representing a decrease of 256.9% as compared to income tax expense of RMB0.94 million for Q3 2012 mainly due to over provision in prior period.

As a result of the above, the Group recorded after tax profit of RMB11.09 million for Q3 2013 as compare to loss RMB4.30 million for Q3 2012.

Analysis on Statement of Financial Position

Property, plant and equipment increased from RMB87.76 million as at 31 December 2012 to RMB350.66 million as at 30 September 2013 mainly due to the development cost of hotel and convention centre at Yichang Xinshougang Real Estate Development Co. Limited.

Properties for development increased from RMB240.33 million as at 31 December 2012 to RMB1,379.29 million as at 30 September 2013 mainly due to increase in real estate development construction costs at Yichang Xinshougang Real Estate Development Co. Limited for Guobinyihao real estate development project.

Prepayments, deposits and other receivables increased from RMB101.11 million as at 31 December 2012 to RMB129.42 million as at 30 September 2013 was mainly due to the interest receivable and funding of the resettlement housing project in Beijing Shijilongquan Real Estate Co. Limited.

Trade receivables increased from RMB5.00 million as at 31 December 2012 to RMB 12.31 million was mainly due to the receivable from customers on property purchase at Yichang Xinshougang Real Estate Development Co. Limited.

The changes in receipts in advance and gross amounts due to customers for contract work are due to increase and decrease of prepaid water supply fees and pipeline connections fees at water plant and are in normal course of business.

Assets of discontinued operations in the amount of RMB17.75 million represent the carrying amount of the intangible assets, service concession arrangement as at 30 September 2013.

Assets due from non-controlling shareholders increased from RMB0.67 million as at 31 December 2012 to RMB 10.09 million as at 30 September 2013 mainly due to the portion of land use tax debted by the vendor of Yichang Guobinyihao project.

Cash and cash equivalents as at 30 September 2013 was RMB56.57 million as compared to RMB74.56 million as at 31 December 2012.

Cash Flow Analysis

Net cash used in operating activities is RMB124.14 million for Q3 2013 mainly due to increase in the prepayments, deposits and other receivables.

Net cash used in investing activities for Q3 2013 was RMB47.99 million mainly due to the payments for acquisition of a subsidiary and payments of property, plant and equipment.

Net cash generated from financing activities for Q3 2013 was RMB186.64 million mainly due to proceed from long term loan at CIHL (Tianjin) Water Development Company 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.

On 15 September 2012, the Group entered into a share transfer agreement to acquire 55% equity interest of Yichang Xinshougang Property Development Limited ("XSG") from China Resources and Transportation Group Limited ("CRT") for a purchase consideration of HK\$550,000,000. On 16 September 2013, the Group through its wholly-subsiary, CIHL (Tianjin) City Development Limited, signed a deed of variation with CRT to acquire 55% equity interest of Beijing Kaiyuanwanjia Management Consulting Company Limited ("KYWJ"), which was formerly known as Shoukong (Beijing) Management Consulting Company Limited, an immediate holding corporation of XSG. KYWJ Group is in the business of real estate development focusing on property development in Yichang City, Hubei Province, the PRC. The Group expects this acquisition to complement its existing real estate business.

The Group expects overall global macro economy to remain challenging and uncertain and the current slowdown in the PRC property market will remain in the next 12 months, which will affect the pace of development of many projects in China, including our real estate development project and water supply service operations.

The Group's Liuhe Gold project is at the commissioning stage and is expected to be in the commercial operation in the first half of 2014.

The oil and gas exploration and exploitation is high risk and cost business. The Group's project in PNG is still at an early stage of exploration. The next stage will be drilling of one or two wells for evaluation, expected to be carried out in the next couple of years.

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.

13 If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for Interested Persons Transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and of the Company for the third quarter financial period ended 30 September 2013 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

12 November 2013