

**FIRST QUARTER FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**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**

	Group 31.03.2013 RMB'000	31.03.2012 RMB'000	Increase / (Decrease) %
<b>Continuing operations</b>			
<b>Revenue</b>	8,669	7,498	15.6
Cost of services provided	(2,009)	(4,088)	(50.9)
<b>Gross profit</b>	6,660	3,410	95.3
Other income	5,686	2,175	161.4
Administrative expenses	(3,217)	(2,863)	12.4
Other operating expenses	(4,753)	(4,624)	2.8
<b>Operating profit / (loss)</b>	4,376	(1,902)	(330.1)
Finance costs	(833)	(7)	11,800.0
Share of losses of associated companies	(265)	(34)	679.4
<b>Profit / (loss) before income tax</b>	3,278	(1,943)	268.7
Income tax expenses	(1,983)	(691)	187.0
<b>Profit / (loss) for the financial period from continuing operations</b>	1,295	(2,634)	149.2
<b>Discontinued operations</b>			
(Loss) / profit for the financial period from discontinued operations	(1,033)	145	(812.4)
<b>Profit / (loss) for the financial period</b>	262	(2,489)	110.5
<b>Other comprehensive loss:</b>			
Exchange differences on translating foreign operations	(391)	-	NM
<b>Other comprehensive loss for the financial period, net of tax</b>	(391)	-	NM
<b>Total comprehensive loss for the financial period</b>	(129)	(2,489)	(94.8)
<b>Profit / (loss) for the financial period attributable to</b>			
Owners of the Company	(686)	(2,992)	(77.1)
Non-controlling interests	948	503	88.5
	262	(2,489)	110.5
<b>Total comprehensive (loss) / income for the financial period attributable to</b>			
Owners of the Company	(1,077)	(2,992)	(64.0)
Non-controlling interests	948	503	88.5
	(129)	(2,489)	(94.8)

NM: Not Meaningful

Note:

Discontinued operations: CCI Andi Bridges Co., Ltd

CCI Andi Bridges Co., Ltd (“Andi”), a 55% owned subsidiary of the company has been granted with a 25 years of concession rights on toll collection on 25 December 1998.

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 quarterly financial statements for the financial period ended 31 March 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					
	31.03.2013			31.03.2012		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	operations	operations		operations	operations	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	4,788	2	4,790	2,057	31	2,088
Depreciation of property, plant and equipment	(1,429)	(85)	(1,514)	(1,308)	(137)	(1,445)
Currency translation gain / (loss)	223	-	223	(129)	-	(129)
Share of loss of associated companies	(265)	-	(265)	(34)	-	(34)
Auditors' remuneration	(213)	-	(213)	(170)	-	(170)
Gain / (loss) on disposal of property , plant and equipment	13	-	13	-	(6)	(6)
Rental income, net	621	-	621	247	-	247
Amortisation of intangible assets	-	-	-	-	(261)	(261)

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	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	91,577	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	100,339	100,996	-	-
Long-term loan receivable	150,000	150,000	-	-
Deferred income tax assets	626	606	-	-
	390,467	387,282	220,049	220,049
<b>Current Assets</b>				
Properties for development	241,568	240,334	-	-
Refundable deposits	122,235	122,235	122,235	122,235
Prepayments, deposits and other receivables	104,963	101,105	298	376
Inventories	3,065	2,131	-	-
Trade receivables	5,324	5,004	-	-
Gross amounts due from customers for contract work	20,282	20,650	-	-
Due from associated companies	53,287	52,295	-	-
Due from related party	926	837	-	-
Due from subsidiaries	-	-	434,324	413,632
Due from non-controlling shareholders of subsidiaries	108	671	-	-
Cash and cash equivalents	63,649	74,567	*	*
	615,407	619,829	556,857	536,243
Assets of discontinued operations	18,341	21,913	-	-
	633,748	641,742	556,857	536,243
<b>Current Liabilities</b>				
Trade payables	11,484	18,318	-	-
Other payables and accruals	8,146	9,720	2,078	2,358
Receipts in advance	24,386	16,621	-	-
Gross amounts due to customers for contract work	5,499	5,499	-	-
Due to subsidiaries	-	-	189,539	166,637
Current income tax liabilities	8,816	9,514	-	-
Due to non-controlling shareholders of subsidiaries	38,011	38,011	-	-
	96,342	97,683	191,617	168,995
Liabilities of discontinued operations	1,983	4,607	-	-
	98,325	102,290	191,176	168,995
<b>NET CURRENT ASSETS</b>	535,423	539,452	365,240	367,248
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	925,890	926,734	585,289	587,297

\* Less than RMB 1,000

	Group		Company	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-Current Liabilities</b>				
Deferred income tax liabilities	5,454	5,454	-	-
Long-term loan payables	148,048	148,436	-	-
	<u>153,502</u>	<u>153,890</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<u>772,388</u>	<u>772,844</u>	<u>585,289</u>	<u>587,297</u>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	219,943	219,943	219,943	219,943
Reserves	651,145	650,860	627,332	627,159
Accumulated losses	<u>(179,359)</u>	<u>(178,170)</u>	<u>(261,986)</u>	<u>(259,805)</u>
	691,729	692,633	585,289	587,297
Non-controlling interests	<u>80,659</u>	<u>80,211</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>772,388</u>	<u>772,844</u>	<u>585,289</u>	<u>587,297</u>

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

Amount repayable in one year or less, or on demand

As at 31.03.2013 (RMB'000)		As at 31.12.2012 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.03.2013 (RMB'000)		As at 31.12.2012 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
-	148,048	-	148,436

Details of any collateral

As at 31 March 2013 and 31 December 2012, cash and cash equivalents include restricted bank balances of approximately RMB143,000 for 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	
	31.03.2013	31.03.2012
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit / (loss) before income tax	2,245	(1,705)
Adjustments for:		
Amortisation of intangible assets	-	261
Depreciation of property, plant and equipment	1,514	1,445
Interest expenses	822	-
Interest income	(4,790)	(2,088)
Employee share option expense	174	733
(Gain) / loss on disposal of property, plant and equipment	(13)	6
Share of losses of associated companies	265	34
	<u>217</u>	<u>(1,314)</u>
<b>Changes in working capital</b>		
Properties for development	(1,218)	(1,526)
Refundable deposit	-	10,000
Deposit for property development project	-	(50,000)
Trade receivables	(319)	(1,945)
Prepayments, deposits and other receivables	(2,372)	1,619
Gross amounts due from customers for contract work	368	(26)
Inventories	(934)	939
Due from related parties	(89)	(87)
Due from non-controlling shareholders	563	(67)
Receipts in advance	7,743	(8,277)
Gross amounts due to customers for contract work	-	7,517
Accounts payable, other payables and accruals	(4,164)	(316)
Trade payables	(6,834)	(1,167)
Cash used in operations	<u>(7,039)</u>	<u>(44,650)</u>
PRC income tax paid	(2,701)	(5,054)
Net cash used in operating activities	<u>(9,740)</u>	<u>(49,704)</u>
<b>Cash flows from investing activities</b>		
Interest received	3,380	528
Payments for structured bank deposits	-	(10,000)
Proceeds on settlement of structured bank deposits	-	10,000
Purchases of property, plant and equipment	(5,364)	(1,177)
Proceeds from disposal of property, plant and equipment	13	-
Payment for acquisition of non-controlling interests' shares	(500)	-
Capital contribution to an associated company	-	(5,469)
Increase in loans to associated companies	(992)	(2,257)
Net cash used in investing activities	<u>(3,463)</u>	<u>(8,375)</u>
<b>Cash flows from financing activities</b>		
Interest and other finance costs paid	(823)	-
Loans from non-related parties	(388)	-
Dividends paid to non-controlling shareholders	-	(690)
Net cash used in financing activities	<u>(1,211)</u>	<u>(690)</u>

3 months ended  
31.03.2013 31.03.2012  
RMB'000 RMB'000

**Net decrease in cash and cash equivalents**

(14,414) (58,769)

Cash and cash equivalents at beginning of financial period

78,486 300,140

Effect of foreign exchange rate charges , net

- (32)

**Cash and cash equivalents at end of financial period**

64,072 241,339

**Analysis of cash and cash equivalents**

Cash and bank balances

63,649 249,802

Restricted bank balances

(143) (8,463)

Cash held by discontinued operations

566 -

64,072 241,339



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 capitalisation 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

	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	Non-controlling interests RMB'000	Total equity RMB'000
At 1 Jan 2012	219,943	45,312	565,589	7,764	16,836	8,324	(2,503)	5,406	(184,384)	682,287	71,100	753,387
Total comprehensive income for the financial year	-	-	-	-	-	-	209	-	8,088	8,297	10,934	19,231
Payment of dividends	-	-	-	-	-	-	-	-	-	-	(1,823)	(1,823)
Transfer	-	-	-	-	1,874	-	-	-	(1,874)	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	2,049	-	2,049	-	2,049
At 31 Dec 2012	219,943	45,312	565,589	7,764	18,710	8,324	(2,294)	7,455	(178,170)	692,633	80,211	772,844
At 1 Jan 2013	219,943	45,312	565,589	7,764	18,710	8,324	(2,294)	7,455	(178,170)	692,633	80,211	772,844
Total comprehensive (loss) / income for the financial period	-	-	-	-	-	-	(391)	-	(686)	(1,077)	948	(129)
Transfer	-	-	-	-	235	-	-	-	(235)	-	(500)	(500)
Recognition of share-based payments	-	-	-	-	-	-	-	173	-	173	-	173
At 31 Mar 2013	219,943	45,312	565,589	7,764	18,945	8,324	(2,685)	7,628	(179,091)	691,729	80,659	772,388

## 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
At 1 Jan 2012	219,943	45,312	565,589	479	8,324	5,406	(251,369)	593,684
Total comprehensive loss for the financial year	-	-	-	-	-	-	(8,436)	(8,436)
Recognition of share-based payments	-	-	-	-	-	2,049	-	2,049
At 31 Dec 2012	219,943	45,312	565,589	479	8,324	7,455	(259,805)	587,297
At 1 Jan 2013	219,943	45,312	565,589	479	8,324	7,455	(259,805)	587,297
Total comprehensive loss for the financial period	-	-	-	-	-	-	(2,181)	(2,181)
Recognition of share-based payments	-	-	-	-	-	173	-	173
At 31 Mar 2013	219,943	45,312	565,589	479	8,324	7,628	(261,986)	585,289

- 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.

As at 31 March 2013, a total of 52 million (2012: 52 million) options issued in accordance with CIHL Share Option Schemes 2004 and 2010 (the "Schemes") are outstanding for conversion into 52 million (2012: 52 million) shares in the capital of the Company. According to the schemes, 39.75 million (2012: 25.25 million) options representing approximately 76.4% (2012: 48.56%) of the options granted could be exercised as at 31 March 2013.

The Company did not hold any of its issued shares as treasury shares as at 31 March 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 31 March 2013, the number of issued shares excluding treasury shares was 874,603,750 ordinary shares (2012: 874,603,750).

- 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 has been applied since the last audited annual 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.

	31.03.2013	31.03.2012
Profit / (loss) attributable to owners of the Company (RMB'000)		
- continuing operations	(118)	(3,079)
- discontinued operations	(568)	87
	<u>(686)</u>	<u>(2, 992)</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	(0.01)	(0.35)
- discontinued operations	(0.06)	0.01
	<u>(0.07)</u>	<u>(0.34)</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 31 March 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 31 March 2013.

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.

	<u>Group</u>		<u>Company</u>	
	<u>31.03.2013</u>	<u>31.12.2012</u>	<u>31.03.2013</u>	<u>31.12.2012</u>
Net asset value (RMB'000)	772,388	772,844	585,289	587,297
Number of shares ('000)	874,604	874,604	874,604	874,604
Net asset per share (RMB)	0.883	0.884	0.669	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 the Group was RMB 8.67 million for the financial period ended 31 March 2013 (“Q1 2013”), representing an increase of 15.6% as compared to RMB7.50 million for the corresponding period of last year (“Q1 2012”), due to the increase of the water fee income and pipeline connection fees at CIHL (Tianjin) Water Development Company Limited.

Cost of services provided in Q1 2013 decreased by 50.9% to RMB2.01 million as compared to RMB4.09 million for Q1 2012 mainly due to the decrease of water pipeline connection cost.

The Group recorded a gross profit of RMB6.66 million for Q1 2013, representing an increase of 95.3% as compared to RMB3.41 million for Q1 2012.

Other income in Q1 2013 was RMB5.69 million, representing an increase of 161.4% as compared to RMB2.18 million for Q1 2012 mainly due to increase of interest income.

Finance costs for Q1 2013 were RMB0.83 million, representing an increase of 11,800% as compared to RMB0.007 million for Q1 2012 mainly due to the interest expenses.

Income tax expenses for Q1 2013 were RMB1.98 million, representing an increase of 187.0% as compared to RMB0.69 million for Q1 2012 mainly due to the increase in interest income at CIHL (Tianjin) City Development Company Limited.

As a result of the above, the Group recorded an after tax profit of RMB0.26 million for Q1 2013 as compared to loss of RMB2.49 million for Q1 2012, representing an increase of 110.5%.

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

The increase in property, plant and equipment in the amount of RMB3.82 is mainly due to the durative pipeline connection construction fees at CIHL (Tianjin) Water Development Company Limited.

The changes in receipts in advance are due to increase of prepaid water supply fees at CIHL (Tianjin) Water Development Company Limited.

Cash and cash equivalents decreased from RMB78.49 million as at 31 December 2012 to RMB64.07 million as at 31 March 2013 mainly due to prepayment of property, plant and equipment.

## **Cash Flow Analysis**

Net cash used in operating activities decreased from RMB49.70 million for Q1 2012 to RMB9.74 million for Q1 2013 mainly due to the withdrawal of the deposit made for property development project in association with bidding of land use rights.

Net cash used in investing activities for Q1 2013 was RMB3.46 million, mainly due to the durative pipeline connection construction fees at CIHL (Tianjin) Water Development Company Limited.

Cash and bank balance as at 31 March 2013 was RMB64.22 million, a decrease of RMB14.41 million as compared to the balance of RMB78.63 million at the beginning of the period.

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 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 services operation.

The oil and gas operation is an expensive and high risk operation. The project undertaken by the Group is still at a preliminary exploration stage. Further exploration and study will be needed to ensure that economically viable resources exist.

- 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 first quarter and the three months financial period ended 31 March 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  
14 May 2013