

China Infrastructure Construction Corporation

Stock Symbol-	CHNC.OB
Shares-	12,815,620
Market Cap-	\$37,037,142
Recent Price-	\$2.89
Intermediate- Target Price	\$6.75
52 week trading range:	\$2.30—5.31



CORPORATE INFORMATION

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CHINA INFRASTRUCTURE CONST. CORP.

China Infrastructure Construction Corporation (BB: CHNC) was founded in 2002 in Beijing, China. It has developed into one of the top ready-mix concrete producers in Beijing. The products produced are environment-friendly, and CHNC is among the few providers in China of “green” concrete. Both the Company’s revenue and net profit have shown significant growth in the last years.

NEWS FLASH: The Company is certified to produce all types of concrete for residential and commercial developers as well as industrial companies. Its products include: self-condensing concrete, anti-frozen concrete, fiber concrete, heavy concrete, anti-radiation concrete, lightweight concrete, water-penetrable concrete and colored concrete. CHNC is one of the leading ready-mix concrete companies in Beijing, China. Concrete product producers are the largest market for cement in China, projected to account for almost 40% of all cement consumption in 2010.

**China Infrastructure Construction Corp.
 (CHNC.OB)**

INITIATING COVERAGE

The Peoples Republic of China (PRC) government’s continued efforts to modernize the country’s infrastructure are exemplified by such massive projects as the USD \$586 billion economic stimulus package of 2008, with two-thirds of the expenditure targeting construction. More than half of China’s total investment will be in the infrastructure construction sector. While China is the world’s largest concrete producer, the industry remains fragmented with many small and outdated facilities. Most concrete in China is mixed at on-site construction locations, as only 30% of the industry is ready-mix vs. 80% in developed nations. The PRC has encouraged consolidation, and supports modern and environmentally-friendly production technology.

Why should you consider CHNC?

We feel that CHNC is worth taking a look at for the following reasons.

China’s cement consumption accounted for 44% of global demand in 2008 and is expected to exceed the combined output of the world’s number two and three markets of India and the U.S. CHNC has attracted attention from cement manufacturers who make strategic investments downstream in ready-mix companies, as CHNC consumed 253,000 metric tons of cement last year and is estimated to increase that amount to 625,000 by the end of this year. Projections are for 884,000 in 2011.

Next, the Company applies an effective management system from material purchasing to production. All of the Company’s products have been certified by Chinese Ministry of Construction Beijing Branch Certification Center with respect to

Integrated Certification System which includes Quality Management System, Environmental Management System and Occupational Health and Safety Management System.

China generates 50% of all building activity in the world, and constant expansion is projected to rise until 2030 as more than 400 million citizens are projected to move into urban areas.

CHNC is equipped with the highest quality equipment and production facilities. Management of CHNC feels their well trained employees and skilled workforce are the key ingredients that will ensure continued growth and development of the Company. Of the 353 employees, 35 of them hold technical titles.

CHNC meets the national standard for “Green Concrete”, and its technology and know-how advantage leads to higher margins than their competition. The Company’s scientists have over 16 years of experience in concrete material research, testing and production technology.

CHNC is focused on providing the utmost quality products to their clients.

A Company is only as good as their management team, and this is a very impressive group. They have extensive expertise and key industry, client, engineering and government relationships.

Conclusion

The Company reported that net revenue for the second quarter of fiscal year 2010 was \$19.16 million as compared to \$15.57 million the same period last year, an increase of \$3.59 million or approximately 23.06%. This increase in revenue is attributable to the increased demand for concrete due to the government’s stimulus plan in the infrastructure and real estate industries and can be linked to the increase of sales volume of concrete

products. Gross profit for the second quarter of fiscal year 2010 was \$4.23 million as compared with \$2.69 million the same period last year, an increase of \$1.54 million or 57.03%.

Mr. Rong Yang, chairman and chief executive officer of CHNC said, “We are pleased to announce an outstanding quarter of growth in revenue, gross margin, and adjusted net income. With the Chinese government’s strong support to improve infrastructure construction, we are confident that our performance will continue to be strong in the coming quarters.”

We feel the Company has shown that it has the ability to work with the Chinese government, has shown they have the technology and the products that will continue to compete for the concrete business in China, and has built a strong management team to lead them into the future.

With risk comes reward. If CHNC continues to follow their business plan, an intermediate target price of \$6.75 could be attainable. Being part of any “green” sector doesn’t hurt these days either.

ANALYST

Officers of Market Advisors, Inc. have been in business since 1983 and have provided stock market research for their clients since 1985. Company officials have often been quoted in a wide array of financial publications such as the Wall Street Journal, Investors Business Daily, Barron’s, Forbes Magazine and The Dick Davis Digest to name a few.

