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**中國城市基礎設施集團有限公司**

China City Infrastructure Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2349)**

## **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement of the Company dated 25 September 2015 in relation to the termination of the property project in Beijing Qianmen (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

As the Acquisition and the transfer of the Equity Interests in Huangcheng Club (the “**Transfer**”) is part of the termination of the property project, the consideration of the Acquisition and the transfer shall be determined by the parties and there would be no actual exchange of any consideration between the Group and the relevant parties for the Acquisition and the Transfer.

Based on the latest unaudited financial information, it is estimated that upon completion of termination of the Lease Agreement, the difference between the carrying amount of the prepaid lease payment of the Leased Land and Deposit refunded is expected to be approximately HK\$17,490,000, which will be recorded as gain on termination of a lease agreement. Upon the completion of the transfer of the 30% equity interest in the Joint Venture Company, no gain or loss is expected. Upon the completion of the Transfer of the 10% equity interest in Huangcheng Club (which was recorded as available for sale investment), despite of the impairment loss of approximately HK\$12,346,000 recognised right before the Transfer, no gain or loss is expected upon the Transfer.

The terms of the Termination Agreement, the Acquisition Agreement and the Transfer Agreement were arrived at after arm’s length negotiations between the Group and the relevant parties, with reference to, among others, (i) the amount of Deposit refunded under the Termination Agreement; (ii) the additional resources to be committed by the Group to proceed with the property project; and (iii) the financial impact, the Directors are of the view that the terms of the Termination Agreement, the Acquisition Agreement and the Transfer Agreement are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

By order of the Board  
**China City Infrastructure Group Limited**  
**Wang Wenxia**  
*Vice Chairman and Chief Executive Officer*

Hong Kong, 2 October 2015

*As at the date of this announcement, the Directors of the Company are Ms. Wang Wenxia (Vice Chairman and Chief Executive Officer) and Mr. Ren Qian as Executive Directors; Mr. Duan Chuan Liang (Chairman) and Mr. Zhou Kun as Non-executive Directors; and Mr. Chan Pok Hiu, Mr. Wong Chi Ming and Mr. Wang Jian as Independent Non-executive Directors.*