

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China City Infrastructure Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;**  
**(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;**  
**(3) PROPOSED RE-ELECTION OF DIRECTORS; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of the Company to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Friday, 3 June 2016 at 11:00 a.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

28 April 2016

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
Introduction .....	3
Proposed Grant of General Mandate and Repurchase Mandate .....	4
Proposed refreshment of the scheme mandate limit .....	5
Proposed re-election of Directors .....	6
AGM .....	7
Responsibility statement .....	7
Recommendation .....	7
General .....	8
<b>APPENDIX I — EXPLANATORY STATEMENT</b> .....	9
<b>APPENDIX II — DETAILS OF DIRECTORS PROPOSED                     TO BE RE-ELECTED AT THE AGM</b> .....	13
<b>NOTICE OF AGM</b> .....	17

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Friday, 3 June 2016 at 11:00 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; the proposed refreshment of scheme mandate limit and the proposed re-election of Directors
“Article(s)” or “Article(s) of Association”	the article(s) of association of the Company
“Board”	the board of Directors
“Close Associate(s)”	as the meaning ascribed to this term under the Listing Rules
“Company”	China City Infrastructure Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the number of Shares of the Company in issue as at the date of granting of the General Mandate
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)

## DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of Shares of the Company in issue as at the date of granting of the Repurchase Mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options which shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme of the Company adopted by resolution of the Shareholders on 18 June 2013
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)**

*Executive Directors:*

Mr. Li Chao Bo (*Chairman*)

Ms. Wang Wenxia

*(Vice Chairman and Chief Executive Officer)*

Mr. Ren Qian

*Registered office:*

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Director:*

Mr. Zhou Kun

*Head Office and principal place  
of business in Hong Kong:*

Suite 6208, 62nd Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

*Independent non-executive Directors:*

Mr. Chan Pok Hiu

Mr. Wong Chi Ming

Mr. Wang Jian

28 April 2016

*To Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;  
(3) PROPOSED RE-ELECTION OF DIRECTORS; AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate to the Directors; (ii) the refreshment of scheme mandate limit; and (iii) the re-election of Directors.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for (i) the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the refreshment of scheme mandate limit; (iii) the proposed re-election of Directors; and (iv) the notice of AGM.

## LETTER FROM THE BOARD

### PROPOSED GRANT OF GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate (including the extended General Mandate) and the Repurchase Mandate.

#### General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate of up to 20% of the number of the Shares in issue as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be approved for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has aggregate of 2,044,594,861 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 408,918,972 Shares.

#### Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate of up to 10% of the number of the Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 204,459,486 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law (Law 3 of 1961, as consolidated and revised) or any applicable laws of the Cayman Islands to be held; or (iii) the

## **LETTER FROM THE BOARD**

revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### **PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT**

Under the Listing Rules, the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders.

The Share Option Scheme was adopted by way of Shareholders' resolution on 18 June 2013. Accordingly, the Scheme Mandate Limit was granted as at the time of adoption of the Share Option Scheme would be 180,872,286 Shares, there has 180,872,286 outstanding options which representing from the date of adoption of the Share Option Scheme to the Latest Practicable Date, being 10% of the issued share capital of the Company as at 18 June 2013.

On 27 February 2015, the Scheme Mandate Limit was refreshed to 204,459,486 Shares (representing approximately 10% of the issued share capital of the Company as at 27 February 2015). Subsequently, there were further 80,445,948 options granted from the date of the latest refreshment of the Scheme Mandate Limit, which has 80,445,948 options were outstanding (representing approximately 3.93% of the issued share capital of the Company as at 27 February 2015) as at the Latest Practicable Date and none of 80,445,948 options granted since last refreshment were exercised, cancelled or lapsed as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has granted, in aggregate, 261,318,234 share options under the Share Option Scheme and any other share option schemes of the Company to subscribe for 261,318,234 Shares of the Company since 18 June 2013 and none of which were exercised, cancelled or lapsed as at the Latest Practicable Date. The 261,318,234 share options, which remain outstanding as at the Latest Practicable Date, representing approximately of 12.78% of the total issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, there were 2,044,594,861 Shares in issue. Pursuant to the terms of the Share Option Scheme and in compliance with the Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the options to be granted under the Share Option Scheme under the Scheme Mandate Limit as refreshed should be 204,459,486 Shares, being 10% of the Shares in issue and assuming no further issue or repurchase of Shares during the period between the Latest Practicable Date up to and including the date of the AGM.

## **LETTER FROM THE BOARD**

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment; and
- (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Share Options granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Shares, representing 10% of the Shares in issue at the AGM, which may fall to be issued upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

The Directors consider that the refreshment of the Scheme Mandate Limit is in the best interests of the Company and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected participants under the Share Option Scheme. The renewal of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme.

### **Listing Rules Implication in Respect of the Proposed Refreshment of the Scheme Mandate Limit**

Pursuant to Rule 17.03(3) of the Listing Rules, the refreshment of the Scheme Mandate Limit shall be subject to the Shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the refreshment of Scheme Mandate Limit and are required to abstain from voting at the AGM.

### **PROPOSED RE-ELECTION OF DIRECTORS**

According to Article 108, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 108, Ms. Wang Wenxia, Mr. Ren Qian and Mr. Zhou Kun shall retire from their respective office by rotation at the AGM. Being eligible, each of Ms. Wang Wenxia and Mr. Ren Qian shall offer herself/himself for re-election as executive Director and Mr. Zhou Kun shall offer himself for re-election as non-executive Director.

According to Article 112, a Director so appointed either to fill a casual vacancy or as an additional Director by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. In accordance with Article 112, Mr. Li Chao Bo shall retire from his office by rotation at the AGM and being eligible, Mr. Li Chao Bo shall offer himself for re-election as executive Director.

## **LETTER FROM THE BOARD**

Particulars of each of Mr. Li Chao Bo, Ms. Wang Wenxia, Mr. Ren Qian and Mr. Zhou Kun are set out in Appendix II to this circular pursuant to the Listing Rules.

### **AGM**

A notice convening the AGM to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Friday, 3 June 2016 at 11:00 a.m. is set out on pages 17 to 21 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the refreshment of scheme mandate limit; and (iii) the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk). Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

The Directors consider (i) the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the proposed refreshment of scheme mandate limit; and (iii) the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

## LETTER FROM THE BOARD

### GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

Yours faithfully,  
For and behalf of the Board  
**China City Infrastructure Group Limited**  
**Li Chao Bo**  
*Chairman*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.*

## **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “**core connected person**”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective Close Associates and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,044,594,861 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM date, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 204,459,486 fully paid Shares, representing approximately 10% of the number of Shares of the Company in issue as at the date of passing of the resolution.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

Repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum of association of the Company and the Articles of Association and for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2015, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2015</b>		
April	0.76	0.57
May	0.93	0.67
June	1.01	0.68
July	0.88	0.40
August	0.75	0.47
September	0.73	0.57
October	0.73	0.58
November	0.75	0.59
December	0.64	0.55
<b>2016</b>		
January	0.57	0.39
February	0.45	0.38
March	0.62	0.39
April ( <i>up to the Latest Practicable Date</i> )	0.61	0.52

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their Close Associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name of Shareholder	Number of Shares	Approximate percentage holding
China Water Affairs Group Limited ( <i>Note</i> )	483,943,829 ( <i>Long Position</i> )	23.67%
Good Outlook Investments Limited ( <i>Note</i> )	225,863,306 ( <i>Long Position</i> )	11.05%
Sharp Profit Investments Limited ( <i>Note</i> )	167,580,000 ( <i>Long Position</i> )	8.20%

*Note: Good Outlook Investments Limited and Sharp Profit Investments Limited are wholly-owned subsidiaries of China Water Affairs Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (Stock Code: 855).*

*Reference is also made to the announcement of the Company dated 30 March 2016. Linkway Investment Holdings Limited as purchaser entered into a conditional sale and purchase agreement with China Water Affairs Group Limited to acquire 592,932,500 Shares of the Company. Completion of the possible transfer will take place on or after 30 January 2017, subject to the conditions of the sale and purchase agreement having been fulfilled.*

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name of Shareholder	Approximate percentage holding
China Water Affairs Group Limited	26.30%
Good Outlook Investments Limited	12.27%
Sharp Profit Investments Limited	9.11%

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will result in causing them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

**7. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

*Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:*

**(1) MR. LI CHAO BO (“MR. LI”) — CHAIRMAN AND EXECUTIVE DIRECTOR**

Mr. Li, aged 41, was appointed as the Chairman and an Executive Director of the Company with effect from 31 March 2016 and is currently a director and the sole beneficial owner of Linkway Investment Holdings Limited. Linkway Investment Holdings Limited is a company incorporated in the British Virgin Islands with limited liabilities. Mr. Li is currently a chairman of the number of the investment and property investment development company which is registered in the PRC. Mr. Li currently holds a master degree from Hong Kong Baptist University and a degree from Central South University. Mr. Li is experienced in brand operation, property development and financial investment.

As at the Latest Practicable Date, Mr. Li is also the sole beneficial owner of Asia Unite Limited which in turn owns 9,680,000 Shares within the meaning of Part XV of the SFO. Reference is made to the announcement of the Company dated 30 March 2016. To the best of Directors’ knowledge, information and belief, Linkway Investment Holdings Limited as purchaser entered into a conditional sale and purchase agreement with China Water Affairs Group Limited to acquire 592,932,500 Shares. Details are set out in the Company’s announcement dated 30 March 2016. Save as disclosed herein, Mr. Li does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Li does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder(s) of the Company.

There is no letter of appointment entered into between the Company and Mr. Li. He shall initially hold office until the conclusion of AGM. If the re-election of Mr. Li is approved by the Shareholders at the AGM, his appointment will continue in accordance with the Articles. The director’s fee and salary of Mr. Li is recommended by the remuneration committee and determined by the Board with reference to his duties and responsibilities and prevailing market conditions. Mr. Li is entitled a director’s fee and salary of HK\$3,000,000 per annum.

There is no information relating to Mr. Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Li that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**(2) MS. WANG WENXIA (“MS. WANG”) — VICE CHAIRMAN, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER**

Ms. Wang, aged 56, was appointed as Vice Chairman, an Executive Director and Chief Executive Officer of the Company. Ms. Wang is responsible for the overall strategic development, making decisions for investment projects and determining the direction of development of the Group. Ms. Wang holds a master degree in finance from Dongbei University of Finance and Economics. Ms. Wang currently holds senior management positions in various unlisted companies incorporated in the PRC, and has active experience at the management level in structured finance and real estate for over 20 years, including investment, mergers and acquisitions and asset management services.

Ms. Wang was the chairman, the executive director and the chief executive officer of China Financial International Investments Limited (Stock Code: 721), a company listed on the main board of the Stock Exchange.

Ms. Wang is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Ms. Wang is interested in 85,144,175 share options granted by the Company. Ms. Wang holds 1,231,440 Shares as beneficial owner. Save as disclosed herein, Ms. Wang does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed, Ms. Wang does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder(s) of the Company.

As at the Latest Practicable Date, there is a three years term of service contract entered into between Ms. Wang and the Company with effected from 17 January 2014 and she will be subject to retirement by rotation in accordance with the Articles and the Listing Rules. Ms. Wang’s remuneration is fixed at HK\$300,000 per month, with housing allowance of not more than HK\$50,000 per month, together with discretionary management bonus, during the year ended 31 December 2015, the remuneration of Ms. Wang was HK\$16,118,980 including director fees, salaries and retirement benefit scheme contributions, and 54,261,684 share options granted on 22 January 2015, which is determined by the Board with reference to her duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Ms. Wang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Ms. Wang that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**(3) MR. REN QIAN (“MR. REN”) — EXECUTIVE DIRECTOR**

Mr. Ren, aged 55, was appointed as Executive Director on 30 July 2009. He is responsible for strategic development and properties management of the Group. Mr. Ren graduated from the North China University of Water Conservancy and Electronic Power majoring in agricultural water in 1983 and obtained his Master of Business Administration degree from Beijing Normal University in 2001. He has over 30 years experience in the water resources management, housing and urban-rural development and the real estate industries in the PRC. Mr. Ren was the secretary of the office minister of The Ministry of Water Resources of the PRC and The Ministry of Housing and Urban-Rural Development of the PRC, respectively. Mr. Ren was also the deputy mayor of The People’s Government of Hebei Province, Langfang City and the deputy general manager of The Housing and Urban-Rural Development Huatong Real Estate Limited#. Prior to joining the Group, Mr. Ren was the senior adviser of the chairman of the board of Beijing Yinghe Real Property Company#.

Mr. Ren is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Ren is interested in 3,000,000 share options granted by the Company. Mr. Ren holds 680,400 Shares as beneficial owner. Save as disclosed herein, Mr. Ren does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Ren does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder(s) of the Company.

There is no service contract entered into between Mr. Ren and the Company. Mr. Ren does not have a fixed term of service with the Company and he will be subject to retirement by rotation in accordance with the Articles and Listing Rules. The remuneration of Mr. Ren was HK\$510,600 including director fees and 1,500,000 share options granted on 22 January 2015, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Mr. Ren that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Ren that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**(4) MR. ZHOU KUN (“MR. ZHOU”) — NON-EXECUTIVE DIRECTOR**

Mr. Zhou, aged 48, was appointed as Non-executive Director on 30 July 2009. He graduated from the Xian Institute of Industry# majoring in fine arts technology in 1987. He has over 20 years experience in media, advertising and real estate industries in Shenzhen. Mr. Zhou was the art director of Shenzhen Legal System Newspaper# and the general manager of Shenzhen Xinli Chuanren Advertising Limited#.

Mr. Zhou is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Zhou is interested in 3,000,000 share options granted by the Company. Save as disclosed herein, Mr. Zhou does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Zhou does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder(s) of the Company.

There is no service contract entered into between Mr. Zhou and the Company. Mr. Zhou does not have a fixed term of service with the Company and he will be subject to retirement by rotation in accordance with the Articles and Listing Rules. The remuneration of Mr. Zhou was HK\$1,014,544 including director fees, salaries and retirement benefit scheme contribution and 1,500,000 share options granted on 22 January 2015, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Mr. Zhou that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Zhou that needs to be brought to the attention of the Shareholders and the Stock Exchange.

# *The English translation of Chinese names or words in this explanation is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*



**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)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China City Infrastructure Group Limited (the “**Company**”) will be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Friday, 3 June 2016 at 11:00 a.m., to transact the following ordinary business:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2015;
2.
  - (a) to re-elect Mr. Li Chao Bo as executive Director;
  - (b) to re-elect Ms. Wang Wenxia as executive Director;
  - (c) to re-elect Mr. Ren Qian as executive Director;
  - (d) to re-elect Mr. Zhou Kun as non-executive Director; and
  - (e) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint HLM CPA Limited as the auditors (the “**Auditors**”) of the Company and to authorise the board of Directors to fix their remuneration of the Auditors;

and, as special business, consider and, if thought fit, passing the following resolutions as ordinary resolutions:

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

## NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles of Association**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the number of Shares in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares in issue on the date of the passing of resolution no. 5),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, Companies Law (Law 3 of 1961, as consolidated and revised) (the “**Companies Law**”) or any other applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

## NOTICE OF AGM

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of issued Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the number of Shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, Companies Law or any other applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

## NOTICE OF AGM

6. “**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
7. “**THAT** subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of, the listing of and permission to deal in, the Shares in the capital of the Company to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the Share Option Scheme in the manner as set out in paragraph (a) of this resolution below,
  - (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and
  - (b) the directors of the Company (the “**Directors**”) be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By Order of the Board  
**China City Infrastructure Group Limited**  
**Li Chao Bo**  
*Chairman*

Hong Kong, 28 April 2016

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Suite 6208, 62nd Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one, or if he is holder of more than one share, more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a

## NOTICE OF AGM

shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

3. Concerning ordinary resolution no. 2 above, Mr. Li Chao Bo, Ms. Wang Wenxia, Mr. Ren Qian and Mr. Zhou Kun will hold office until the annual general meeting and, being eligible, offer themselves for re-election at the annual general meeting. Details of these Directors are set out in Appendix II to the circular dated 28 April 2016, of which this notice forms part (the “**Circular**”).
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this Circular.