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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)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a significant loss in the financial results of the Group for the financial year ended 31 December 2016 as compared with the same period of last year.

The information contained in this announcement is based on the preliminary review and assessment by the management of the Company according to the unaudited management accounts of the Group for the year ended 31 December 2016 and the information currently available to the Board. The financial results of the Group are still under review and shall be subject to further adjustment and finalisation.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and securities of the Company.**

This announcement is made by China City Infrastructure Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

Based on the information currently available to the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group is expected that the financial results of the Group for the financial year ended 31 December 2016 will show a significant increase in loss of approximately 150% as compared with the same period of last year. The Board is of the view that the significant loss incurred for the financial year is mainly because the Group is at transition period from property businesses to city-infrastructure businesses during which, the property businesses are fading out while city-infrastructure businesses start. The loss is primarily resulted from (1) increase in finance cost, (2) decrease in fair value on revaluation of investment properties of the Group in the PRC and (3) impairment loss on goodwill of property development business.

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As the results of the Group for the year ended 31 December 2016 have not been finalised, the Board is not in a position to quantify the exact financial effects as at the date of this announcement. The Group's annual results for the year ended 31 December 2016 will be published by the end of March 2017 in accordance with the Listing Rules.

The Board would also like to inform the Shareholders that despite the significant loss for the financial year ended 31 December 2016, the Directors consider the overall operation as a whole remain sound and intact, and the financial position of the Group remains solid.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and securities of the Company.**

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

Hong Kong, 15 March 2017

*As at the date of this announcement, the Directors of the Company are Mr. Li Chao Bo (Chairman) and Ms. Wang Wenxia (Vice Chairman and Chief Executive Officer) as Executive Directors; and Mr. Chan Pok Hiu, Mr. Wong Chi Ming and Mr. Wang Jian as Independent Non-executive Directors.*