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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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

KEY HIGHLIGHTS

- During Current Period, revenue was approximately HK\$25,049,000, while approximately HK\$25,594,000 was recorded for the same period in 2024. It is due to a decrease in revenue from property investment business during Current Period.
- Gross profit for the Current Period decreased by approximately 18.2% to HK\$14,473,000 and gross profit margin decrease by approximately 10.4% to approximately 57.8% as compared with the same period in 2024.
- The Group's investment properties recorded a fair value loss of approximately HK\$35,870,000.
- The Group's net loss for the period is approximately HK\$44,271,000, whereas approximately HK\$36,433,000 was recorded for that of the same period in 2024.
- As at 30 June 2025, the total assets of the Group amounted to approximately HK\$1,062,360,000 (31 December 2024: HK\$1,069,099,000).

INTERIM RESULT

The board (the “Board”) of directors (the “Directors”) of China City Infrastructure Group Limited, (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively refer to as the “Group”) for the six months ended 30 June 2025 (the “Current Period”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	25,049	25,954
Cost of sales		(10,576)	(8,258)
Gross profit		14,473	17,696
Fair value loss of investment properties		(35,870)	(24,565)
Gain (loss) on disposal of subsidiaries		2	(957)
Allowance for expected credit losses on trade and other receivables, net of reversal		(228)	(19)
Loss on deregistration of a subsidiary		(184)	–
Other operating income		65	185
Other operating expenses		(52)	(21)
Selling and distribution expenses		(12)	(85)
Administrative expenses		(12,055)	(13,884)
Finance costs	4	(19,377)	(20,924)
Loss before tax		(53,238)	(42,574)
Income tax credit	5	8,967	6,141
Loss for the period	6	(44,271)	(36,433)
Loss for the period attributable to:			
– Owner of the Company		(44,271)	(36,433)
– Non-controlling interest		–	–
		(44,271)	(36,433)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	8		
– Basic and diluted		(1.42)	(1.16)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss for the period	(44,271)	(36,433)
Other comprehensive expense for the period:		
Items that may be subsequently reclassified		
to profit or loss:		
Exchange differences arising on translation of		
foreign operation	32,865	(14,636)
Release of special reserve upon deregistration		
of a subsidiary	184	—
Release of translation reserve upon disposal of a		
subsidiary	—	506
Release of translation reserve upon deregistration		
of a subsidiary	—	(270)
Total comprehensive expense for the period (net of tax)	<u>(11,222)</u>	<u>(50,833)</u>
Total comprehensive expense for the period		
attributable to:		
– Owner of the Company	(11,222)	(50,833)
– Non-controlling interest	—	—
	<u>(11,222)</u>	<u>(50,833)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 <i>HK\$'000</i> (unaudited)	31 December 2024 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		240	288
Investment properties		1,034,505	1,036,596
Right-of-use assets		2,439	3,659
		<u>1,037,184</u>	<u>1,040,543</u>
Current assets			
Inventories		24	17
Trade and other receivables	9	21,120	18,818
Bank balances and cash		4,032	9,721
		<u>25,176</u>	<u>28,556</u>
TOTAL ASSETS		<u>1,062,360</u>	<u>1,069,099</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital		312,828	312,828
Reserves		277,446	288,668
		<u>590,274</u>	<u>601,496</u>
Equity attributable to owners of the Company		590,274	601,496
Non-controlling interest		1	1
		<u>590,275</u>	<u>601,497</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		60,733	67,570
Borrowings – due after one year		359,997	349,576
Deposits received for lease of properties		3,157	2,774
Lease liabilities – due after one year		–	1,293
		423,887	421,213
Current liabilities			
Trade and other payables	10	25,339	26,042
Contract liabilities		1,063	1,437
Deposits received for lease of properties		7,922	7,625
Tax payable		349	338
Borrowings – due within one year		10,989	8,510
Lease liabilities – due within one year		2,536	2,437
		48,198	46,389
TOTAL LIABILITIES		472,085	467,602
TOTAL EQUITY AND LIABILITIES		1,062,360	1,069,099
NET CURRENT LIABILITIES		(23,022)	(17,833)
TOTAL ASSETS LESS			
CURRENT LIABILITIES		1,014,162	1,022,710

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

China City Infrastructure Group Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 9 October 2002. The address of the registered office and principal place of business of the Company is disclosed in the “Corporate Information” section of this announcement.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 25 June 2003. The directors of the Company (the “Directors”) consider that Linkway Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is a substantial shareholder of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the “Group”) are property investment, property development and property management in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

The condensed consolidated interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Going concern basis

As at 30 June 2025, the Group has net current liabilities position of approximately HK\$23,022,000. The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering the followings:

- (a) the Group has secured loan facilities from a financial institution by pledging investment properties, with undrawn bank facilities amounting to approximately RMB99,960,000 as at 30 June 2025;
- (b) the Group will accelerate the collection of outstanding trade and other receivables; and
- (c) the Group applies cost control measures in the cost of sales and administrative expenses and maintains containment of capital expenditures.

In view of the above circumstances, the Directors expects that the Group will have sufficient liquidity to meet its financial obligations that will be due in the coming twelve months from 30 June 2025. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

In the current interim period, the Group has applied the following new and amended Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA for the first time:

Amendments to HKAS 21

Lack of Exchangeability

The application of these new and amended HKFRSs did not have any material impact on the Group’s condensed consolidated interim financial information.

The Group has not early adopted the new and amendments HKFRSs, which have been issued but are not yet effective for the current period. The Group has commenced an assessment of the related impact, but is not yet in a position to state whether any substantial changes to the Group’s accounting policies and presentation of the financial information will be resulted.

3. SEGMENT INFORMATION

The Group’s operating segments are identified on the basis of annual reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. Specifically, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group’s operating divisions, which is the same information reported to the chief operating decision maker.

The Group’s operating segments are as follows:

- Property Development Business Segment engaging in development of property projects in the PRC
- Property Investment Business Segment engaging in leasing of investment properties in the PRC
- Property Management Business Segment engaging in provision of property management and other services in the PRC

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the six months ended 30 June 2025

	Property Development Business <i>HK\$'000</i> (unaudited)	Property Investment Business <i>HK\$'000</i> (unaudited)	Property Management Business <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
TOTAL REVENUE AND EXTERNAL SALES	<u>–</u>	<u>16,869</u>	<u>8,180</u>	<u>25,049</u>
RESULT				
Segment operating results	<u>(261)</u>	<u>8,795</u>	<u>546</u>	<u>9,080</u>
Fair value gain in respect of investment properties revaluation	–	(35,870)	–	(35,870)
Gain on disposal of subsidiaries				2
Unallocated corporate income				37
Unallocated corporate expense				(7,110)
Finance costs				<u>(19,377)</u>
Loss before tax				(53,238)
Income tax credit				<u>8,967</u>
Loss for the period				<u><u>(44,271)</u></u>

For the six months ended 30 June 2024

	Property Development Business <i>HK\$'000</i> (unaudited)	Property Investment Business <i>HK\$'000</i> (unaudited)	Property Management Business <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
TOTAL REVENUE AND EXTERNAL SALES	<u>–</u>	<u>17,867</u>	<u>8,087</u>	<u>25,954</u>
RESULT				
Segment operating results	<u>(401)</u>	<u>9,188</u>	<u>2,227</u>	11,014
Fair value gain in respect of investment properties revaluation	–	(24,565)	–	(24,565)
Loss on disposal of a subsidiary				(957)
Unallocated corporate income				129
Unallocated corporate expense				(7,271)
Finance costs				<u>(20,924)</u>
Loss before tax				(42,574)
Income tax credit				<u>6,141</u>
Loss for the period				<u><u>(36,433)</u></u>

4. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest expense on bank loans and other borrowings	19,256	20,909
Interest expense on lease liabilities	<u>121</u>	<u>15</u>
	<u>19,377</u>	<u>20,924</u>

5. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax (“EIT”)	–	–
PRC Land Appreciation Tax (“LAT”)	<u>–</u>	<u>–</u>
Current tax charge for the period	–	–
Deferred tax credit for the period	<u>(8,967)</u>	<u>(6,141)</u>
	<u>(8,967)</u>	<u>(6,141)</u>

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit subject to Hong Kong Profits Tax during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

The Group's PRC EIT is calculated based on the applicable tax rates on assessable profits, if applicable.

LAT in the PRC is levied at the applicable tax rate on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Staff costs, including directors' emoluments	10,509	9,515
Retirement benefits scheme contributions, including contributions for directors	536	547
Total staff costs	11,045	10,062
Depreciation of property, plant and equipment	59	82
Depreciation of right-of-use assets	1,220	1,486
Gross rental income from investment properties	(16,869)	(17,867)
Less: Direct operating expenses from investment properties that generate rental income	5,472	3,835
	(11,397)	(14,032)

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. LOSS PER SHARE

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss attributable to equity holders of the Company	<u>(44,271)</u>	<u>(36,433)</u>
	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>3,128,278,542</u>	<u>3,128,278,542</u>
	HK cents per share	
Basic loss per share	<u>(1.42)</u>	<u>(1.16)</u>

Diluted loss per share was not presented for both periods because the impact of the exercise of share options was anti-dilutive.

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 <i>HK\$'000</i> (unaudited)	As at 31 December 2024 <i>HK\$'000</i> (audited)
Trade receivables		
– contracts with customers	3,421	2,561
– property investment business	14,232	12,761
Less: accumulated allowance for credit expected losses	(4,899)	(4,822)
	<u>12,754</u>	<u>10,500</u>
Prepayments and deposits	5,705	5,246
Other receivables	7,417	7,677
Less: accumulated allowance for expected credit losses	(4,756)	(4,605)
	<u>8,366</u>	<u>8,318</u>
	<u>21,120</u>	<u>18,818</u>

An aging analysis of trade receivables (net of allowance for credit losses) based on invoice dates at the end of the reporting period is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (unaudited)	As at 31 December 2024 <i>HK\$'000</i> (audited)
Within 90 days	2,838	2,536
91 to 180 days	3,009	1,251
Over 180 days	6,907	6,713
	<u>12,754</u>	<u>10,500</u>

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

10. TRADE AND OTHER PAYABLES

An aging analysis of the Group's trade payables at the end of the reporting period based on invoice date is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (unaudited)	As at 31 December 2024 <i>HK\$'000</i> (audited)
Within 90 days	–	53
91 to 180 days	1	131
Over 180 days	<u>6,790</u>	<u>6,003</u>
Trade payables	6,791	6,187
Interest payables	794	1,150
Accrued expenses and other tax payable	6,641	6,736
Other payables	<u>11,113</u>	<u>11,969</u>
	<u>25,339</u>	<u>26,042</u>

Trade payables principally comprise amounts outstanding for dismantling costs of prior hotel business, construction materials and construction work of inventory of properties and investment properties.

The Directors consider that the carrying amount of trade and other payables approximate to their fair value.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is engaged in property related business. In order to devote more resources to meet the strategic direction of the Group's business, the Group may sell the whole or a portion of Group's property portfolio depending on the market and market value of the property portfolio. In support of further business development of the Group, the management is actively looking for the potential projects which is compatible with the Group's principal activities.

BUSINESS REVIEW

The Property Investment Business

Wuhan Future City Commercial Property Management Company Limited was formed by the Group to operate the Future City Shopping Centre ("Future City") owned by the Group. Future City is located at Luo Shi Road South within close proximity to the Luoyu Road shopping belt and the Jiedao Kou station of metro line No. 2. The total leasable area of Future City is approximately 55,029 sq.m. with car parks included. Future City is situated in the heart of business and commercial centre of Hongshan District in Wuhan City, convenient to East Lake, Wuhan University, Wuhan University of Technology and other landmarks. Future City now becomes a fashionable, dynamic and international shopping centre to cater for the growing demand from the surrounding business centres and university region (more than twenty universities and tertiary education institutions including Wuhan University and Wuhan University of Technology) with 1,000,000 students and residential consumers. As at 30 June 2025, the aggregate fair value of the Future City was approximately HK\$926.4 million. During the six months ended 30 June 2025 (the "Current Period"), the rental income generated from the Future City was approximately HK\$14.9 million (six months ended 30 June 2024: approximately HK\$17.4 million) and the average occupancy rate was around 88.2% (30 June 2024: 89.8%).

The Group has total gross floor area of Future Mansion's car parks and Zhongshui • Longyang Plaza's Car parks was 7,723.06 sq.m. and 135,173.09 sq.m. respectively, and as at 30 June 2025, the fair value of the car parks was approximately HK\$15.6 million and HK\$92.5 million respectively.

As at 30 June 2025, the aggregate fair value of the Future City, Future Mansion's carparks and Zhongshui • Longyang Plaza Carparks held by the Group was approximately HK\$1,034.5 million (31 December 2024: approximately HK\$1,036.6 million). During the year ended 31 December 2024, the rental income generated from the investment properties was approximately HK\$16.9 million (six months ended 30 June 2024: approximately HK\$17.9 million).

The Property Management Business

Wuhan Future City Property Management Company Limited, the indirect wholly owned subsidiary of the Company, provides residents and tenants with safe, modern, comfortable and high quality property management services. During the Current Period, the revenue generated from property management was approximately HK\$8.2 million (six months ended 30 June 2024: approximately HK\$8.1 million).

The Group established a branch office, Wuhan Future City Property Management Company Limited (Henan Branch)* in August 2024 and entered a property management service contract with a third party in December 2024. The branch office contributed property management service income of approximately HK\$1.7 million for the Current Period.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Period decreased to approximately HK\$25.0 million (six months ended 30 June 2024: approximately HK\$26.0 million). The decrease was mainly due to the reduction in the rental income and property management income of Future City.

Comparing the six months ended 30 June 2024 to the Current Period, revenue from property management business increased from approximately HK\$8.1 million to approximately HK\$8.2 million, whereas revenue from property investment business decreased from approximately HK\$17.9 million to approximately HK\$16.9 million.

Cost of Sales

Cost of sales increased from approximately HK\$8.2 million for the six months ended 30 June 2024 to approximately HK\$10.6 million for the Current Period, primarily due to the increase in the property management service cost of the Wuhan Future City Property Management Company Limited (Henan Branch) and the staff costs of the two carparks.

During the Current Period, the Group's cost of sales comprises of those from property investment segment of approximately HK\$5.5 million (six months ended 30 June 2024: HK\$3.8 million) and property management business of approximately HK\$5.1 million (six months ended 30 June 2024: HK\$4.4 million).

Gross Profit and Gross Profit Margin

Gross profit decreased from HK\$17.7 million for the six months ended 30 June 2024 to approximately HK\$14.5 million for the Current Period. The Group had an overall gross profit margin of 57.8% for the Current Period, as compared to 68.2% for the corresponding six months in 2024. The decrease in the gross profit margin was primarily attributable to the decrease in the gross profit margin of the property investment business.

Change in Fair Value of the Investment Properties

There was a loss of approximately HK\$35.9 million for the Current Period arising from change in fair value of the investment property portfolio in the PRC held by the Group comparing to that of a loss of approximately HK\$24.6 million for the six months ended 30 June 2024.

Administrative Expenses

The administrative expenses decreased by approximately 12.9% to approximately HK\$12.1 million for the Current Period from approximately HK\$13.9 million for the corresponding six months in 2024, primarily due to the decrease in legal and professional fee and staff costs.

Finance Costs

The finance costs decreased to approximately HK\$19.4 million for the Current Period from approximately HK\$20.9 million for the corresponding six months in 2024 due to the decrease in interest expense on borrowings of approximately HK\$1.7 million.

Income Tax Credit

The income tax credit for the Current Period was approximately HK\$9.0 million (six months ended 30 June 2024: credit of approximately HK\$6.1 million). The amount was primarily attributable to the deferred tax credit arising from fair value loss in respect of investment properties revaluation during the Current Period.

Loss Attributable to Owners of the Company

The loss attributable to owners of the Company for the six months ended 30 June 2025 amounted to approximately HK\$44.3 million (six months ended 30 June 2024: approximately HK\$36.4 million). The increase was mainly attributable to the fair value loss of the investment properties during the Current Period.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2025, total bank balances and cash of the Group amounted to approximately HK\$4.0 million (31 December 2024: HK\$9.7 million).

Borrowings and Charges on the Group's Assets

As at 30 June 2025, the Group's total debts included borrowings of approximately HK\$371.0 million (31 December 2024: HK\$358.1 million). Amongst the borrowings, approximately HK\$11.0 million (31 December 2024: approximately HK\$8.5 million) was repayable within one year and approximately HK\$360.0 million (31 December 2024: approximately HK\$349.6 million) was repayable after one year.

At 30 June 2025, certain investment properties with an aggregate carrying amount of approximately HK\$435.6 million (31 December 2024: approximately HK\$422.6 million) were pledged as security for certain banking facilities granted to the Group.

Gearing and Current Ratios

The gearing ratio was 62.2% as at 30 June 2025 (31 December 2024: 57.9%). The gearing ratio was measured by net debt (aggregated borrowings net of bank balances and cash) over the equity attributable to owners of the Company. The current ratio (current assets divided by current liabilities) was 0.52 (31 December 2024: 0.62).

OUTLOOK AND FUTURE PLAN

Looking forward to the second half of 2025, the global political situation is experiencing a high degree of unrest, the business environment remains complicated and grim. China's economy is struggling for recovery amid external instability and uncertainties as well as internal challenges. It is undisputed that the China's economy will achieve growth in long run. The Group will continue to pay close attention to the domestic and international political and economic developments, as well as changes in market trends, respond flexibly and make prudent decisions. The management is actively looking for the potential projects which is compatible with the Group's principal activities including infrastructure related business.

CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had no significant contingent liabilities and commitments.

EVENT AFTER THE REPORTING PERIOD

There was no significant event subsequent to 30 June 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the total number of employees stood at approximately 121 (30 June 2024: 114). Total staff costs for the Current Period was approximately HK\$10.5 million (six months ended 30 June 2024: approximately HK\$10.1 million). The Group offers its workforce comprehensive remuneration and employees' benefits packages.

INTERIM DIVIDEND

The Board resolved that the Company would not declare the payment of an interim dividend for the Current Period (six months ended 30 June 2024: Nil).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's ordinary shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code set out in Appendix C3 of the Listing Rules (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Current Period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

(1) Code Provision A.2.1

Under this code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, Mr. Li Chao Bo is acting as both the chairman of the Board (the “Chairman”) and the Chief Executive Officer (the “CEO”). The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of two executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

(2) Code Provision A.4.2

Under this code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. According to the articles of association of the Company, at each annual general meeting, one third of the Directors shall retire from office by rotation provided that notwithstanding anything therein, the chairman of the Board (the “Chairman”) shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the Chairman should not be subject to retirement by rotation.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code.

AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee is accountable to the Board and the primary duties of the audit committee include the review and supervision of the Group's financial reporting process and internal controls. The audit committee currently comprises Mr. Ng Chi Ho, Dennis (the chairman of audit committee), Mr. Kwok Kin Wa and Ms. Kwong Mei Wan, Cally, who are the independent non-executive Directors of the Company.

The audit committee has reviewed the unaudited condensed consolidated financial results of the Group for the Current Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is required to be published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.city-infrastructure.com. The 2025 interim report of the Company will be dispatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
China City Infrastructure Group Limited
Chan Hoi Yin Anthony
Company Secretary

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Li Chao Bo (Chairman and Chief Executive Officer) and Mr. Ji Jiaming as executive Directors; Mr. Zhang Guiqing as non-executive Director; and Mr. Ng Chi Ho, Dennis, Mr. Kwok Kin Wa and Ms. Kwong Mei Wan, Cally as independent non-executive Directors.