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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the condition set out in the Subscription Agreements have been fulfilled and completion of the Subscription took place on 23 May 2017 and 29 June 2017 respectively in accordance with the terms of the Subscription Agreements.

An aggregate of 460,000,000 Subscription Shares, representing approximately 16.63% of the issued share capital of the Company as at the date of this announcement immediately after completion of the Subscription, have been successfully placed to the Subscribers which are Independent Third Parties. The net proceeds from the Subscription are approximately HK\$229.7 million.

Reference is made to the announcements of China City Infrastructure Group Limited (the “**Company**”) dated 27 April 2017 and 26 May 2017 (the “**Announcements**”) in relation to, among other matters, the Subscription under the General Mandate. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

The Board is pleased to announce that the condition set out in the Subscription Agreements have been fulfilled and completion of the Subscription took place on 23 May 2017 and 29 June 2017 respectively in accordance with the terms of the Subscription Agreements. An aggregate of 460,000,000 Subscription Shares, representing approximately 16.63% of the issued share capital of the Company as at the date of this announcement immediately after completion of the Subscription, have been successfully placed to the Subscribers at the Subscription Price of HK\$0.50 per Subscription Share.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) each of the Subscribers and their respective ultimate beneficial owner(s) is an Independent Third Party; and (ii) none of the Subscribers has become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Subscription.

The aggregate net proceeds from the Subscription are approximately HK\$229.7 million, which is currently intended to be used as follow: (i) approximately HK\$70 million will be used for repayment of loans of the Company; (ii) approximately HK\$50 million will be used for settlement of construction cost; (iii) approximately HK\$ 99.9 million will be used for potential investments and future development of the Group; and (iv) approximately HK\$9.8 million will be used for daily operation of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out the changes to the shareholding structure of the Company as a result of the completion of the Subscription:

Shareholders	Notes	Immediately before Completion		Immediately after Completion	
		No. of Shares	Approximate %	No. of Shares	Approximate %
China Water Affairs Group Limited, its concert parties and its associates	(1)	212,683,063	9.22	212,683,063	7.69
Mr. Li Chao Bo, Linkway Investment Holdings Limited, Asia Unite Limited and its concert parties	(2)	678,592,000	29.41	678,592,000	24.53
Ms. Wang Wenxia	(3)	1,231,440	0.05	1,231,440	0.04
Trikey Investments Limited	(4)	–	–	160,000,000	5.78
Century Forum Development Limited	(5)	–	–	200,000,000	7.24
Double Joy Developments Limited	(6)	–	–	100,000,000	3.61
China Financial International Investments Limited and its concert parties	(7)	458,735,429	19.89	458,735,429	16.58
Other public Shareholders		955,352,929	41.43	955,352,929	34.53
Total		<u>2,306,594,861</u>	<u>100.00</u>	<u>2,766,594,861</u>	<u>100.00</u>

Notes:

- (1) These Shares held by China Water Affairs Group Limited (“**China Water Affairs**”), Sharp Profit Investments Limited (“**Sharp Profit**”) and Good Outlook Investments Limited (“**Good Outlook**”) which are wholly owned subsidiaries of China Water Affairs, and Mr. Duan Chuan Liang who is a director and substantial shareholder of China Water Affairs. As at the date of this announcement, Mr. Duan Chuan Liang personally holds 4,207,928 Shares, representing approximately 0.15% of the issued share capital of the Company. Therefore, China Water Affairs was deemed to be beneficially interested in the said Shares held by Sharp Profit and Good Outlook for the purposes of the Securities and Futures Ordinance (“**SFO**”).
- (2) Mr. Li Chao Bo is the sole beneficial owner of Linkway Investment Holdings Limited and Asia Unite Limited which in turn owns 668,912,000 Shares and 9,680,000 Shares of the Company respectively. Mr. Li Chao Bo is a Director of the Company.
- (3) Ms. Wang Wenxia is a Director of the Company.
- (4) Trikey Investments Limited is a company incorporated in the British Virgin Islands with limited liability.
- (5) Century Forum Development Limited is a company incorporated in the British Virgin Islands with limited liability.

- (6) Double Joy Developments Limited is a company incorporated in the British Virgin Islands with limited liability.
- (7) China Financial International Investments Limited is a company incorporated in the Cayman Islands and continued in Bermuda, the issued shares of which are listed on the main board of the Stock Exchange.

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

Hong Kong, 29 June 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. Wang Jian, Mr. Ng Chi Ho, Dennis and Mr. Ji Yehong as Independent Non-executive Directors.