

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement (the “**2019 Results Announcement**”) of China City Infrastructure Group Limited (the “**Company**”) dated 30 March 2020 in relation to the unaudited annual results for the year ended 31 December 2019 (the “**2019 Unaudited Annual Results**”). Unless otherwise defined, terms defined in the 2019 Results Announcement shall have the same meanings in this supplemental announcement.

AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS

The Company hereby announces that on 13 May 2020, the Company has obtained the agreement from its auditor, HLM CPA Limited, on the annual results for the year ended 31 December 2019 (the “**2019 Audited Annual Results**”) (including the financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto). The 2019 Audited Annual Results have been reviewed by the Audit Committee.

The 2019 Audited Annual Results remain substantially the same as the 2019 Unaudited Annual Results, except for the following reclassifications and adjustments as follows:

(1) Changes on consolidated statement of profit and loss and other comprehensive income

	2019 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)	Difference HK\$'000	<i>Notes</i>
Revenue	101,107	101,107	–	
Cost of sales	(45,398)	(45,707)	(309)	<i>(a)</i>
Gross profit	55,709	55,400	(309)	
Fair value gain in respect of investment properties revaluation	2,085	2,085	–	
Share of result of a joint venture	731	731	–	
Other operating income	31,447	31,447	–	
Other operating expenses	(16,934)	(16,934)	–	
Selling and distribution expenses	(5,358)	(5,358)	–	
Administrative expenses	(65,516)	(65,605)	(89)	<i>(a)</i>
Finance costs	(140,952)	(141,923)	(971)	<i>(a)</i>
Loss before tax	(138,788)	(140,157)	(1,369)	
Income tax expense	(38,082)	(38,082)	–	
Loss for the year	(176,870)	(178,239)	(1,369)	
Loss attributable to:				
Owners of the Company	(174,569)	(175,938)	(1,369)	
Non-controlling interests	(2,301)	(2,301)	–	
	(176,870)	(178,239)	(1,369)	
Loss per share	HK cents	HK cents	HK cents	
– Basic	(5.62)	(5.66)	(0.04)	
– Diluted	(5.62)	(5.66)	(0.04)	

	2019 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)	Difference HK\$'000	<i>Notes</i>
Loss for the year	(176,870)	(178,239)	(1,369)	
Other comprehensive expenses for the year:				
<i>Items that are reclassified or may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(19,105)	(19,089)	16	
Share of translation reserve of a joint venture	(33)	(33)	–	
Other comprehensive expense for the year (net of tax)	<u>(19,138)</u>	<u>(19,122)</u>	<u>16</u>	
Total comprehensive expenses for the year (net of tax)	<u><u>(196,008)</u></u>	<u><u>(197,361)</u></u>	<u><u>(1,353)</u></u>	
Total comprehensive expenses attributable to:				
Owners of the Company	(193,451)	(194,804)	(1,353)	
Non-controlling interests	<u>(2,557)</u>	<u>(2,557)</u>	<u>–</u>	
	<u><u>(196,008)</u></u>	<u><u>(197,361)</u></u>	<u><u>(1,353)</u></u>	

(2) Changes on consolidated statement of financial position

	31 December 2019 <i>HK\$'000</i> (Unaudited)	31 December 2019 <i>HK\$'000</i> (Audited)	Difference <i>HK\$'000</i>	Notes
ASSETS				
Non-current assets				
Property, plant and equipment	19,687	4,405	(15,282)	(a)
Investment properties	2,588,764	2,588,764	–	
Goodwill	227,203	227,203	–	
Interest in a joint venture	2,837	2,837	–	
Right-of-use assets	25,982	42,077	16,095	(a)
	<u>2,864,473</u>	<u>2,865,286</u>	<u>813</u>	
Current assets				
Inventories	92	92	–	
Inventory of properties	385,146	385,146	–	
Trade and other receivables	400,965	400,965	–	
Bank balances and cash	21,151	21,151	–	
	<u>807,354</u>	<u>807,354</u>	<u>–</u>	
TOTAL ASSETS	<u><u>3,671,827</u></u>	<u><u>3,672,640</u></u>	<u><u>813</u></u>	
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	312,828	312,828	–	
Reserves	855,525	847,728	(7,797)	(a), (c)
Equity attributable to owners of the Company	1,168,353	1,160,556	(7,797)	
Non-controlling interests	(12,178)	(5,734)	6,444	(c)
TOTAL EQUITY	<u><u>1,156,175</u></u>	<u><u>1,154,822</u></u>	<u><u>(1,353)</u></u>	

	31 December 2019 HK\$'000 (Unaudited)	31 December 2019 HK\$'000 (Audited)	Difference HK\$'000	<i>Notes</i>
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	462,238	462,238	–	
Borrowings				
– due after one year	612,076	612,076	–	
Convertible notes				
– due after one year	378,989	373,102	(5,887)	<i>(b)</i>
Promissory note				
– due after one year	362,345	357,385	(4,960)	<i>(b)</i>
Deposits received				
for lease of properties	11,780	11,780	–	
Lease liabilities				
– due after one year	11,905	13,737	1,832	<i>(a)</i>
	<u>1,839,333</u>	<u>1,830,318</u>	<u>(9,015)</u>	
Current liabilities				
Trade and other payables	158,387	169,234	10,847	<i>(b)</i>
Contract liabilities	158,495	158,495	–	
Tax payable	71,592	71,592	–	
Borrowings				
– due within one year	274,414	274,414	–	
Lease liabilities				
– due within one year	13,431	13,765	334	<i>(a)</i>
	<u>676,319</u>	<u>687,500</u>	<u>11,181</u>	
TOTAL LIABILITIES	<u><u>2,515,652</u></u>	<u><u>2,517,818</u></u>	<u><u>2,166</u></u>	
TOTAL EQUITY AND LIABILITIES	<u><u>3,671,827</u></u>	<u><u>3,672,640</u></u>	<u><u>813</u></u>	
NET CURRENT ASSETS	<u><u>131,035</u></u>	<u><u>119,854</u></u>	<u><u>(11,181)</u></u>	
TOTAL ASSETS LESS CURRENT LIABILITIES	<u><u>2,995,508</u></u>	<u><u>2,985,140</u></u>	<u><u>(10,368)</u></u>	

Notes:

- (a) Reclassification of land use right from property, plant and equipment to right-of-use assets and adjustment of the deprecation of right-of-use assets and interest expenses on lease liabilities.
- (b) Reclassification of accrued interest of convertible notes and promissory note from convertible notes and promissory note to other payables.
- (c) Adjustment between translation reserve, capital reserve and non-controlling interests due to the partial disposal of equity interest in a wholly-owned subsidiary.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Unaudited Annual Results or this further announcement, as applicable, have been agreed by the Group's auditor, HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the board of the directors on 13 May 2020. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on the 2019 Unaudited Results Announcement or this supplemental announcement.

By order of the Board
China City Infrastructure Group Limited
Ye Tianfang
Chief Executive Officer

Hong Kong, 13 May 2020

As at the date of this announcement, the Board comprises Mr. Li Chao Bo (Chairman), Mr. Ji Jiaming and Mr. Ye Tianfang (Chief Executive Officer) 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.