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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

KEY HIGHLIGHTS

- Revenue is approximately HK\$59,710,000 for the year, while approximately HK\$48,432,000 was recorded in 2024, increased by approximately 23.3%.
- The Group's net loss for the year is approximately HK\$96,208,000, increased by approximately 46.23% compared with approximately HK\$65,785,000 recorded in the year of 2024.
- As at 31 December 2025, the Group's total assets amounted to approximately HK\$1,039,496,000, a decrease of approximately 2.8% from that of approximately HK\$1,069,099,000 as at 31 December 2024.
- As at 31 December 2025, the gearing ratio was approximately 70.1% compared with approximately 57.9% recorded in the year of 2024. The gearing ratio was measured by net debt (aggregated borrowings net of cash and cash equivalents) over the equity attributable to owners of the Company.

ANNUAL RESULT

The board (the “Board”) of directors (the “Directors”) of China City Infrastructure Group Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively refer to as the “Group”) for the year ended 31 December 2025 (the “Current Year”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	4	59,710	48,432
Cost of sales		<u>(22,705)</u>	<u>(16,604)</u>
Gross profit		37,005	31,828
Fair value loss on investment properties		(90,110)	(79,456)
Gain on disposal of subsidiaries		2	83,124
Allowance for expected credit losses on trade and other receivables, net of reversal		(2,328)	(1,878)
Other operating income		2,963	1,476
Other operating expenses		(802)	(50,377)
Selling and distribution expenses		(393)	(85)
Administrative expenses		(25,561)	(27,910)
Finance costs	5	<u>(39,469)</u>	<u>(42,370)</u>
Loss before tax		(118,693)	(85,648)
Income tax credit	6	<u>22,485</u>	<u>19,863</u>
Loss for the year	7	<u>(96,208)</u>	<u>(65,785)</u>
Loss for the year attributable to			
– Owners of the Company		(96,208)	(65,785)
– Non-controlling interest		<u>–</u>	<u>–</u>
		<u>(96,208)</u>	<u>(65,785)</u>
Loss per share	9	HK cents	HK cents
– Basic		<u>(3.08)</u>	<u>(2.10)</u>
– Diluted		<u>(3.08)</u>	<u>(2.10)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	<u>(96,208)</u>	<u>(65,785)</u>
Other comprehensive income 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	38,320	(25,514)
Release of translation reserve upon deregistration of a subsidiary	–	(270)
Release of translation reserve upon disposal of subsidiaries	<u>–</u>	<u>36,663</u>
Other comprehensive income for the year (net of tax)	<u>38,320</u>	<u>10,879</u>
Total comprehensive expense for the year	<u>(57,888)</u>	<u>(54,906)</u>
Total comprehensive expense for the year attributable to:		
– Owners of the Company	(57,888)	(54,906)
– Non-controlling interest	<u>–</u>	<u>–</u>
	<u>(57,888)</u>	<u>(54,906)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		191	288
Investment properties		991,556	1,036,596
Right-of-use assets		1,220	3,659
		992,967	1,040,543
Current assets			
Inventories		18	17
Trade and other receivables	<i>10</i>	24,211	18,818
Cash and cash equivalents		22,300	9,721
		46,529	28,556
TOTAL ASSETS		1,039,496	1,069,099
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital		312,828	312,828
Reserves		230,780	288,668
Equity attributable to owners of the Company		543,608	601,496
Non-controlling interest		1	1
		543,609	601,497

		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		47,796	67,570
Borrowings – due after one year		390,006	349,576
Deposits received for lease of properties		2,742	2,774
Lease liabilities – due after one year		–	1,293
		<u>440,544</u>	<u>421,213</u>
Current liabilities			
Trade and other payables	11	29,694	26,042
Contract liabilities		1,837	1,437
Deposits received for lease of properties		8,791	7,625
Tax payable		395	338
Borrowings – due within one year		13,333	8,510
Lease liabilities – due within one year		1,293	2,437
		<u>55,343</u>	<u>46,389</u>
TOTAL LIABILITIES		<u><u>495,887</u></u>	<u><u>467,602</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,039,496</u></u>	<u><u>1,069,099</u></u>
NET CURRENT LIABILITIES		<u><u>(8,814)</u></u>	<u><u>(17,833)</u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>984,153</u></u>	<u><u>1,022,710</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. General

China City Infrastructure Group Limited (the “Company”) is an exempt 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 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 consider Linkway Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, as the 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\$”). Other than those subsidiaries established in the PRC whose functional currencies are Renminbi (“RMB”), the functional currency of the Company and other subsidiaries is HK\$.

2. Application of new and amendments to HKFRS Accounting Standards

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for current and prior period or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard below, the Directors of the Company anticipate that the application of amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which set out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. Basis of preparation of consolidated financial statements

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations as issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Going concern basis

The Group incurred a net loss of approximately HK\$96,208,000 for the year ended 31 December 2025, and as at that date, the Group had net current liabilities of approximately HK\$8,814,000, which included borrowings of approximately HK\$13,333,000 due within one year. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The validity of the use of the going concern basis in the preparation of the consolidated financial statements is dependent upon the Group’s ability to generate adequate cash flows in order to meet its obligations as and when the obligations fall due.

Notwithstanding the above results and financial condition, the consolidated financial statements have been prepared on a going concern basis. The Directors of the Company have given careful consideration to the future liquidity and the Group’s available financing sources in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken by the Group to mitigate its liquidity pressure and to improve its financial position which include, but are not limited to, the followings:

- (a) the Group has secured loan facilities from a financial institution by pledging investment properties, with undrawn bank facilities amounting to approximately RMB103,960,000 as at 31 December 2025;
- (b) the Group will continue to seek for borrowings from other lenders. The Group has been received additional other borrowings of HK\$3,000,000 after the end of the reporting period;
- (c) the Group will accelerate the collection of outstanding trade and other receivables; and

- (d) the Group applies cost control measures in the cost of sales and administrative expenses and maintains containment of capital expenditures.

The Directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from the date of approval of these consolidated financial statements. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the Directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned above, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of all these potential adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2025.

4. Segment information

The accounting policies for the operating segments are the same as the Group's accounting policies in the preparation of the Group's consolidated financial statements.

The Group's operating segments are identified based on the 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, which engages in development of property projects in the PRC;
- Property Investment Business Segment, which engages in leasing of investment properties in the PRC; and
- Property Management Business Segment, which engages in provision of property management and other related services in the PRC.

Segment revenues and results

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

For the year ended 31 December 2025

	Property Development Business HK\$'000	Property Investment Business HK\$'000	Property Management Business HK\$'000	Total HK\$'000
TOTAL REVENUE AND EXTERNAL SALES	<u>–</u>	<u>34,994</u>	<u>24,716</u>	<u>59,710</u>
RESULT				
Segment operating results	<u>(4,238)</u>	<u>24,118</u>	<u>8,521</u>	<u>28,401</u>
Fair value loss on investment properties	–	(90,110)	–	(90,110)
Gain on disposal of subsidiaries				2
Unallocated corporate income				307
Unallocated corporate expenses				(17,824)
Finance costs				<u>(39,469)</u>
Loss before tax				(118,693)
Income tax credit				<u>22,485</u>
Loss for the year				<u><u>(96,208)</u></u>

For the year ended 31 December 2024

	Property Development Business <i>HK\$'000</i>	Property Investment Business <i>HK\$'000</i>	Property Management Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
TOTAL REVENUE AND EXTERNAL SALES	–	33,354	15,078	48,432
RESULT				
Segment operating results	(723)	13,768	1,130	14,175
Fair value loss on investment properties	–	(79,456)	–	(79,456)
Impairment loss on inventory of properties on reclassification	(29,513)	–	–	(29,513)
Gain on disposal of subsidiaries				83,124
Unallocated corporate income				447
Unallocated corporate expenses				(32,055)
Finance costs				(42,370)
Loss before tax				(85,648)
Income tax credit				19,863
Loss for the year				<u>(65,785)</u>

Segment operating results represents the profit earned (loss incurred) by each segment without allocation of finance costs, fair value change on investment properties, certain other operating income/expenses and central administration costs including staff costs, directors' emoluments and other expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. Finance costs

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expense on bank loans and other borrowings	39,276	42,188
Interest expense on lease liabilities	<u>193</u>	<u>182</u>
	<u>39,469</u>	<u>42,370</u>

6. Income tax credit

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax (“EIT”)	<u>42</u>	<u>–</u>
Current tax expenses for the year	<u>42</u>	<u>–</u>
Deferred tax credit for the year	<u>(22,527)</u>	<u>(19,863)</u>
	<u>(22,485)</u>	<u>(19,863)</u>

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of a qualifying group entity will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2024: 16.5%). The profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%).

No provision for taxation in Hong Kong has been made as the Group’s income neither arises in, nor is derived from Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. 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.

7. Loss for the year

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments	15,822	14,668
Retirement benefits scheme contributions, including contributions for directors	1,813	1,618
Total staff costs	17,635	16,286
Auditor's remuneration	550	600
Allowance for expected credit losses on trade and other receivables, net of reversal	2,328	1,878
Depreciation of property, plant and equipment	94	103
Depreciation of right-of-use assets	2,439	2,856
Impairment loss on property, plant and equipment*	–	3,663
Impairment loss on right-of-use assets*	–	11,636
Impairment loss on inventory of properties*	–	29,513
Loss on write-off of property, plant and equipment*	–	54
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income from investment properties	(34,994)	(33,354)
Less: direct operating expenses from investment properties that generated rental income during the year	10,234	8,436
	(24,760)	(24,918)

* *These expenses for the year are included in "other operating expenses".*

8. Dividends

The Directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2025 and 2024.

9. Loss per share

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss		
Loss for the year for the purpose of calculating basic and diluted loss per share	<u><u>(96,208)</u></u>	<u><u>(65,785)</u></u>
Number of shares		
Number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u><u>3,128,278,542</u></u>	<u><u>3,128,278,542</u></u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The computation of diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both 2025 and 2024.

10. Trade and other receivables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables		
– contracts with customers (<i>Note a</i>)	7,448	2,561
– property investment business	15,940	12,761
Less: accumulated allowance for expected credit losses	<u>(6,945)</u>	<u>(4,822)</u>
	<u>16,443</u>	<u>10,500</u>
Prepayments and deposits (<i>Note b</i>)	6,368	5,246
Other receivables	6,210	7,677
Less: accumulated allowance for expected credit losses	<u>(4,810)</u>	<u>(4,605)</u>
	<u>7,768</u>	<u>8,318</u>
	<u><u>24,211</u></u>	<u><u>18,818</u></u>

Notes:

- (a) As at 1 January 2024, trade receivables from contracts with customers amounted to approximately HK\$8,932,000.
- (b) Included in prepayments and deposits are an amount of approximately HK\$3,978,000 (2024: approximately HK\$3,809,000) for the repair and maintenance deposit deposited with the government and an amount of approximately HK\$1,061,000 (2024: approximately HK\$1,018,000) for utility deposits.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	3,617	2,536
91 to 180 days	1,807	1,251
Over 180 days	11,019	6,713
	<u>16,443</u>	<u>10,500</u>

The Directors consider that the carrying amounts of trade and other receivables approximate their fair values.

The following table shows the amounts of receivable which are past due but not impaired as the balances has not been a significant change in credit quality and the amounts are still considered recoverable.

An aging analysis of trade receivables past due but not impaired is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Overdue by:		
1-30 days	359	323
31-60 days	308	269
61-180 days	2,096	1,484
Over 180 days	11,019	6,713
	<u>13,782</u>	<u>8,789</u>

The movement in the allowance for expected credit losses on trade receivables is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of the year	4,822	6,453
Allowances for expected credit losses	2,123	1,588
Derecognised on disposal of subsidiaries	<u>—</u>	<u>(3,219)</u>
At end of the year	<u>6,945</u>	<u>4,822</u>

The movement in the allowance for expected credit losses on other receivables is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of the year	4,605	4,315
Allowances for expected credit losses	<u>205</u>	<u>290</u>
At end of the year	<u>4,810</u>	<u>4,605</u>

11. Trade and other payables

The following is an aging analysis of the Group's trade payables based on the invoice dates at the end of the reporting periods:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	1,191	53
91 to 180 days	152	131
Over 180 days	6,431	6,003
	<hr/>	<hr/>
Trade payables	7,774	6,187
Interest payables	1,150	1,150
Accrued expenses and other tax payables	10,416	6,736
Other payables	10,354	11,969
	<hr/>	<hr/>
	29,694	26,042
	<hr/> <hr/>	<hr/> <hr/>

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 average credit period of trade payables is three to six months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is engaged in property related business and started to dedicate to the infrastructure business since late 2014. 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 conditions 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 to leverage a diversified portfolio of business segments to broaden its revenue sources.

Result Summary

The consolidated revenue of the Group increased by 23.3% from approximately HK\$48.4 million for the year ended 31 December 2024 to approximately HK\$59.7 million for the year ended 31 December 2025. The revenue from property investment and property management business was approximately HK\$35.0 million (2024: HK\$33.4 million) and HK\$24.7 million (2024: HK\$15.0 million) respectively.

The overall gross profit increased by 16.3% to approximately HK\$37.0 million in 2025 from approximately HK\$31.8 million in 2024, and the gross profit margin decreased to 62.0% from 65.7% in 2024. The Group also had net fair value loss on revaluation of various investment properties of approximately HK\$90.1 million for the year ended 31 December 2025 (2024: approximately HK\$79.5 million).

The loss attributable to owners of the Company was approximately HK\$96.2 million for the year ended 31 December 2025 (2024: approximately HK\$65.8 million). Basic loss per share attributable to owners of the Company was HK3.08 cents (2024: HK2.10 cents). The Board does not propose any final dividend for the year ended 31 December 2025.

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 31 December 2025, the occupancy rate of Future City was 90.8% (31 December 2024: 93.2%).

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 31 December 2025, the fair value of the car parks was approximately HK\$15.3 million and HK\$88.4 million respectively.

As at 31 December 2025, the aggregate fair value of the Future City, Future Mansion’s car parks and Zhongshui • Longyang Plaza’s Car parks held by the Group was approximately HK\$991.6 million (31 December 2024: approximately HK\$1,036.6 million). During the year ended 31 December 2025, the rental income generated from the investment properties was approximately HK\$35.0 million (2024: approximately HK\$33.4 million).

The Property Management Business

Wuhan Future City Property Management Company Limited and Wuhan Chengji Commodity City Management Company Limited, the indirect wholly owned subsidiaries of the Company, provides residents and tenants with safe, modern, comfortable and high quality property management services. During the year ended 31 December 2025, the revenue from property management was approximately HK\$24.7 million (2024: approximately HK\$15.0 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 2025. The branch office generated property management service income of approximately HK\$7.2 million for the year ended 31 December 2025.

Group Projects

Wuhan City, Hubei

Future City

Future City covers a total site area of 19,191 sq.m. with a total GFA of 145,273 sq.m. and comprises of five high-rise residential towers, a four-story premier shopping centre and parking spaces.

Future Mansion

Future Mansion is located at a prime location at Wuluo Road in Hongshan District in Wuhan City, just 600 meters from Future City project. It is near the conjunction of metro line No. 2 and 7. It has a total site area of 5,852 sq.m. and been developed for a composite building of residential apartments and retail shops with GFA of 42,149 sq.m..

* *for identification purposes only*

Zhongshui • Longyang Plaza

Zhongshui • Longyang Plaza is strategically situated in the prime location between the Wangjiawan business area and national level Wuhan Economic & Technological Development Zone, delineated in the western Wuhan Middle Ring Road, next to the Hanyang bus terminal and adjacent to Longyang Avenue. The project has a land site of 30,625 sq.m. and is atop the Hanyang Station of metro line No. 3. This integrated complex has been developed for splendid shopping mall and luxurious office apartments with planned GFA of 135,173 sq.m..

The following table set forth an overview of the Group's property projects at 31 December 2025:

Project	City	Equity Interest in the Project	Site Area <i>sq.m.</i>	Total GFA/ Planned GFA <i>sq.m.</i>
Completed Projects				
Future City	Wuhan	100%	19,191	145,273
Future Mansion	Wuhan	100%	5,852	42,149
Zhongshui • Longyang Plaza	Wuhan	100%	<u>30,625</u>	<u>135,173</u>
Total			<u><u>55,668</u></u>	<u><u>322,595</u></u>

Financial Review

Continuing Operations

Revenue

Revenue from continuing operations of the Group for the year ended 31 December 2025 (the “Current Year“) increased to approximately HK\$59.7 million from approximately HK\$48.4 million, an increase of approximately 23.3% compared with that of last year.

Revenue from property investment and property management business increased from approximately HK\$33.4 million for the year ended 31 December 2024 to approximately HK\$35.0 million for the Current Year and increased from approximately HK\$15.0 million for the year ended 31 December 2024 to approximately HK\$24.7 million for the Current Year, respectively.

Cost of Sales

The cost of sales increased from approximately HK\$16.6 million for the year ended 31 December 2024 to approximately HK\$22.7 million for the Current Year.

For the Current Year, the Group’s cost of sales included, property management business of approximately HK\$12.5 million, an increase of approximately HK\$4.3 million compared with that of the year ended 31 December 2024, property investment business of approximately HK\$10.2 million, an increase of approximately HK\$1.8 million compared with that of the year ended 31 December 2024.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately HK\$5.2 million from approximately HK\$31.8 million for the year ended 31 December 2024 to approximately HK\$37.0 million for the Current Year. There was an decrease in the gross profit of property investment business (2025: HK\$24.8 million; 2024: HK\$24.9 million) and an increase in property management business (2025: HK\$12.2 million; 2024: HK\$6.9 million). The Group has an overall gross profit margin from continuing operations of 62.0% for the Current Year, as compared to that of 65.7% for the year ended 31 December 2024. The decrease in the Group's gross profit margin was mainly attributable to the increase in the repair and maintenance cost of the property investment and property management business.

Other Operating Income

Other operating income increased to approximately HK\$3.0 million for the Current Year from approximately HK\$1.5 million for the year ended 31 December 2024. The increase was primarily due to the increase in the income temporary venue rental and income from sales of bottled drinking water for the year ended 31 December 2025.

Other Operating Expenses

Other operating expenses decreased to approximately HK\$0.8 million for the Current Year from approximately HK\$50.4 million for the year ended 31 December 2024. The decrease was primarily due to the impairment losses on inventory of properties, right-of-use assets and property, plant and equipment of total approximately HK\$44.8 million for the year ended 31 December 2024.

Change in Fair Value of the Investment Properties

There was a loss of approximately HK\$90.1 million recorded in the Current Year (2024: HK\$79.5 million) arising from change in fair value of the investment property portfolio in the PRC held by the Group.

Selling and Distribution Expenses

Selling and distribution expenses increased to approximately HK\$0.39 million for the Current Year from approximately HK\$0.08 million for the year ended 31 December 2024, primarily due to a increase in advertising and promotion and commission expenses for property investment business.

Administrative Expenses

The administrative expenses decreased by approximately 8.4% to approximately HK\$25.6 million for the Current Year from approximately HK\$27.9 million for the year ended 31 December 2024, primarily due to the decrease in legal and professional fee and staff costs.

Finance Costs

The finance costs decreased to approximately HK\$39.5 million for the Current Year from that of approximately HK\$42.4 million for the year ended 31 December 2024. The decrease was primarily due to decrease of interest expenses on borrowings of approximately HK\$2.9 million.

Income Tax Credit

The Group recorded income tax credit of approximately HK\$22.5 million for the Current Year (2024: income tax credit of approximately HK\$19.9 million). The decrease in income tax expense was primarily attributable to the increase in deferred tax credit resulting from the increase in the fair value loss on investment properties.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company increased from approximately HK\$65.8 million for the year ended 31 December 2024 to that of approximately HK\$96.2 million for the Current Year.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2025, total cash and cash equivalents of the Group amounted to approximately HK\$22.3 million (31 December 2024: approximately HK\$9.7 million), representing an increase of approximately HK\$12.6 million as compared to that of 31 December 2024.

Borrowings and Charges on the Group's Assets

At 31 December 2025, the Group's total borrowings included bank loans and other loans amounted to approximately HK\$403.3 million (31 December 2024: approximately HK\$358.1 million). Amongst the borrowings, approximately HK\$13.3 million (31 December 2024: approximately HK\$8.5 million) is repayable within one year and approximately HK\$390.0 million (31 December 2024: approximately HK\$349.6 million) is repayable after one year.

At 31 December 2025, certain investment properties with an aggregate amount of approximately HK\$420.4 million (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 approximately 70.1% as at 31 December 2025 (31 December 2024: approximately 57.9%). The gearing ratio was measured by net debt (aggregated borrowings net of cash and cash equivalents) over the equity attributable to owners of the Company. The increase in gearing ratio was mainly due to the net loss incurred during the Current Year. The current ratio (current assets divided by current liabilities) was 0.84 (31 December 2024: 0.62).

CONTINGENT LIABILITIES AND COMMITMENTS

- (a) As at 31 December 2025 and 2024, the Group had no significant contingent liabilities.
- (b) As at 31 December 2025 and 2024, the Group had no capital commitments, contracted but not provided in the consolidated financial statements.

ACQUISITIONS AND DISPOSALS

The Group had no other material acquisition or disposal of subsidiaries, associates and joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the total number of employees stood at approximately 131. Total staff costs for the year was approximately HK\$17.6 million. The Group offers its workforce comprehensive remuneration and employees' benefits packages.

OUTLOOK AND FUTURE PLAN

Looking ahead to 2026, the global political situation continues to experience a high degree of unrest, with escalating geopolitical tensions, armed conflicts, civil unrest, and political instability shaping a more volatile and fragmented international environment. The business environment remains complicated and grim amid deepening armed conflicts, trade frictions, protectionism, and rising risks of protests and disruptions worldwide.

China's economy is pursuing steady recovery and high-quality development amid external instabilities and uncertainties as well as internal structural challenges. The Chinese Government has set the general principle for economic work in 2026: adhere to the principle of "pursuing progress while ensuring stability, promoting stability through progress, and improving both quality and effectiveness", while fully implementing the new development philosophy, accelerating the formation of a new development paradigm, better coordinating development and security, and focusing on high-quality development to secure a strong start to the 15th Five-Year Plan. It is undisputed that China's economy will achieve sustained growth in the long run through proactive fiscal measures, policy coordination and deepened reforms emphasizing innovation.

The Group will continue to closely monitor domestic and international political, economic, and market developments, responding with flexibility and prudence. Amid the rapid advancement of cutting-edge technologies, particularly digitalisation and artificial intelligence, and sustained strong demand for smart solutions, the Group will proactively align with industry transformation trends. While continuing to pursue opportunities that align closely with its core business, management will also actively explore revenue streams that create long-term value for shareholders, with the aim of further diversifying the business portfolio and strengthening overall revenue resilience.

FINAL DIVIDEND

The Board resolved that the Company would not declare the payment of a dividend for the year ended 31 December 2025 (2024: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's ordinary shares during the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange (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 year ended 31 December 2025.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 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 as 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 Articles, at each annual general meeting, one third of the Directors shall retire from office by rotation provided that notwithstanding anything therein, the chairman (the “Chairman”) of the Board of the Company 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 role of the chairman provides the Group with strong and consistent leadership and allows 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. During the year ended 31 December 2025, the audit committee comprised Mr. Ng Chi Ho, Dennis, Mr. Kwok Kin Wa and Ms. Kwong Mei Wan, Cally, who are the independent non-executive Directors.

The audit committee has reviewed the audited consolidated results and the risk management and internal control system of the Group for the year ended 31 December 2025.

The Group's annual results for the year ended 31 December 2025 have been reviewed by the audit committee, which was of the opinion that the preparation of such annual results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2025 have been prepared assuming that the Group will continue as a going concern. We draw attention to Note 3 to the consolidated financial statements which mentions that the Company incurred a net loss of approximately HK\$96,208,000 and recorded net current liabilities of approximately HK\$8,814,000 as at 31 December 2025. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The directors' arrangements to address the going concern issue are also described in Note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with Shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules; (ii) the annual general meeting provides a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its Shareholders and stakeholders; and (v) the branch share registrar of the Company deals with shareholders for share registration and related matters.

SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Confucius International CPA Limited ("Confucius"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Confucius in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Confucius on this announcement.

PUBLICATION OF THE ANNUAL REPORT

The annual report of the Company containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of each of the Stock Exchange (www.hkexnews.hk) and the Company (www.city-infrastructure.com) in due course.

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

Hong Kong, 31 March 2026

* *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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.