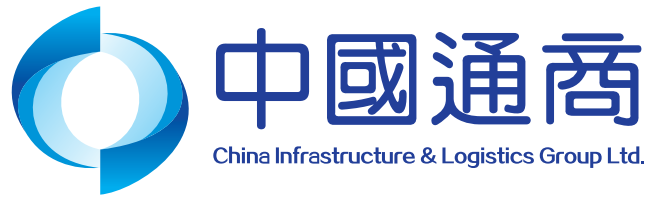


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China Infrastructure & Logistics Group Ltd.

中國通商集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1719)

VOLUNTARY ANNOUNCEMENT COOPERATION AGREEMENT

This is a voluntary announcement made by China Infrastructure & Logistics Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 21 January 2020, China Infrastructure & Logistics Group Holdings Limited (中國通商集團控股有限公司) (“**CIL Group Holdings**”), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, entered into a legally binding cooperation agreement (the “**Cooperation Agreement**”) with Wuhan Jingkai Port Company Limited* (武漢經開港口有限公司) (“**Wuhan Jingkai Port Company**”), a company established in the People’s Republic of China (the “**PRC**”), in relation to the operation of Wuhan Jingkai Port* (武漢經開港) (the “**Jingkai Port**”) for a period of eight years commencing from the date of the Cooperation Agreement (the “**Period**”). Upon expiry of the fifth anniversary of the Period, if the performance target of the Jingkai Port is not met, parties to the Cooperation Agreement may engage in a friendly negotiation and in the event where the parties are unable to reach a consensus, Wuhan Jingkai Port Company shall be entitled to early termination of the Cooperation Agreement.

To the best of the Board’s knowledge, information and belief, and having made all reasonable enquiries:

- (1) Wuhan Jingkai Port Company is principally engaged in investing in the construction of ports and terminal, port cargo handling and transportation logistics services (non-waterborne transportation), construction and operation of port supporting transportation facilities, construction and operation of port supporting storage and industrial facilities and construction and operation of port supporting living service facilities; and

- (2) Wuhan Jingkai Port Company and its ultimate beneficial owner(s) are all third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

As part of the cooperation contemplated under the Cooperation Agreement, CIL Group Holdings shall utilize its advanced management concept and level of management, excellent commercial team and network resources, among others, to raise the management level of the Jingkai Port, optimize the production process, enhance the safety management and speed up the market development and to manage and operate the Jingkai Port, including the determination of the average tariffs involved. The ownership of the Jingkai Port remains to be vested with Wuhan Jingkai Port Company. The costs associated with the operation of the Jingkai Port are to be borne by Wuhan Jingkai Port Company. The Group will recognise all revenue arising from the handling of containers and cargoes by the Jingkai Port following the signing of the Cooperation Agreement and will pay a percentage of such revenue back to Wuhan Jingkai Port Company as port operation fee.

Currently, Phase one of Wuhan Yangluo Port area is operated and managed by the Group. Wuhan Yangluo Port area is located along the Yangtze River and serves as a strategic pivot for the Logistic Center of Central China* (華中物流中心) and Wuhan Changjiang Aviation Center* (武漢長江航運中心), as well as a port of departure for direct shipment to the Yangshan Port in Shanghai (江海直達). At present, a majority of container cargoes in Wuhan Yangluo Port area are sourced from the hinterland of Jingkai Port to achieve full capitalization of the strength of Wuhan Yangluo Port Terminal. During the past few years, the Group's revenue had been affected by the continuing price cutting by the neighbouring competing ports. As a result of the Cooperation Agreement, the logistics costs incurred by existing customers from the hinterland of Jingkai Port by way of ship as opposed to the more expensive mode of transport by road to Phase one of Wuhan Yangluo Port area will be reduced, and the customer base at both ports will be enlarged. In addition, the Jingkai Port will commence to provide container handling service apart from the general and bulk cargoes handling service. The general and bulk cargoes from the Jingkai Port used to be handled by Phase one or other competing ports in Wuhan Yangluo Port area. As a result of the Cooperation Agreement, all the containers and cargoes from the Jingkai Port will be handled by Phase one of Wuhan Yangluo Port area which is operated and managed by the Group. As a result, the container throughput at Phase one of Wuhan Yangluo Port area will increase. This, in turn, will enhance the Group's competitiveness and increase the overall revenue and profitability of the Group.

The Board is of the view that the Cooperation Agreement is beneficial to the Group as it can leverage on each party's respective resources, strength, experience and expertise to build a stable and mutually-beneficial partnership and therefore enhance the overall corporate development, thereby creating synergy effect for the Wuhan Yangluo Port area and the Group, and maximize return to the Company and its shareholders in the long run.

The Board considers that the cooperation arrangement contemplated under the Cooperation Agreement is in the usual course of business of the Company and the terms of the Cooperation Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By the order of the Board
China Infrastructure & Logistics Group Ltd.
Yan Zhi
Co-Chairman

Hong Kong, 21 January 2020

As at the date hereof, the Board comprises three executive Directors, namely Mr. Peng Chi, Mr. Xie Bingmu and Mr. Zhang Jiwei, two non-executive Directors namely Mr. Yan Zhi and Mr. Xia Yu and three independent non-executive Directors namely Mr. Lee Kang Bor, Thomas, Dr. Mao Zhenhua and Mr. Wong Wai Keung, Frederick.

* *For identification only*