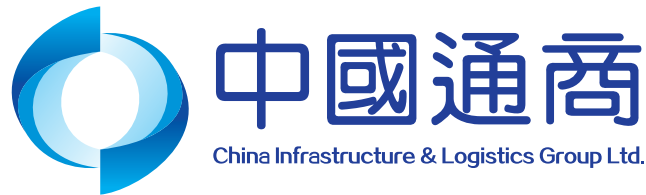


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China Infrastructure & Logistics Group Ltd.

中國通商集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1719)

BUSINESS UPDATE AND PROFIT WARNING

This announcement is made by China Infrastructure & Logistics Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BUSINESS UPDATE

Reference is made to the announcement of the Company dated 25 February 2020 (the “**Announcement**”) on the business update in relation to the outbreak of the novel coronavirus (COVID-19) (the “**Epidemic**”).

As stated in the Announcement, since the outbreak of the Epidemic, many provinces and municipalities in the People’s Republic of China, including Hubei province, where the head office and operations of the Group are located, have implemented emergency public health measures and taken various actions to prevent the spread of the Epidemic, including, among others, imposing conditions and restrictions on enterprises to resume work after the Chinese New Year holiday. The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to update the shareholders of the Company (“**Shareholders**”) and potential investors of the Company that certain restrictions previously imposed on enterprises have been lifted, allowing the resumption of operations within the city and the Group’s employees have now returned to the office and resumed work gradually. The Company will continue to monitor the situation closely and keep Shareholders and potential investors of the Company updated on the impact of the Epidemic to its operations as and when appropriate.

PROFIT WARNING

The Board would like to further inform the Shareholders and potential investors of the Company that, based on the preliminary assessment of the latest unaudited management accounts of the Group for the year ended 31 December 2019 and information currently available to the Company, it is expected that the Group will record a decrease of approximately 45% to 65% in the profit for the year ended 31 December 2019 as compared to that for the year ended 31 December 2018. Such anticipated decrease is primarily attributable to (i) the decrease in warehouse leasing income received from the Hannan Port upon the expiry of the relevant lease; (ii) the decrease in government subsidies received by the Shayang Port and the Shipai Port; and (iii) the decrease in fair value gain of investment properties from the port and warehouse in the Hannan Port and the logistics centre adjacent to the Shayang Port, as compared to those for the year ended 31 December 2018.

As the Company is still in the process of finalising its annual results for the year ended 31 December 2019, the information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available to it and the latest unaudited management accounts of the Group for the year ended 31 December 2019 which have not been reviewed by the Company's auditors and are subject to possible adjustments upon review. The actual audited results of the Group may also be affected by other factors such as professional valuation on the fair values of the investment properties of the Group for the year ended 31 December 2019. Further details of the Group's results for the year ended 31 December 2019 will be disclosed in the preliminary unaudited annual results announcement of the Company, which is expected to be published on 30 March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By the order of the Board
China Infrastructure & Logistics Group Ltd.
Peng Chi
Co-Chairman

Hong Kong, 25 March 2020

As at the date of this announcement, 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.