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中國基建投資有限公司

China Infrastructure Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 600)

**ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The board of directors (the “**Board**”) of China Infrastructure Investment Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021 together with the audited comparative figures for the year ended 31 December 2020, as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*FOR THE YEAR ENDED 31 DECEMBER 2021*

	Notes	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
<b>Revenue</b>	4	<b>18,182</b>	127,414
Cost of sales		<u>(16,080)</u>	<u>(124,583)</u>
<b>Gross profit</b>		<b>2,102</b>	2,831
Other income	5	<b>36,515</b>	36,695
Loss arising on change in fair value of investment properties		<b>(15,188)</b>	(77,892)
Impairment loss recognised in respect of property, plant and equipment		<b>(38,388)</b>	(87,937)
Impairment loss recognised in respect of financial assets under expected credit losses model		<b>(46,368)</b>	(40,723)
Share of results of associates		<b>(25,195)</b>	(144,569)
General and administrative expenses		<u>(8,000)</u>	<u>(32,082)</u>
<b>Loss from operations</b>		<b>(94,522)</b>	(343,677)
Finance costs	6(a)	<u>(11,542)</u>	<u>(12,237)</u>
<b>Loss before taxation</b>	6	<b>(106,064)</b>	(355,914)
Income tax credit	7	<u>—</u>	<u>7,417</u>
<b>Loss for the year</b>		<b><u>(106,064)</u></b>	<b><u>(348,497)</u></b>
<b>Attributable to:</b>			
— Owners of the Company		<b>(83,344)</b>	(278,857)
— Non-controlling interests		<u>(22,720)</u>	<u>(69,640)</u>
<b>Loss for the year</b>		<b><u>(106,064)</u></b>	<b><u>(348,497)</u></b>
			(restated)
<b>Loss per share</b>	9		
Basic		<b><u>HK (19.52) cents</u></b>	<b><u>HK (65.31) cents</u></b>
Diluted		<b><u>HK (19.52) cents</u></b>	<b><u>HK (65.31) cents</u></b>

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2021*

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> <b>(Audited)</b>
<b>Loss for the year</b>	<u><b>(106,064)</b></u>	<u>(348,497)</u>
<b>Other comprehensive income:</b>		
<u>Items that may be reclassified to profit or loss</u>		
Net translation differences on foreign operations	<b>16,501</b>	22,642
Share of other comprehensive income of associates		
— Exchange reserve	<u><b>4,166</b></u>	<u>11,360</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>20,667</b></u>	<u>34,002</u>
<b>Total comprehensive loss for the year</b>	<u><b>(85,397)</b></u>	<u><b>(314,495)</b></u>
<b>Attributable to:</b>		
— Owners of the Company	<b>(63,658)</b>	(249,289)
— Non-controlling interests	<u><b>(21,739)</b></u>	<u>(65,206)</u>
<b>Total comprehensive loss for the year</b>	<u><b>(85,397)</b></u>	<u><b>(314,495)</b></u>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 31 DECEMBER 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>38,082</b>	52,086
Property, plant and equipment		<b>75,619</b>	110,981
Right-of-use assets		<b>1,928</b>	2,286
Goodwill		—	—
Interests in associates		<b>146,080</b>	167,109
		<u><b>261,709</b></u>	<u>332,462</u>
<b>CURRENT ASSETS</b>			
Trade receivables	<i>11</i>	<b>105,966</b>	117,752
Other receivables, deposits and prepayment		<b>251,710</b>	229,342
Cash and bank balances		<b>1,862</b>	18,491
		<u><b>359,538</b></u>	<u>365,585</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>(14,660)</b>	(15,579)
Accruals and other payables		<b>(84,866)</b>	(75,183)
Interest-bearing borrowings		<b>(115,000)</b>	(115,000)
Lease liabilities		<b>(296)</b>	(327)
Tax payables		<b>(6,206)</b>	(6,046)
		<u><b>(221,028)</b></u>	<u>(212,135)</u>
<b>NET CURRENT ASSETS</b>		<u><b>138,510</b></u>	<u>153,450</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>400,219</b></u>	<u>485,912</u>
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		—	(296)
<b>NET ASSETS</b>		<u><b>400,219</b></u>	<u>485,616</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>213,496</b>	213,496
Reserves		<b>205,933</b>	269,591
<b>Total equity attributable to owners of the Company</b>		<b>419,429</b>	483,087
<b>Non-controlling interests</b>		<b>(19,210)</b>	2,529
<b>TOTAL EQUITY</b>		<u><b>400,219</b></u>	<u>485,616</u>

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 DECEMBER 2021*

**1. GENERAL INFORMATION**

China Infrastructure Investment Limited (the “**Company**”) was incorporated and registered in the Cayman Islands on 16 June 1992 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 2 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office of the Company in the Cayman Islands is The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands. The address of the registered office and the principal place of business of the Company in Hong Kong is Suite 607, 6/F., Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “**Group**”) are property investment and natural gas business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company. The consolidated financial statements are presented in the nearest thousand (HK\$’000) unless otherwise stated.

**2 BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term that include all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (“**CO**”). These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### 3.1 Amendments to HKFRSs that are mandatorily, effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA, which are mandatorily effective for the preparation of the consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendments to HKFRS 16	<i>Covid-19 Related Rent Concessions</i>

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

The application of the amendments to HKFRSs during the current year has had no material impact on the results and financial position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3.2 New and amendments to HKFRSs in issue but not yet effective

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

Amendments to Annual Improvements Project	<i>Annual Improvements to HKFRSs 2018-2020<sup>1</sup></i>
Amendments to HKFRS 3 Revised Accounting Guideline 5	<i>Reference to the Conceptual Framework<sup>1</sup> Merger Accounting for Common Control Combinations<sup>1</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current<sup>2</sup></i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities Arising from a Single Transaction<sup>2</sup></i>
Amendments to HKAS 16	<i>Property, Plant and Equipment — Proceeds before Intended Use<sup>1</sup></i>
Amendments to HKAS 37 Hong Kong Interpretation 5 (2020)	<i>Onerous Contracts — Cost of Fulfilling a Contract<sup>1</sup> Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause<sup>2</sup></i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies<sup>2</sup></i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates<sup>2</sup></i>
Amendments to HKFRS 16 HKFRS 17	<i>Covid-19-Related Rent concession beyond 30 June 2021<sup>4</sup> Insurance Contracts and the related Amendments<sup>2</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> Effective date is to be determined

<sup>4</sup> Effective for annual period beginning on or after 1 April 2021

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### 4. REVENUE

Revenue from major business services:

	For the year ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
Property management fee income	1,057	1,022
Sales of construction materials	15,814	125,097
	<u>16,871</u>	<u>126,119</u>
<i>Revenue within the scope of HKFRS 16</i>		
Rental income from leasing of properties	1,311	1,295
	<u>18,182</u>	<u>127,414</u>
Disaggregation by timing of revenue recognition:		
At a point of time:		
Sales of construction materials	15,814	125,097
Over time:		
Property management fee income	1,057	1,022
	<u>16,871</u>	<u>126,119</u>

#### 5. OTHER INCOME

	For the year ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Interest income on bank deposit	5	307
Compensation income arising from profit guarantee realisation	36,000	36,000
Government grants ( <i>Note</i> )	—	108
Other sundry income	510	280
	<u>36,515</u>	<u>36,695</u>

*Note:* During the year ended 31 December 2020, the Group recognised government grants of HK\$108,000 in respect of Covid-19-related subsidies, which is related to Employment Support Scheme provided by the Hong Kong Government.

## 6. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging/(crediting):

### (a) Finance costs

	For the year ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Interest on interest-bearing borrowings	11,500	12,166
Interest on lease liabilities	42	71
	<u>11,542</u>	<u>12,237</u>

### (b) Other items

	For the year ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Staff costs (including directors' emoluments)		
— salaries, wages and other benefits	3,314	3,377
— retirement benefits scheme contributions	203	162
	<u>3,517</u>	<u>3,539</u>
Total staff costs	3,517	3,539
Auditors' remuneration	1,500	1,000
Depreciation of right-of-use assets	402	397
Depreciation of property, plant and equipment	9	9
Loss arising on change in fair value of investment properties	15,188	77,892
Impairment loss recognised in respect of property, plant and equipment	38,388	87,937
Impairment loss recognised in respect of financial assets under expected credit losses model	46,368	40,723
Cost of inventories sold	15,720	124,241
Gross rental income from investment properties	(1,311)	(1,295)
Less: Direct operating expenses from investment properties that generated rental income during the year	360	342
	<u>(951)</u>	<u>(953)</u>



## 7. INCOME TAX CREDIT

Taxation in the consolidated statement of profit or loss represents:

	For the year ended 31 December	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
<b>Current tax</b>	—	—
<b>Deferred tax</b>		
Credit for the year	—	7,417
	<u>—</u>	<u>7,417</u>
	<u>—</u>	<u>7,417</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The Group’s subsidiaries in the PRC are subject to the PRC Enterprise Income Tax at 25% for both years.

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in, nor deriving from Hong Kong for the years ended 31 December 2021 and 2020.

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in or derived from PRC for both years.

## 8. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2021 (2020: nil).

## 9. LOSS PER SHARE

The weighted average number of ordinary shares for the years ended 31 December 2021 and 2020 has been adjusted for ten-to-one share consolidation of the Company which became effective on 26 January 2022.

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

### (a) Basic loss per share

The calculation of basic loss per share amount is based on the loss for the year of approximately HK\$83,344,000 (2020: HK\$278,857,000) attributable to equity owners of the Company, and weighted average of 426,991,051 (2020: 426,991,051 (restated)) ordinary shares in issue during the year.

### (b) Diluted loss per share

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2021 and 2020. The basic and diluted loss per share are the same for both years.

## 10. SEGMENT INFORMATION

Segment revenue represents revenue generated from external customers. There were no inter-segment sales during the year (2020: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on reportable segment profit, which is a measure of segment profit. The segment profit represents the result generated from each segment with allocation of (i) general and administrative expenses, selling and distribution costs under the heading of other corporate expenses; (ii) share of results of associates; (iii) interest income; and (iv) compensation income and other sundry income under the heading of other operating income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than corporate assets.

In a manner consistent with the way in which information is reported internally to chief operating decision maker for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments and geographical areas:

- (a) The properties investment segment engages in rental income from investment properties in the PRC;
- (b) Natural gas segment engages in sales of natural pipelined gases and its construction materials in the PRC; and
- (c) Investment holding segment engages in investment in associates on a geographical basis of the PRC.

The following is an analysis of the Group's revenue and results by operating segment for the years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 (Unaudited)				
	Properties		Investment		Total
	investment	Natural gas	holding	Unallocated	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
<b>Segment revenue</b>					
From external customers	2,368	15,814	—	—	18,182
<b>Segment profit</b>	2,008	94	—	—	2,102
Interest income	3	2	—	—	5
Other operating income, net	—	510	36,000	—	36,510
Loss arising on change in fair value of investment properties	(15,188)	—	—	—	(15,188)
Impairment loss recognised in respect of property, plant and equipment	(38,388)	—	—	—	(38,388)
Impairment loss recognised in respect of financial assets under expected credit losses model	—	(46,368)	—	—	(46,368)
Share of results of associates	—	—	(25,195)	—	(25,195)
Other corporate expenses	(1,972)	(200)	(3,237)	(2,591)	(8,000)
<b>Loss from operations</b>	(53,537)	(45,962)	7,568	(2,591)	(94,522)
Finance costs	—	—	—	(11,542)	(11,542)
<b>Loss before taxation</b>	(53,537)	(45,962)	7,568	(14,133)	(106,064)
Income tax credit	—	—	—	—	—
<b>Loss for the year</b>	(53,537)	(45,962)	7,568	(14,133)	(106,064)
<b>Other segment information</b>					
Depreciation of right-of-use assets	(80)	—	—	(322)	(402)
Depreciation of property, plant and equipment	(1)	(8)	—	—	(9)
Segment assets	128,645	310,118	182,088	396	621,247
Segment liabilities	28,462	9,643	67,627	115,296	221,028

For the year ended 31 December 2020 (Audited)

	Properties	Investment			Total
	investment	Natural gas	holding	Unallocated	
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
<b>Segment revenue</b>					
From external customers	2,317	125,097	—	—	127,414
<b>Segment profit</b>	1,975	856	—	—	2,831
Interest income	2	305	—	—	307
Other operating income, net	6	274	36,000	108	36,388
Loss arising on change in fair value of investment properties	(77,892)	—	—	—	(77,892)
Impairment loss recognised in respect of property, plant and equipment	(87,937)	—	—	—	(87,937)
Impairment loss recognised in respect of financial assets under expected credit losses model	—	(40,723)	—	—	(40,723)
Share of results of associates	—	—	(144,569)	—	(144,569)
Other corporate expenses	(1,949)	(19,583)	(8,056)	(2,494)	(32,082)
<b>Loss from operations</b>	(165,795)	(58,871)	(116,625)	(2,386)	(343,677)
Finance costs	—	—	—	(12,237)	(12,237)
<b>Loss before taxation</b>	(165,795)	(58,871)	(116,625)	(14,623)	(355,914)
Income tax credit	7,417	—	—	—	7,417
<b>Loss for the year</b>	(158,378)	(58,871)	(116,625)	(14,623)	(348,497)
<b>Other segment information</b>					
Depreciation of right-of-use assets	(75)	—	—	(322)	(397)
Depreciation of property, plant and equipment	(1)	(8)	—	—	(9)
Segment assets	177,112	315,950	203,866	1,119	698,047
Segment liabilities	27,250	10,255	59,303	115,623	212,431

## 11. TRADE RECEIVABLES

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Trade receivables, gross	157,851	138,299
Less: Allowance for credit losses	(51,885)	(20,547)
	<hr/>	<hr/>
Trade receivables, net	<b>105,966</b>	117,752
	<hr/> <hr/>	<hr/> <hr/>

Ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for credit losses, is as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
1 to 30 days	—	—
31 to 60 days	—	—
61 to 90 days	—	—
Over 90 days	105,966	117,752
	<hr/>	<hr/>
	<b>105,966</b>	117,752
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## 12. TRADE PAYABLES

Ageing analysis of trade payables, based on the invoice date is as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
1 to 30 days	—	—
31 to 60 days	—	—
61 to 90 days	—	—
Over 90 days	14,660	15,579
	<hr/>	<hr/>
	<b>14,660</b>	15,579
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### 13. EVENT AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 16 December 2021 and the Company's circular dated 31 December 2021, the board of directors proposed the followings:

- a) every ten (10) issued and unissued shares with a par value of HK\$0.05 each (the "**Shares**") in the share capital of the Company be consolidated into one (1) share with a par value of HK\$0.50 (the "**Consolidated Share(s)**") in the share capital of the Company (the "**Share Consolidation**");
- b) the par value of each issued Consolidated Share be reduced from HK\$0.50 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.49 on each issued Consolidated Share (the "**Capital Reduction**");
- c) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares with par value of HK\$0.50 each be sub-divided into fifty (50) ordinary shares with par value of HK\$0.01 each in the share capital of the Company (the "**Adjusted Shares**") (the "**Share Subdivision**");
- d) the entire amount standing to the credit of the share premium account of the Company as at the date of the Capital Reduction becomes effective be reduced to nil with effect from the date of the Capital Reduction becoming effective (the "**Share Premium Reduction**");

The Share Consolidation, Capital Reduction, Share Subdivision and Share Premium Reduction were approved by the shareholders of the Company at an extraordinary general meeting held on 24 January 2022 and were completed on 26 January 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

#### PRC Projects

##### *Properties development and investment*

##### *Forward Investment (PRC) Company Limited*

The principal assets of Forward Investment (PRC) Company Limited (“**Forward Investment**”) is the 100% equity interests in 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited\*) (“**Nanjing Taihe Yingke**”), which main asset is a complex development project (the “**Jiangning Project**”) located in Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC. The Jiangning Project is a composite complex comprising two towers of commercial space and service apartments. The commercial space tower is a six-storey tower with a gross floor area of 39,241.48 square metres and the service apartments tower is an 18-storey tower with a gross floor area of 20,882.52 square metres. The total gross floor area of the Jiangning Project is approximately 74,642.00 square metres which includes a basement of approximately 14,518.00 square metres, and land use rights of approximately 20,050.90 square metres.

As at 31 December 2021, 39,241.48 square meters of the gross floor area of the commercial building have been sold. Approximately 20,100 square meters of the gross floor area of the service apartment have been sold.

Pursuant to the subscription agreement, this investment will provide the annual return undertaking of not less than 12% of the consideration which can generate stable revenue streams and cash surplus for the Group. On 15 May 2021, the guarantors of the subscription agreement had fulfilled their obligations regarding the return undertaking and compensated the shortfall of the profit guarantee for the year ended 31 December 2020, being HK\$36,000,000, to the Group.

## ***Properties investment***

*天津俊華物流有限公司 (Tianjin Jun Hua Logistics Company Limited\*)*

Tianjin Jun Hua Logistics Company Limited (“**Tianjin Jun Hua Logistics**”) is principally engaged in the business of property rentals and operation of storage units. Tianjin Jun Hua Logistics owns a property with a land use area of 11,331.30 square metres, comprising of one building with one storey of 704.16 square metres and another building with four storeys of 10,807.91 square metres at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The property is located in the Tianjin Harbour, which is one of the main transportation hubs of the PRC. The Company is of the view that the acquisition allows the Group to invest in a property located within a promising district. It is believed that the acquisition will provide a steady rental income stream to the Group amid the current low interest rate environment as well as appreciation potential of the value of the property owned by Tianjin Jun Hua Logistics.

*天津滙力源動力設備有限公司 (Tianjin Hui Li Yuan Power Equipment Co. Ltd. \*)*

Tianjin Hui Li Yuan Power Equipment Co. Ltd. (“**Tianjin Hui Li Yuan**”) is principally engaged in the business of property rentals and property development. Tianjin Hui Li Yuan is the legal owner of the land use right for a parcel of land with an area of approximately 29,012.72 square metres located at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The land is now for industrial use and having two 4-storey buildings (namely Block Nos. 3 and 4) with a total gross floor area of 18,333 square metres under construction. Whilst the construction work for the other 2 buildings (namely Block Nos. 1 and 2) with a total gross floor area of 46,445 square metres was yet to commence. With the fast development of the Tianjin’s logistics industry as well as the business and commercial sector, the directors of the Company anticipate the land would have greater development potential along with the economic growth of Tianjin.

## **Outlook**

The management will continue to look for investment opportunities in the PRC so as to expand the development portfolio of the Group in the future. In this regard, investment opportunities which offer satisfactory returns to the Shareholders within the acceptable risk profile of the Group and expected return will be considered. As a result, the Group will strive to identify suitable projects with potential for development and satisfactory returns across various sectors in the PRC market.

## **HUMAN RESOURCES**

At 31 December 2021, the Group had a total of approximately 34 staff in Hong Kong and the PRC. The Group remunerates employees based on their performance, experience and prevailing industry practices so as to retain the competent and talented employees.



## **FINANCIAL REVIEW**

### **Results**

The revenue of the Group for the year ended 31 December 2021 was approximately HK\$18,182,000, as compared with approximately HK\$127,414,000 for the year ended 31 December 2020. The loss attributable to owners of the Company for the year ended 31 December 2021 was approximately HK\$83,344,000 as compared with the loss attributable to owners of the Company of approximately HK\$278,857,000 for the year ended 31 December 2020.

### **Capital Structure**

The capital structure of the Group consisted of debt (which included borrowings), cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital and reserves of the Group.

### **Liquidity and Financial Resources**

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. At 31 December 2021, the underlying current ratio, defined as current assets over current liabilities, was approximately 1.63 (2020: 1.72). At 31 December 2021, the underlying gearing ratio, defined as the total borrowings over total equity (including non-controlling interests), was approximately 29% (2020: 24%) while the current liabilities to the total assets ratio was approximately 36% (2020: 30%).

At 31 December 2021, the Group's equity attributable to owners of the Company was approximately HK\$419,429,000, a decrease of approximately 13% over last year end which was approximately HK\$483,087,000. The net current assets at 31 December 2021 was approximately HK\$138,510,000 (2020: HK\$153,450,000) while cash and bank balances at 31 December 2021 was approximately HK\$1,862,000 (2020: HK\$18,491,000).

## **Contingent Liabilities**

Certain properties of a subsidiary were pledged in favour of a PRC trust company to secure the payment obligation of an independent third party in the sum of approximately HK\$97,960,000 (equivalent to RMB80,000,000) granted by the PRC trust company in favour of the independent third party. As at 31 December 2021, the outstanding loan amount of the independent third party was approximately HK\$97,960,000 (equivalent to RMB80,000,000) and the carrying amount of the pledged properties was approximately HK\$75,527,000.

The Group had no other material contingent liabilities.

## **Charge on Assets**

At 31 December 2021, property, plant and equipment of approximately HK\$75,527,000 (2020: HK\$110,882,000) was pledged as securities for payment obligation of an independent third party.

## **Foreign Currencies**

During the year, most of the business transactions, assets and liabilities of the Group were denominated in Hong Kong Dollars, Renminbi and United States Dollars. The Group had no material foreign exchange exposure risks during the year.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2021, except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Xu Xiao Jun, the Chief Executive Officer of the Company, had also been appointed as the Chairman of the Company since 31 July 2017. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The term of office for non-executive Directors including independent non-executive Directors of the Company is not specific. It is provided in the Company's articles of association that all the Directors are subject to retirement by rotation at least once every three years at the annual general meetings of the Company and are eligible for re-appointment. The Directors are of the view that such provision in the Company's articles of association has been able to safeguard corporate governance.

Full details on the subject of the CG Code will be set out in the Company's 2021 Annual Report.

## **FINAL DIVIDEND**

The Board has resolved not to propose any final dividend for the year ended 31 December 2021 (2020: nil).

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. In response to the Company's enquiry, all Directors confirm that they have complied with the provisions of the Model Code throughout the year ended 31 December 2021.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "**Audit Committee**") presently comprises three independent non-executive Directors. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the unaudited consolidated financial statements for the year ended 31 December 2021.

## REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2021 has not been completed due to travel restrictions in force in parts of the PRC and quarantine measures imposed by the relevant authorities to combat the latest wave of COVID-19 coronavirus outbreak. The unaudited annual results contained herein have not been agreed with the Company's auditors. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the unaudited annual results contained herein.

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. Based on the information currently available to the Company, the Company estimates that the audited annual results of the Group for the year ended 31 December 2021 will be published on or before 15 May 2022. In addition, the Company will issue further announcement(s) as and when necessary if there is other material development in the completion of the auditing process.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.china-infrastructure.com](http://www.china-infrastructure.com)). The annual report of the Company for the year ended 31 December 2021 containing all the information as required by the Listing Rules will be despatched to the Shareholders and made available for review on the same websites in due course.

**The financial information contained herein in respect of the unaudited annual results of the Group have neither been audited nor agreed with the Company's auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Infrastructure Investment Limited**  
**YE De Chao**  
*Executive Director*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises Mr. Xu Xiao Jun, Mr. Ye De Chao and Mr. Lu Yi as executive Directors; and Mr. He Jin Geng, Mr. Yu Hong Gao and Ms. Chen Yang as independent non-executive Directors.*

*\* For identification purpose only*