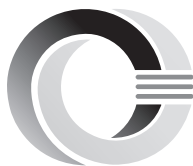

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China City Infrastructure Group Limited (the “Company”), you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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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)

**MAJOR TRANSACTION INVOLVING ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
PRECIOUS PALACE ENTERPRISES LIMITED
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Advisor to the Vendor



A notice convening an extraordinary general meeting of the Company to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 9 July 2019 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular, which is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company.

Whether or not you are able to attend the extraordinary general meeting, you are advised to read the notice and to complete and return the form of proxy, in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time fixed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

21 June 2019

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AP Appraisal Limited
Unit 2202, 22/F.,
West Exchange Tower
322 Des Voeux Road Central
Sheung Wan, Hong Kong
T 852 2218 5180
www.apa.com.hk

8 April 2019

China City Infrastructure Group Limited
Suite 6208, 62/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Dear Sir or Madam,

RE: Property Valuation of Properties located in Longgang District, Shenzhen City, Guangdong Province, the People’s Republic of China

We, AP Appraisal Limited, refer to the instructions from China City Infrastructure Group Limited (the “**Instructing Party**”) to conduct a valuation for captioned Properties (the “**Properties**”) located at Longgang District, Shenzhen City, Guangdong Province, the People’s Republic of China. Details of which are set out in the attached valuation certificates. We confirm that we have carried our inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 31 March 2019 (the “**Valuation Date**”) for announcement and circular purposes of the Instructing Party.

Our valuation is prepared in accordance with the International Valuation Standards published by International Valuation Standards Council, the RICS Valuation – Professional Standard issued by the Royal Institution of Chartered Surveyors, and the Hong Kong Stock Exchange Listing Rule Chapter 5 and Practice Note 12.

Our valuation is our opinion of Market Value which is defined by the International Valuation Standards to mean “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

According to the International Valuation Standard, the market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. When reliable, verifiable and relevant market information is available, the market approach is the preferred valuation approach. Therefore, market approach is adopted in the valuation as we found reliable, verifiable and relevant market information is available.

Unless otherwise stated, all property interests are valued by market approach – the Comparable Transactions Method, also known as the guideline transactions method, utilises information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value. The Comparable Transactions Method is based on prices realized in actual transactions and/or asking prices of comparable properties. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of value. Physical condition, location and economic characteristics are important criteria to be analysed when comparing to the Property.

In the course of our valuation for the property interests in the PRC, we have been provided with extracts from title documents relating to such property interests. However, we have relied considerably on the information given by the Company's PRC legal advisor 廣東瀛尊律師事務所, concerning the validity of the Company's title to the property interests located in the PRC, and the opinion that the current use of the property is in line with the permitted use set out in the land use certificate. All legal documents provided by the Company have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation. We have not, however, searched the original documents to verify ownership or any amendment which did not appear on the copies handed to us.

Our valuation has been made on the assumption that the owner sells the property on the open markets without any benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property interests.

We have relied to a considerable extent on information given by the Instructing Party, in particular, but not limited to, planning approvals, development schemes and schedule, incurred and outstanding development costs, statutory notices, easements, tenancies, floor areas, gross floor areas, site area, construction cost, expected building completion date, etc. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party, which is material to the valuation. We were also advised by the Instructing Party that no material facts have been omitted from the information provided to us. We do not commission site surveys and a site survey has not been provided to us.

We had committed site visit in March 2019 by Mr. Paul Hung, a director of our firm who has over 10 years of experience in the valuation of properties in the Greater China Region. We have assumed there are no encroachments by or on the property, and the Instructing Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting us to reassess any effect on the valuation.

We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).

We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the Properties. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting us to reassess any effect on the valuation.

Unless otherwise noted, we have assumed that the improvements are free of Asbestos and Hazardous Materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the Properties. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting us to reassess any effect on the valuation.

The market value of the Properties are based on the exiting status of the Properties as at the valuation date. The Demolition Compensation Agreement and the termination of the Demolition Compensation Agreement have not been considered during the calculation of the market value of the Properties.

No allowance has been made in our valuation neither for any charges, mortgages or amounts owing on the property interests nor for any expenses, government rent or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free of encumbrances, restrictions and outgoings of onerous nature which could affect their values.

The monetary amounts are stated in Renminbi (RMB). We enclose herewith our valuation certificates.

We hereby certify that we have neither present nor prospective interests in the Instructing Party or the value reported.

Yours faithfully,
For and on behalf of
AP Appraisal Limited

Paul Hung
MRICS ASA
Director – Valuation & Advisory Services
Encl.

Note: Mr. Hung is a Registered Surveyor of Royal Institution of Chartered Surveyors. He has over 10 year's valuation experience in the Greater China Region

SUMMARY OF VALUES

No.	Property	Market Value as at 31 March 2019 RMB
1.	中國廣東省深圳市龍崗區龍崗鎮深惠路957號華江大樓全棟 (Whole Block, Huajiang Building, located at No. 957 Shenhui Road, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	133,000,000
2.	中國廣東省深圳市龍崗區龍崗鎮愛聯村龍騰工業城之 三塊土地及四座樓宇 (3 parcels of land and 4 buildings at Longteng Industrial City, located at Ailian Village, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	195,000,000
3.	中國廣東省深圳市龍崗區龍崗鎮深惠路957號美洲大廈全棟 (Whole Block, Meizhou Building located at No. 957 Shenhui Road, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	374,000,000
Total:		<u><u>702,000,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Details of occupancy	Market Value as at 31 March 2019
1.	中國廣東省深圳市 龍崗區龍崗鎮 深惠路957號 華江大樓全棟 (Whole Block, Huajiang Building, located at No. 957 Shenhui Road, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	Completed in July 2002, the 10-storey property is with total Gross Floor Area ("GFA") of 1,542.21 sq.m. from 1st to 3rd floor for commercial use, and a total Gross Floor Area ("GFA") of 2,244.25 sq.m. from 4th to 10th floor for residential use. The building is erected on a land parcel for commercial/residential use with a site area of approximately 1,120 sq.m. The land use rights of the site were granted to 鳳珍實業發展(深圳)有限 公司 for commercial/ residential use for a term of 70 years to be expired on 29 December 2062.	The property is subject to a tenancy for a term of 5 years commencing on 1 May 2018 and expiring on 30 April 2023 for commercial/residential purpose.	RMB133,000,000 (RENMINBI ONE HUNDRED THIRTY- THREE MILLION ONLY) (100% interests attributable to 鳳珍實業發展(深圳) 有限公司: RMB133,000,000)

Notes:

1. Pursuant to 33 Real Estate Ownership Certificates, the registered owner of the property is 鳳珍實業發展(深圳)有限公司("鳳珍實業"). The land use rights of the land parcel with a total site area of approximately 1,120 sq.m. have been granted to 鳳珍實業 for terms of 70 years expiring on 29 December 2062. The property is being held for investment purpose. Details of the certificates are as follows:

#	Unit	Certificate No.	GFA sq.m.	Date of registration
1.	101	深房地字第6000085061號	510.01	24 February 2003
2.	201	深房地字第6000085058號	512.12	24 February 2003
3.	301	深房地字第6000085056號	520.08	24 February 2003
4.	401	深房地字第6000085054號	88.67	25 February 2003
5.	402	深房地字第6000085052號	88.67	24 February 2003
6.	403	深房地字第6000085048號	66.29	24 February 2003
7.	405	深房地字第6000085046號	66.29	24 February 2003
8.	406	深房地字第6000085044號	73.1	24 February 2003
9.	407	深房地字第6000085073號	65.83	27 February 2003
10.	501	深房地字第6000085023號	88.67	26 February 2003

#	Unit	Certificate No.	GFA sq.m.	Date of registration
11.	502	深房地字第6000085018號	88.67	24 February 2003
12.	503	深房地字第6000085017號	66.29	24 February 2003
13.	505	深房地字第6000085016號	66.29	24 February 2003
14.	506	深房地字第6000085864號	73.1	10 March 2003
15.	507	深房地字第6000085862號	65.83	10 March 2003
16.	601	深房地字第6000085863號	88.67	10 March 2003
17.	602	深房地字第6000085861號	88.67	10 March 2003
18.	603	深房地字第6000085860號	66.29	10 March 2003
19.	605	深房地字第6000085795號	66.29	10 March 2003
20.	606	深房地字第6000085796號	73.1	10 March 2003
21.	607	深房地字第6000085859號	65.83	10 March 2003
22.	701	深房地字第6000085857號	88.67	10 March 2003
23.	702	深房地字第6000085858號	88.67	10 March 2003
24.	703	深房地字第6000085856號	66.29	10 March 2003
25.	705	深房地字第6000085855號	66.29	10 March 2003
26.	706	深房地字第6000085854號	73.1	10 March 2003
27.	707	深房地字第6000085853號	65.83	10 March 2003
28.	801	深房地字第6000085850號	88.67	10 March 2003
29.	802	深房地字第6000085852號	88.67	10 March 2003
30.	803	深房地字第6000085797號	66.29	10 March 2003
31.	805	深房地字第6000085849號	66.29	10 March 2003
32.	806	深房地字第6000085851號	73.1	10 March 2003
33.	807	深房地字第6000085060號	65.83	24 February 2003

Total: 3,786.46

2. According to Business License No. 440307503310056 dated 26 January 2016, 鳳珍實業 was established on 7 December 1992 as a limited liability company.
3. In undertaking our valuation of the Property, we have made reference to various sales transactions of similar developments which have characteristics comparable to the Property. The prices of those comparables are about RMB33,000/sq.m. to 54,700/sq.m. for residential buildings. Due adjustments to the unit prices of those comparables have been made to reflect factors including but not limited to time, location, size, accessibility, building management, building age and building quality in arriving at the key assumptions. In our valuation, we have assumed an average price of RMB33,000/sq.m. for the Property.
4. The property is located in the area with steady and reasonable supply and demand information, occupancy rates, trends in property yield, sales prices, and rental rates.
5. Details of the current rental information are as follows:

Period	Area (sq.m.)	Monthly Rent (RMB)
5/1/2018 to 4/30/2019	3,786.46	372,553
5/1/2019 to 4/30/2020	3,786.46	404,625
5/1/2020 to 4/30/2021	3,786.46	439,903
5/1/2021 to 4/30/2022	432.00	51,840
5/1/2022 to 4/30/2023	432.00	51,840

VALUATION CERTIFICATE

No.	Property	Description and tenure	Details of occupancy	Market Value as at 31 March 2019
2.	中國廣東省深圳市 龍崗區龍崗鎮愛聯村 龍騰工業城之三塊土地 及四座樓宇 (3 parcels of land and 4 buildings at Longteng Industrial City, located at Ailian Village, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	Completed in October 1999, the property is an industrial building with a total Gross Floor Area ("GFA") of 20,840.62 sq.m. erected on a land parcel for industrial use with a site area of approximately 11,880.8 sq.m. The land use rights of the site were granted to 鳳珍實 業發展(深圳)有限公司 for industrial use for a term of 50 years to be expired on 9 May 2041.	The property is subject to a tenancy for a term of a year commencing on 1 February 2019 and expiring on 31 January 2020 for industrial purpose.	RMB195,000,000 (RENMINBI ONE HUNDRED NINETY- FIVE MILLION ONLY) (100% interests attributable to 鳳珍實業發展(深圳) 有限公司: RMB195,000,000)

Notes:

- Pursuant to the 3 Real Estate Ownership Certificates No. 10142517, 10142515 & 10087353 (深房地字第 6000071261、6000071263 及 6000071355 號), dated 19 August 2002, the registered owner of the Property is 鳳珍實業. The land use rights of the real property with a total site area of 11,880.8 sq.m. have been granted to 鳳珍實業 for three terms with expiry date on 9 May 2041 and the building ownership rights of the real property with a total GFA of approximately 20,840.62 sq.m. are legally owned by 鳳珍實業 for industrial warehouse purpose. The property is being held for investment purpose.
- According to Business License No. 440307503310056 dated 26 January 2016, 鳳珍實業 was established on 7 December 1992 as a limited liability company.
- Pursuant to various Real Estate Registration Certificates (深圳市不動產證明), the property no. 2 is subject to a mortgage in favour of 徐凱, for a consideration of RMB200,000,000. The outstanding amount of such loan is RMB200,000,000 as at the valuation date.
- In undertaking our valuation of the Property, we have made reference to various sales transactions of similar developments which have characteristics comparable to the Property. The prices of those comparables are about RMB6,500/sq.m. to 14,000/sq.m. for industrial buildings. Due adjustments to the unit prices of those comparables have been made to reflect factors including but not limited to time, location, size, accessibility, building management, building age and building quality in arriving at the key assumptions. In our valuation, we have assumed an average price of RMB9,350/sq.m. for the Property.
- The property is located in the area with steady and reasonable supply and demand information, occupancy rates, trends in property yield, sales prices, and rental rates.
- Details of the current rental information are as follows:

Period	Area (sq.m.)	Monthly Rent (RMB)
2/1/2019 to 1/31/2020	20,840	250,080

VALUATION CERTIFICATE

No.	Property	Description and tenure	Details of occupancy	Market Value as at 31 March 2019
3.	中國廣東省深圳市 龍崗區龍崗鎮 深惠路957號 美洲大廈全棟 (Whole Block, Meizhou Building located at No. 957 Shenhui Road, Longgang Town, Longgang District, Shenzhen City, Guangdong Province, the PRC)	Completed in May 1998, the property is an office building with a total Gross Floor Area (“GFA”) of 12,248.64 sq.m. erected on a land parcel for commercial use with a site area of approximately 1,970.2 sq.m. The land use rights of the site were granted to 鳳珍實 業發展(深圳)有限公司 for commercial use for a term of 40 years to be expired on 10 December 2036.	The property is subject to a tenancy for a term of 6 years commencing on 1 January 2019 and expiring on 30 June 2024 for commercial purpose.	RMB374,000,000 (RENMINBI THREE HUNDRED SEVENTY-FOUR MILLION ONLY) (100% interests attributable to 鳳珍實業發展(深圳) 有限公司: RMB374,000,000)

Notes:

- Pursuant to the Real Estate Ownership Certificate No. 1948383 (深房地字第6000453930號), dated 7 December 2010, the land use rights of the land parcel with a total site area of approximately 1,970.2 sq.m. have been granted to 鳳珍實業 for terms of 40 years expiring on 10 December 2036. The property is being held for investment purpose.
- Pursuant to the Real Estate Ownership Certificate, the registered owner of the Property is 鳳珍實業.
- According to Business License No. 440307503310056 dated 26 January 2016, 鳳珍實業 was established on 7 December 1992 as a limited liability company.
- In undertaking our valuation of the Property, we have made reference to various sales transactions of similar developments which have characteristics comparable to the Property. The prices of those comparables are about RMB30,500/sq.m. to 43,000/sq.m. for commercial buildings. The unit price assumed by us is consistent with the said prices. Due adjustments to the unit prices of those comparables have been made to reflect factors including but not limited to time, location, size, accessibility, building management, building age and building quality in arriving at the key assumptions. In our valuation, we have assumed an average price of RMB30,500/sq.m. for the Property.
- The property is located in the area with steady and reasonable supply and demand information, occupancy rates, trends in property yield, sales prices, and rental rates.
- Details of the current rental information are as follows:

Period	Area (sq.m.)	Monthly Rent (RMB)
1/1/2019 to 6/30/2019	9,784.64	135,615.11
7/1/2019 to 6/30/2020	9,784.64	240,799.99
7/1/2020 to 6/30/2021	9,784.64	290,799.50
7/1/2021 to 6/30/2022	9,784.64	340,799.01
7/1/2022 to 6/30/2023	9,784.64	390,798.52
7/1/2023 to 6/30/2024	9,784.64	440,798.03