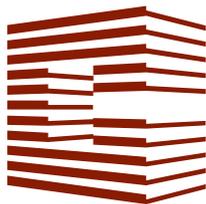


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中國基建投資有限公司

China Infrastructure Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 600)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE SUBSCRIPTION OF 40% EQUITY INTEREST
IN FORWARD INVESTMENT (PRC) COMPANY LIMITED**

The Subscription

The Board is pleased to announce that on 27 September 2012, the Subscription Agreement was entered into between the Subscriber, Forward Investment, Mr. Ye, Modern Admission and Mr. Lee in relation to the subscription of approximately 40% equity interest in Forward Investment, after the Loan Capitalisation and the Subscription, by the Subscriber at HK\$300 million, being the Consideration, which shall be satisfied in cash.

Forward Investment is a company incorporated in Hong Kong with limited liability whose sole asset is 100% equity interest in Nanjing Taihe Yingke. Upon the completion of the disposal of the Tourism Project, the sole assets of Nanjing Taihe Yingke are the Properties, namely (i) the Jiangning Project; (ii) the Nanjing Properties; and (iii) the Beijing Properties.

Implication of the Listing Rules

As certain of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules exceed 25% but fall below 100%, the Subscription constitutes a major transaction for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

Mr. Ye is the Vice Chairman, the Chief Executive Officer, an executive Director and a substantial Shareholder of the Company beneficially interested in 1,189,290,512 Shares (representing approximately 27.85% of the issued share capital of the Company) as at the date of this announcement. Mr. Ye is the beneficial owner of 100% equity interest in Forward Investment as at the date of the Subscription Agreement and one of the Guarantors under the Subscription Agreement. As such, the transactions contemplated under the Subscription Agreement also constitute a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. Accordingly, the Subscription is subject to the Independent Shareholders' approval at the EGM and Mr. Ye and his associates will be required to abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder.

A circular containing inter alia, (i) further details of the Subscription; (ii) the recommendation of the independent board committee to the Independent Shareholders; (iii) the letter from an independent financial advisor to both the independent board committee and the Independent Shareholders; (iv) the valuation report on the Properties owned by Nanjing Taihe Yingke; and (v) the notice of EGM, will be despatched to the Shareholders on or before 26 October 2012 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

As the completion of the Subscription is subject to, among other conditions, approval from the Independent Shareholders, the Subscription may or may not materialise. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 27 September 2012, the Subscription Agreement was entered into between the Subscriber, Forward Investment, Mr. Ye, Modern Admission and Mr. Lee in relation to the subscription of approximately 40% equity interest in Forward Investment, after the Loan Capitalisation and the Subscription, by the Subscriber at HK\$300 million, being the Consideration, which shall be satisfied in cash.

The principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date

27 September 2012

Parties

Subscriber: Keen Gate Developments Limited, a wholly-owned subsidiary of the Company

Issuer: Forward Investment (PRC) Company Limited

Guarantors: Mr. Ye De Chao, the Vice Chairman, the Chief Executive Officer, an executive Director and a substantial Shareholder of the Company;

Modern Admission, the holder of 100% equity interest in Forward Investment prior to Completion; and

Mr. Lee, the sole beneficial owner of 100% equity interest in Modern Admission

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) Mr Lee and Modern Admission are Independent Third Parties; and (ii) Modern Admission is an investment holding company.

As at the date of this announcement, Mr. Ye is the beneficial owner of 100% equity interest in Forward Investment.

Subscription

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for 10,935,769 shares of par value of HK\$1.00 each (representing approximately 40% equity interest after the Loan Capitalisation and the Subscription) in Forward Investment.

Consideration

The Consideration for the Subscription is HK\$300 million, which was determined after arm's length negotiations between Forward Investment and the Subscriber with reference to the adjusted net assets value of Forward Investment Group taking into consideration (i) the preliminary valuation of the property interests of Nanjing Taihe Yingke by an independent property valuer; (ii) the Loan Capitalisation; and (iii) the enlarged net assets value of Forward Investment Group as a result of the Subscription upon Completion. The Consideration will be satisfied by the Group's internal resources.

Pursuant to the Subscription Agreement, the Consideration will be payable in full in cash at Completion.

On 20 April 2009, Mr. Ye acquired 100% equity interest in Forward Investment, and the total investment cost, including the cost of acquisition and shareholder's loan, amounted to approximately RMB143.0 million. On 25 September 2012, Modern Admission and Mr. Lee entered into an agreement with Mr. Ye, pursuant to which Modern Admission would acquire 100% equity interest in Forward Investment from Mr. Ye. Modern Admission will be the holder of 100% equity interest and the shareholder's loan in Forward Investment prior to Completion.

Upon the Loan Capitalisation, Modern Admission will be the beneficial owner of 16,403,653 shares in the issued share capital of Forward Investment, which would represent approximately 60% equity interest in Forward Investment upon Completion.

Undertakings by the Guarantors

Pursuant to the Subscription Agreement, the Guarantors jointly and severally undertake to the Subscriber that, during the period of the Subscriber remains as a shareholder of Forward Investment, the return to the Subscriber, being the dividend receivable from the Group's equity interest in Forward Investment, shall not be below 12% of the Consideration per annum. In the event the return to the Subscriber falls below 12% of the Consideration, the Guarantors shall compensate the Subscriber on a dollar-for-dollar basis (the "Return Undertaking"). Mr. Ye has further undertaken that he will not dispose of any Shares or encumber them while the Subscriber is a shareholder of Forward Investment.

Mr. Lee and Modern Admission's obligations under the Return Undertaking will terminate upon Mr. Lee and Modern Admission cease to be directly or indirectly interested in any equity interest in Forward Investment as anticipated under the understanding between Mr. Ye and Mr. Lee regarding the acquisition of the entire issued share capital of Modern Admission by Mr. Ye (as described below under "Information of Forward Investment").

In addition, the Guarantors jointly and severally undertake to the Subscriber that, during the period of the Subscriber remains as a shareholder of Forward Investment, (i) Forward Investment and Nanjing Taihe Yingke shall not engage in any other investments other than the Jiangning Project and holding the Nanjing Properties and the Beijing Properties; and (ii) the Guarantors, Forward Investment and Nanjing Taihe Yingke shall not carry out any action that might damage the interests of the Subscriber (including but not limited to diluting the equity interest of the Subscriber in Forward Investment).

The Parties agree that Forward Investment and Nanjing Taihe Yingke shall endeavour to satisfy any financing needs by internal cash resources and bank financing. In the event that Forward Investment and Nanjing Taihe Yingke are unable to satisfy the financing needs through the above-mentioned means, the Guarantors undertake to provide the necessary financing to Nanjing Taihe Yingke (on terms acceptable to the Subscriber). If the terms of such financing by the Guarantors are more favourable than the terms under the Return Undertaking, the return to the Subscriber shall be increased accordingly. Pursuant to the Subscription Agreement, the Subscriber shall not be required to provide any additional financing to Forward Investment and Nanjing Taihe Yingke in the future. However, the Subscriber retains the right, but not the obligation, to provide financing at a proportion not higher than the Subscriber's equity interest in Forward Investment and on terms not less favourable than the financing provided by the Guarantors.

The Guarantors jointly and severally undertake to the Subscriber that the Guarantors shall indemnify the Subscriber, Forward Investment and its subsidiaries for (i) any PRC tax liabilities incurred on Nanjing Taihe Yingke for any transactions in the equity interest in Forward Investment (including both actual and deemed transactions); and (ii) any tax or liabilities (including administrative penalties on prior matters) of Forward Investment and Nanjing Taihe Yingke not recorded in the accounts of Forward Investment and Nanjing Taihe Yingke. At Completion, the Guarantors shall deliver to the Subscriber an executed deed of guarantee and indemnity in this respect.

The Guarantors also jointly and severally undertake to take all reasonable steps to dispose of the the Tourism Project from Nanjing Taihe Yingke prior to Completion.

Mr. Ye has mortgaged certain of his personal property interests in favour of a bank in the PRC in respect of two loans to Nanjing Taihe Yingke amounting to RMB50.0 million and RMB25.0 million (equivalent to approximately HK\$61.5 million and HK\$30.8 million), which will be due on 23 December 2012 and 24 December 2012 respectively. Mr. Ye has undertaken that he would continue to provide the property mortgage for the security of the said loan and would assist Nanjing Taihe Yingke to obtain extension of the existing loans of Forward Investment Group upon their maturity if required.

In addition to the deed of guarantee and indemnity as mentioned above, at Completion, Modern Admission shall deliver to the Subscriber a duly executed share charge in favour of the Subscriber in relation to its shareholding in Forward Investment and Mr. Lee shall deliver to the Subscriber a duly executed share charge in favour of the Subscriber in relation to his entire shareholding in Modern Admission as security of any amount that may be owing to the Subscriber under the Subscription Agreement and/or the deed of guarantee and indemnity.

Conditions precedent

The conditions precedent of the Subscription are as follows:

- (i) the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the entering into of the Subscription Agreement and the transactions contemplated thereunder by the Company in accordance with the requirements under the Listing Rules;
- (ii) the Subscriber having conducted a due diligence investigation in respect of Forward Investment and its subsidiaries (including but not limited to business, operations, assets, financial performance, group structure, financial and legal positions), and the Subscriber being satisfied with the results of the due diligence investigation;
- (iii) the Subscriber having obtained a PRC legal opinion (in the form and substance which are reasonably satisfactory to the Subscriber) from a firm of PRC legal advisers reasonably acceptable by the Subscriber in relation to Forward Investment and its subsidiaries, including but not limited to:
 - (a) the due establishment and subsistence of Nanjing Taihe Yingke;
 - (b) Nanjing Taihe Yingke having obtained all the requisite approvals, consents, licenses or permits for the operation of its business;

- (c) the legality of the operations, business and assets of Nanjing Taihe Yingke;
 - (d) that the requirements under the rules concerning financing and round-trip investment undertaken by PRC domestic residents through overseas special purpose vehicles issues are not applicable to (i) the agreement entered into between Modern Admission, Mr. Lee and Mr. Ye for the acquisition by Modern Admission of 100% equity interest in Forward Investment dated 25 September 2012; and (ii) the transactions under the Subscription Agreement; and
 - (e) all the material contracts entered into by Nanjing Taihe Yingke remain legal, valid and are enforceable in accordance with the PRC laws and regulations.
- (iv) the transactions under the agreement entered into between Modern Admission, Mr. Lee and Mr. Ye for the acquisition by Modern Admission of 100% equity interest in Forward Investment dated 25 September 2012 having been completed;
 - (v) there is no material adverse change relating to the financial position, business, assets, operating results or prospects of Forward Investment and its subsidiaries since the date of the Subscription Agreement; and
 - (vi) the Parties fulfil and comply with the relevant terms, undertakings and obligations under the Subscription Agreement.

The Subscriber may at its absolute discretion at any time waive conditions (ii) to (vi) above in writing.

Completion

The Completion shall take place on the third Business Day (or such other date as the Parties may agree in writing) after all conditions precedent to the Subscription Agreement are fulfilled (or waived as appropriate).

Upon Completion, Forward Investment will become an associated company of the Company.

The long stop date for fulfilment of the conditions precedent is 31 December 2012 (or such other date as the Parties may agree in writing).

INFORMATION OF FORWARD INVESTMENT

Forward Investment is a company incorporated in Hong Kong with limited liability whose sole asset is 100% equity interest in Nanjing Taihe Yingke. Upon the completion of the disposal of the Tourism Project, the sole assets of Nanjing Taihe Yingke are the Properties, namely (i) the Jiangning Project; (ii) the Nanjing Properties; and (iii) the Beijing Properties.

At the time of the acquisition of Forward Investment (which holds 100% equity interest in Nanjing Taihe Yingke) in April 2009, Mr. Ye has not satisfied all the required requirements in relation to the rules concerning financing and round-trip investment undertaken by PRC domestic residents through overseas special purpose vehicles issues. To facilitate the Subscription, on 25 September 2012, Mr. Ye entered into an agreement to dispose of 100% equity interest in Forward Investment to Modern Admission, the completion of which is a condition precedent to the Subscription Agreement. Mr. Ye has also reached an understanding with Mr. Lee to acquire the entire issued

share capital of Modern Admission, one of the conditions precedent being Mr. Ye satisfying all the required approvals in relation to the rules concerning financing and round-trip investment undertaken by PRC domestic residents through overseas special purpose vehicles issues for his ownership of the equity interest in Forward Investment. However, no agreement has yet been entered into.

Nanjing Taihe Yingke is a company incorporated in the PRC with limited liability. Nanjing Taihe Yingke is the legal and beneficial owner of the Properties, namely, (i) the Jiangning Project; (ii) the Nanjing Properties; and (iii) the Beijing Properties.

The Jiangning Project is designed as a composite complex comprising two towers of commercial space and service apartments. It has a total gross floor area of approximately 60,145.04 square metres, including a basement of 14,158.00 square metres, and land use rights of approximately 20,050.90 square metres. The land use rights for the commercial space have a term of 40 years from 28 February 2007 to 28 February 2047, while the land use rights for the service apartments have a term of 65 years from 27 February 2007 to 28 February 2072. As at the date of this announcement, the Jiangning Project is undergoing the installation of the superstructure. The construction of service apartments with a total gross floor area of 21,093.06 square metres of the Jiangning Project is expected to be completed in 2013, while the commercial space with a total gross floor area of 39,051.98 square metres is expected to be completed in 2015. Nanjing Taihe Yingke has obtained the pre-sale permit for the commercial space and service apartments. As at 31 August 2012, Nanjing Taihe Yingke has pre-sold 14 units of service apartments and has received the corresponding deposits or down payments.

The Nanjing Properties comprise of two office units with a gross floor area of 116.67 square metres and eight residential units with a gross floor area of 1,710.89 square metres in the Jiangning District, Nanjing, the PRC. The land use rights of the office units will expire on 9 January 2068 and the land use rights of the residential units will expire on 5 June 2076. The Nanjing Properties are currently vacant.

The Beijing Properties comprise of two residential units in the Chaoyang District, Beijing, the PRC with an expected gross floor area of 387.76 square metres. Completion of the sale and purchase of the two residential units is expected to take place in 2013.

Based on the preliminary valuation conducted by an independent property valuer appointed by the Company, the Properties were valued at RMB1,073.8 million (equivalent to approximately HK\$1,320.8 million) as at 31 August 2012, which was RMB696.6 million (equivalent to approximately HK\$856.8 million) above their aggregate book value of approximately RMB377.2 million (equivalent to approximately HK\$464.0 million) as at 31 August 2012.

It is intended that the Nanjing Properties and the Beijing Properties would be held for resale purposes.

Based on the unaudited financial information of Forward Investment, Forward Investment incurred a loss before and after tax of approximately HK\$9,850 and HK\$9,450 for the years ended 31 December 2010 and 31 December 2011 respectively, while the unaudited net liabilities value of Forward Investment was approximately HK\$850,851 and HK\$860,301 as at 31 December 2010 and 31 December 2011 respectively.

As at 31 August 2012, the outstanding shareholder's loan of Forward Investment amounted to approximately HK\$16.4 million. Pursuant to the Subscription Agreement, such amount shall be capitalised under the Loan Capitalisation at Completion and the Subscription shall take place after Loan Capitalisation.

Nanjing Taihe Yingke has not yet generated any revenue since its incorporation. Based on the unaudited financial information of Nanjing Taihe Yingke, Nanjing Taihe Yingke incurred a loss before and after tax of approximately RMB1.9 million and RMB2.1 million (equivalent to approximately HK\$2.3 million and HK\$2.6 million) for the years ended 31 December 2010 and 31 December 2011 respectively, while the net assets value of Nanjing Taihe Yingke was approximately RMB12.3 million and RMB10.2 million (equivalent to approximately HK\$15.1 million and HK\$12.5 million) as at 31 December 2010 and 31 December 2011 respectively. Nanjing Taihe Yingke has pledged the properties of 15,094.44 square metres and the corresponding land use rights of the Jiangning Project in return for an entrusted loan of RMB150.0 million (equivalent to approximately HK\$184.5 million) from an Independent Third Party.

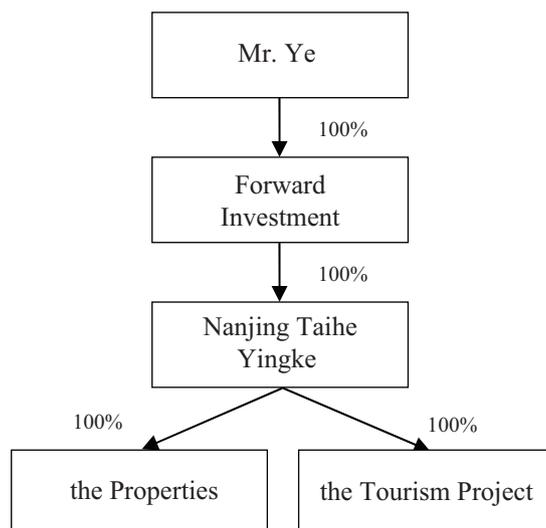
In addition, it is noted that Mr. Ye has mortgaged certain of his personal property interests in favour of a bank in the PRC in respect of loans granted to Nanjing Taihe Yingke amounting to RMB75.0 million (equivalent to approximately HK\$92.3) million.

The Guarantors undertake to the Subscriber to dispose of the Tourism Project from Nanjing Taihe Yingke prior to Completion. The management of the Company believes that such tourism project does not meet the strategy of the Company to develop infrastructure projects and therefore has requested the exclusion of the Tourism Project from Nanjing Taihe Yingke prior to Completion. As at 31 December 2010 and 31 December 2011, the unaudited net assets value of the Tourism Project was approximately RMB2.4 million and RMB2.7 million respectively (equivalent to approximately HK\$3.0 million and HK\$3.3 million respectively). The Tourism Project has yet to generate any revenue, profit or loss.

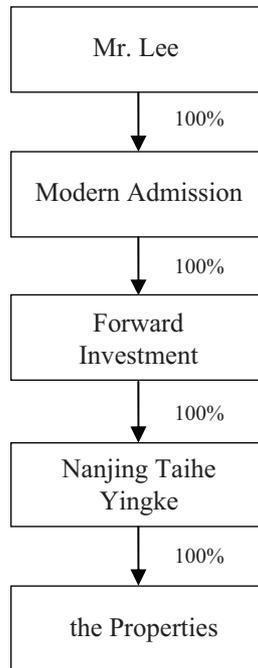
CORPORATE STRUCTURE OF FORWARD INVESTMENT

The diagrams below illustrate the corporate structure of Forward Investment (i) as at the date of this announcement; (ii) prior to Completion; and (iii) Upon Completion.

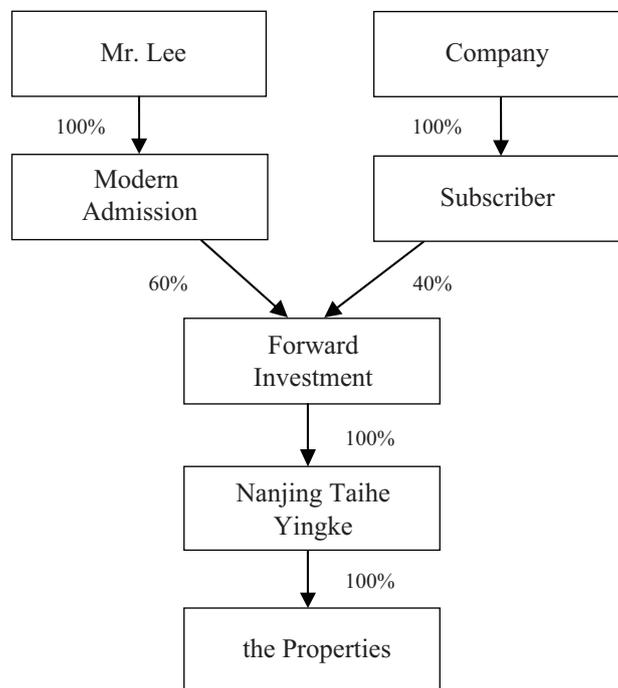
(i) As at the date of this announcement



(ii) Prior to Completion



(iii) Upon Completion



REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company is principally engaged in property investment in Hong Kong and natural gas operation in the PRC. The Subscriber is an investment holding company.

The management of the Group intends to expand the development portfolio of the Group. In particular, the Group is interested in investment opportunities which offer satisfactory returns to the Shareholders within the expected return and acceptable risk profile.

The Jiangning Project is located at the Jiang Ning Development Zone, which is 7 kilometres from Nanjing, the PRC and is classified by the State Council of the PRC as a national economic and technological development zone. A number of internationally renowned electronic information, automobile and software enterprises have set up operations in the Jiang Ning Development Zone and the aggregate investment has exceeded US\$9 billion.

The Nanjing Properties comprises of two office units and eight residential units in the Jiangning District of Nanjing, the PRC with a total gross floor area of 1,827.56 square metres, while the Beijing Properties comprise of two residential units with a total expected gross floor area of 387.56 square metres. The Nanjing Properties and Beijing Properties are intended to be held for resale purposes.

Nanjing is the capital of Jiangsu Province, the PRC. According to the Nanjing Statistics Bureau, Nanjing had a population of approximately 8.1 million as at 31 December 2011. Nanjing experienced substantial growth rates in gross domestic product (“GDP”) for the five years from approximately RMB328.4 billion in 2007 to approximately RMB614.5 billion in 2011, registering a compound annual growth rate of approximately 17.0%. GDP growth rate of Nanjing was approximately 13.1% and 12.0% for 2010 and 2011, respectively, and GDP growth rate of the Jiangsu Province was approximately 12.7% and 11.0% for 2010 and 2011, respectively, which was above the national GDP growth rates. A total gross floor area of approximately 7.7 million square metres of commodity properties was completed in Nanjing in 2011, representing a decrease of approximately 6.7% compared to 2010.

The Company is of the view that the Subscription allows the Company to invest in a mature development project located within a promising district. Moreover, after taking into consideration the stage of development of the Jiangning Project and the undertaking by the Guarantors that the return from the Subscription shall not be below 12% of the Consideration per annum, the Company believes that the Subscription offers assured returns to the Company within an acceptable risk profile.

Shareholders’ attention is drawn to the disposal of Central Bingo Group Limited in 2011, which was interested in a composite development project in Shenyang, the PRC (the “Central Bingo Disposal”). As stated in the circular dated 29 July 2011 issued by the Company in relation to the Central Bingo Disposal, the PRC government enacted policies to curb speculation in real estate investments beginning from 2010. At that time, the Company was of the view that those policies would lead to higher cost of project financing and hence create uncertainties to the return from the Company’s investment in Central Bingo Group Limited. Moreover, the Company might be required to provide further capital if the incoming cash flow from the project was insufficient to finance the outstanding development commitments. Therefore, the Company decided to enter into the agreement in respect of the Central Bingo Disposal.

Pursuant to the Subscription Agreement, the Guarantors have undertaken to the Subscriber that the return from the Subscription shall not be below 12% of the Consideration per annum. Any shortfall would be compensated by the Guarantors to the Subscriber on a dollar-for-dollar basis. The Company is of the view that the Subscription offers assurance to the return to the Company's investment. The Guarantors further undertook to the Subscriber that any additional financing needs of Forward Investment and Nanjing Taihe Yingke shall be satisfied by internal cash resources or bank financing of Nanjing Taihe Yingke or financing provided by the Guarantors and the Company does not anticipate to provide additional capital to Forward Investment or Nanjing Taihe Yingke for the development of the Jiangning Project.

Taking into consideration of the factors mentioned above, the Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the independent financial adviser) believe that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF SUBSCRIPTION MONIES

It is intended that the Consideration will be applied by Forward Investment by way of capital contribution or shareholder's loan to Nanjing Taihe Yingke to fund the development of the Jiangning Project which is estimated to be approximately RMB243.9 million (equivalent to approximately HK\$300.0 million).

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules exceed 25% but fall below 100%, the Subscription constitutes a major transaction for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

Mr. Ye is the Vice Chairman, the Chief Executive Officer, an executive Director and a substantial Shareholder of the Company beneficially interested in 1,189,290,512 Shares (representing approximately 27.85% of the issued share capital of the Company) as at the date of this announcement. Mr. Ye is the beneficial owner of 100% equity interest in Forward Investment as at the date of the Subscription Agreement and one of the Guarantors under the Subscription Agreement. As such, the transactions contemplated under the Subscription Agreement also constitute a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. Accordingly, the Subscription is subject to the Independent Shareholders' approval at the EGM and Mr. Ye and his associates will be required to abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder.

As Mr. Ye has material interests in the Subscription Agreement, he has abstained from voting on the relevant board resolution approving the Subscription Agreement.

As the completion of the Subscription is subject to, among other conditions, approval from the Independent Shareholders, the Subscription may or may not materialise. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

An independent board committee, comprising all the independent non-executive Directors, will be established to consider the terms of the Subscription Agreement and advise the Independent Shareholders as to whether the transactions under the Subscription Agreement were entered into in the ordinary and usual course of business, and the terms of the Subscription Agreement were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

An independent financial advisor will be appointed to advise the independent board committee and the Independent Shareholders as to whether the transactions under the Subscription Agreement were entered into in the ordinary and usual course of business, and the terms of the Subscription Agreement were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing inter alia, (i) further details of the Subscription; (ii) the recommendation of the independent board committee to the Independent Shareholders; (iii) the letter from an independent financial advisor to both the independent board committee and the Independent Shareholders; (iv) the valuation report on the Properties owned by Nanjing Taihe Yingke; and (v) the notice of EGM, will be despatched to the Shareholders on or before 26 October 2012 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

“associates”	has the same meaning as defined in the Listing Rules
“Beijing Properties”	two residential units with an expected gross floor area of 387.76 square metres located in the Chaoyang District, Beijing, the PRC
“Board”	the Board of Directors
“Business Day”	a day on which banks are open for general banking business in Hong Kong other than a Saturday
“Company”	China Infrastructure Investment Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“Consideration”	the consideration payable by the Subscriber for the Subscription, being HK\$300 million
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be convened for approving, among other things, the Subscription Agreement and the transactions contemplated thereunder

“Forward Investment”	Forward Investment (PRC) Company Limited, company incorporated in Hong Kong with limited liability
“Forward Investment Group”	Forward Investment and its wholly-owned subsidiary, Nanjing Taihe Yingke
“Guarantors”	Mr. Ye, Modern Admission and Mr. Lee
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Ye and his associates
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Directors, chief executive and substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Jiangning Project”	a composite complex located at No. 11, Shengtai Road, the Jiang Ning Development Zone, Nanjing, Jiangsu, the PRC
“Loan Capitalisation”	the capitalisation of the entire shareholder’s loan due by Forward Investment to Modern Admission at Completion
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Modern Admission”	Modern Admission Group Limited, a company incorporated in the British Virgin Islands with limited liability and the holder of 100% equity interest in Forward Investment prior to Completion
“Mr. Lee”	Mr. Lee Kai Choi Eldon, the sole beneficial owner of 100% equity interest in Modern Admission
“Mr. Ye”	Mr. Ye De Chao, the Vice Chairman, the Chief Executive Officer, an executive Director and a substantial Shareholder of the Company
“Nanjing Properties”	two office units with a gross floor area of 116.67 sq metres and eight residential units with a gross floor area of 1,710.89 square metres located in the Jiangning District of Nanjing, the PRC
“Nanjing Taihe Yingke”	南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Forward Investment

“Parties”	the Subscriber, Forward Investment, Mr Ye, Modern Admission and Mr. Lee
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Properties”	the Jiangning Project, the Nanjing Properties and the Beijing Properties
“Share(s)”	ordinary share(s), currently with par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Keen Gate Developments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription for 10,935,769 shares of par value HK\$1.00 each (representing approximately 40% of issued share capital after the Loan Capitalisation and the said subscription) of Forward Investment at the Consideration by the Subscriber
“Subscription Agreement”	the agreement dated 27 September 2012 entered into between the Parties in relation to the Subscription
“Tourism Project”	the tourism project at Guli, Shuangtang, Jiangsu Province, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Percentage

For the purpose of this announcement, conversions of Renminbi into Hong Kong dollars are based on the approximate exchange rate of RMB81.3 = HK\$100.00.

By Order of the Board
China Infrastructure Investment Limited
Lee Siu Yuk Eliza
Executive Director

Hong Kong, 27 September 2012

As at the date of this announcement, the Board comprises Mr. Zhu Hai Hua, Mr. Ye De Chao, Mr. Zhou Guo Chang, Mr. Ji Xu Dong, Mr. Xu Xiao Jun and Ms. Lee Siu Yuk, Eliza as executive Directors; and Mr. He Jin Geng, Mr. Yu Hong Gao and Mr. Yuen Hon Ming, Edwin as independent non-executive Directors.

* *For identification purposes only*