中國智能基礎設施集團有限公司
China AI Infrastructure Group Limited

(Formerly known as China City Infrastructure Group Limited)
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2349

INTERIM REPORT 2026

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Chao Bo *(Chairman and Chief Executive Officer)*
Mr. Ji Jiaming

Non-executive Director

Ms. Kwong Mei Wan, Cally, J.P. *(appointed on 2 April 2026)*
Mr. Zhang Guiqing *(resigned on 2 April 2026)*

Independent non-executive Directors

Mr. Ng Chi Ho, Dennis
Prof. Lau Chi Pang, J.P. *(appointed on 23 April 2026)*
Ms. Chan Hoi Yan *(appointed on 2 April 2026)*
Ms. Kwong Mei Wan, Cally *(resigned on 2 April 2026)*
Mr. Kwok Kin Wa *(resigned on 23 April 2026)*

AUDIT COMMITTEE

Mr. Ng Chi Ho, Dennis *(Committee Chairman)*
Prof. Lau Chi Pang, J.P. *(appointed on 23 April 2026)*
Ms. Chan Hoi Yan *(appointed on 2 April 2026)*
Ms. Kwong Mei Wan, Cally *(resigned on 2 April 2026)*
Mr. Kwok Kin Wa *(resigned on 23 April 2026)*

REMUNERATION COMMITTEE

Prof. Lau Chi Pang, J.P. *(Committee Chairman) (appointed on 23 April 2026)*
Mr. Ng Chi Ho, Dennis
Ms. Chan Hoi Yan *(appointed on 2 April 2026)*
Ms. Kwong Mei Wan, Cally *(resigned on 2 April 2026)*
Mr. Kwok Kin Wa *(resigned on 23 April 2026)*

NOMINATION COMMITTEE

Prof. Lau Chi Pang, J.P. *(Committee Chairman) (appointed on 23 April 2026)*
Mr. Ng Chi Ho, Dennis
Ms. Chan Hoi Yan *(appointed on 2 April 2026)*
Ms. Kwong Mei Wan, Cally *(resigned on 2 April 2026)*
Mr. Kwok Kin Wa *(resigned on 23 April 2026)*

COMPANY SECRETARY

Mr. Chan Hoi Yin Anthony

AUTHORISED REPRESENTATIVES

Mr. Li Chao Bo *(Chairman)*
Mr. Chan Hoi Yin Anthony

AUDITOR

Confucius International CPA Limited
Certified Public Accountants

WEBSITE

www.ai-infrastructure.com.hk

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
No. 78 Des Voeux Road Central
Hong Kong

The Hong Kong and Shanghai Banking Corporation Limited
Level 10, HSBC Main Building
No. 1 Queen's Road Central, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6208, 62nd Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Revenue	*3*	**28,077**	25,049
Cost of sales		**(11,730)**	(10,576)
Gross profit		**16,347**	14,473
Fair value loss of investment properties		**(53,140)**	(35,870)
Gain on disposal of subsidiaries	*14*	**–**	2
Allowance for expected credit losses on trade and other receivables, net of reversal	*10*	**(613)**	(228)
Loss on deregistration of a subsidiary	*15*	**–**	(184)
Other operating income		**996**	65
Other operating expenses		**(6)**	(52)
Selling and distribution expenses		**(654)**	(12)
Administrative expenses		**(13,558)**	(12,055)
Finance costs	*4*	**(17,079)**	(19,377)
Loss before tax		**(67,707)**	(53,238)
Income tax credit	*5*	**13,268**	8,967
Loss for the period	*6*	**(54,439)**	(44,271)
Loss for the period attributable to			
– Owner of the Company		**(53,515)**	(44,271)
– Non-controlling interest		**(924)**	–
		(54,439)	(44,271)
		HK cents	*HK cents*
Loss per share	*8*		
– Basic and diluted		**(1.71)**	(1.42)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(54,439)**	(44,271)
Other comprehensive expense for the period:		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operation	**31,353**	32,865
Release of special reserve upon deregistration of a subsidiary	**–**	184
Total comprehensive expense for the period (net of tax)	**(23,086)**	(11,222)
Total comprehensive expense for the period attributable to:		
– Owner of the Company	**(22,162)**	(11,222)
– Non-controlling interest	**(924)**	–
	(23,086)	(11,222)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**1,197**	191
Investment properties	*9*	**973,218**	991,556
Right-of-use assets		**6,401**	1,220
Goodwill		**738**	–
		981,554	992,967
Current assets			
Inventories		**5,583**	18
Trade and other receivables	*10*	**25,143**	24,211
Bank balances and cash		**17,286**	22,300
		48,012	46,529
TOTAL ASSETS		**1,029,566**	1,039,496
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	*11*	**312,828**	312,828
Reserves		**208,618**	230,780
Equity attributable to owners of the Company		**521,446**	543,608
Non-controlling interest		**784**	1
		522,230	543,609

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**36,312**	47,796
Borrowings – due after one year	*12*	**389,600**	390,006
Deposits received for lease of properties		**2,943**	2,742
Lease liabilities – due after one year		**4,435**	–
		433,290	440,544
Current liabilities			
Trade and other payables	*13*	**38,676**	29,694
Contract liabilities		**957**	1,837
Deposits received for lease of properties		**9,094**	8,791
Tax payable		**364**	395
Borrowings – due within one year	*12*	**22,989**	13,333
Lease liabilities – due within one year		**1,966**	1,293
		74,046	55,343
TOTAL LIABILITIES		**507,336**	495,887
TOTAL EQUITY AND LIABILITIES		**1,029,566**	1,039,496
NET CURRENT LIABILITIES		**(26,034)**	(8,814)
TOTAL ASSETS LESS CURRENT LIABILITIES		**955,520**	984,153

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *HK$'000*	Share premium *HK$'000*	Share option reserve *HK$'000*	Special reserve *HK$'000*	Capital reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Subtotal *HK$'000*	Non-controlling interest *HK$'000*	Total *HK$'000*
At 1 January 2026 (audited)	**312,828**	**1,741,104**	**-**	**-**	**306**	**(43,444)**	**(1,467,186)**	**543,608**	**1**	**543,609**
Loss for the period	-	-	-	-	-	-	(53,515)	(53,515)	(924)	(54,439)
Translation exchange differences	-	-	-	-	-	31,353	-	31,353	-	31,353
Total comprehensive expenses for the period	-	-	-	-	-	31,353	(53,515)	(22,162)	(924)	(23,086)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,707	1,707
At 30 June 2026 (unaudited)	**312,828**	**1,741,104**	**-**	**-**	**306**	**(12,091)**	**(1,520,701)**	**521,446**	**784**	**522,230**

For the six months ended 30 June 2025

	Share capital *HK$'000*	Share premium *HK$'000*	Share option reserve *HK$'000*	Special reserve *HK$'000*	Capital reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Subtotal *HK$'000*	Non-controlling interest *HK$'000*	Total *HK$'000*
At 1 January 2025 (audited)	312,828	1,741,104	6,183	(184)	306	(81,764)	(1,376,977)	601,496	1	601,497
Loss for the period	-	-	-	-	-	-	(44,271)	(44,271)	-	(44,271)
Release of special reserve upon deregistration of a subsidiary	-	-	-	184	-	-	-	184	-	184
Translation exchange differences	-	-	-	-	-	32,865	-	32,865	-	32,865
Total comprehensive expenses for the period	-	-	-	184	-	32,865	(44,271)	(11,222)	-	(11,222)
Share options lapsed	-	-	(6,183)	-	-	-	6,183	-	-	-
At 30 June 2025 (unaudited)	312,828	1,741,104	-	-	306	(48,899)	(1,415,065)	590,274	1	590,275

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	**4,250**	(829)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,055)**	(1)
Net cash inflow from acquisition of subsidiary	**17**	–
Net cash outflow on disposal of a subsidiary	**–**	2
Interest received	**47**	61
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	**(991)**	62
FINANCING ACTIVITIES		
Capital element of lease rental paid	**(1,220)**	(1,194)
Interest element of lease rental paid	**(121)**	(121)
Interest paid	**(2,385)**	(5,460)
New borrowings raised	**5,550**	11,368
Repayment of borrowings	**(4,651)**	(4,348)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	**(2,827)**	245
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**432**	(522)
Effect of foreign exchange rate changes	**(5,446)**	(5,167)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**22,300**	9,721
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**17,286**	4,032
ANALYSIS OF CASH AND CASH EQUIVALENTS representing bank balances and cash as stated in the consolidated statement of financial position	**17,286**	4,032

1. BASIS OF PREPARATION

China AI Infrastructure Group Limited (formerly known as China City Infrastructure Group Limited) (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 9 October 2002. The address of the registered office and principal place of business of the Company is disclosed in the "Corporate Information" section of this report.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 June 2003. The directors of the Company (the "Directors") consider that Linkway Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is a substantial shareholder of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the "Group") are property investment, property development and property management in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

The condensed consolidated interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Application of amendments to International Financial Reporting Standards

In the current interim period, the Group has applied the following new and amended Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA for the first time:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of these new and amended HKFRSs did not have any material impact on the Group's condensed consolidated interim financial information.

The Group has not early adopted the new and amendments HKFRSs, which have been issued but are not yet effective for the current period. The Group has commenced an assessment of the related impact, but is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of the financial information will be resulted.

2.2 Basis for preparation of condensed consolidated financial statements

As at 30 June 2026, the Group has net current liabilities position of approximately HK$26,034,000. The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering the followings:

(a) the Group has secured loan facilities from a financial institution by pledging investment properties, with undrawn bank facilities amounting to approximately RMB107,960,000 as at 30 June 2026;

(b) the Group will accelerate the collection of outstanding trade and other receivables; and

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 Basis for preparation of condensed consolidated financial statements (continued)

(c) the Group applies cost control measures in the cost of sales and administrative expenses and maintains containment of capital expenditures.

In view of the above circumstances, the Directors expects that the Group will have sufficient liquidity to meet its financial obligations that will be due in the coming twelve months from 30 June 2026. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

3. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of annual reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. Specifically, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions, which is the same information reported to the chief operating decision maker.

The Group's operating segments are as follows:

– Property Development Business Segment engaging in development of property projects in the PRC

– Property Investment Business Segment engaging in leasing of investment properties in the PRC

– Property Management Business Segment engaging in provision of property management and other services in the PRC

– Other unreportable segment (selling a of range of water products) are aggregated and presented as "Others".

3. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the six months ended 30 June 2026

	Property Development Business *HK$'000* (unaudited)	Property Investment Business *HK$'000* (unaudited)	Property Management Business *HK$'000* (unaudited)	Others *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
TOTAL REVENUE AND EXTERNAL SALES	–	15,212	10,860	2,005	28,077
RESULT					
Segment operating results	(118)	9,374	2,889	(833)	11,312
Fair value gain in respect of investment properties revaluation	–	(53,140)	–	–	(53,140)
Unallocated corporate income					704
Unallocated corporate expense					(9,504)
Finance costs					(17,079)
Loss before tax					(67,707)
Income tax credit					13,268
Loss for the period					54,439

3. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the six months ended 30 June 2025

	Property Development Business *HK$'000* (unaudited)	Property Investment Business *HK$'000* (unaudited)	Property Management Business *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
TOTAL REVENUE AND EXTERNAL SALES	–	16,869	8,180	25,049
RESULT				
Segment operating results	(261)	8,795	546	9,080
Fair value gain in respect of investment properties revaluation	–	(35,870)	–	(35,870)
Gain on disposal of subsidiaries				2
Unallocated corporate income				37
Unallocated corporate expense				(7,110)
Finance costs				(19,377)
Loss before tax				(53,238)
Income tax credit				8,967
Loss for the period				(44,271)

4. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expense on bank loans and other borrowings	**17,057**	19,256
Interest expense on lease liabilities	**22**	121
	17,079	19,377

5. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax ("EIT")	**17**	–
Current tax charge for the period	**17**	–
Deferred tax credit for the period	**(13,285)**	(8,967)
	(13,268)	(8,967)

5. INCOME TAX CREDIT (continued)

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit subject to Hong Kong Profits Tax during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The Group's PRC EIT is calculated based on the applicable tax rates on assessable profits, if applicable.

LAT in the PRC is levied at the applicable tax rate on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs, including directors' emoluments	**10,246**	10,509
Retirement benefits scheme contributions, including contributions for directors	**632**	536
Total staff costs	**10,878**	11,045
Depreciation of property, plant and equipment	**57**	59
Depreciation of right-of-use assets	**1,220**	1,220

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gross rental income from investment properties	**(15,212)**	(16,869)
Less: Direct operating expenses from investment properties that generate rental income	**3,736**	5,472
	(11,476)	(11,397)

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8. LOSS PER SHARE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss attributable to equity holders of the Company	**(53,515)**	(44,271)
	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**3,128,278,542**	3,128,278,542
	HK cents per share	
Basic loss per share	**(1.71)**	(1.42)

Diluted loss per share was not presented for both periods because the impact of the exercise of share options was anti-dilutive.

9. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The fair value of the Group's investment properties at 30 June 2026 and 31 December 2025 has been arrived at on the basis of a valuation carried out on the respective dates by Peak Vision Appraisals Limited, an independent qualified professional valuer not connected to the Group, who possesses the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

9. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of investment properties in Wuhan (Future City Shopping Centre, Future Mansion Carparks and Zhongshui • Longyang Plaza Carparks) was arrived at with the adoption of a combination of direct comparison method and investment method by Peak Vision Appraisals Limited. Direct comparison method assumes the property is capable of being sold in its existing state with the benefit of immediate vacant possession and makes reference to comparable sales evidence as available in the relevant markets. Investment method takes into account the current rents passing and the reversionary income potential of the property. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The resulting decrease in fair value of investment properties of approximately HK$53,140,000 (six months ended 30 June 2025: decrease of approximately HK$35,870,000) has been recognised directly in the condensed consolidated statement of profit or loss and other comprehensive income.

During the six months ended 30 June 2026, the Group did not dispose of any investment properties (six months ended 30 June 2025: nil). On the other hand, it acquired property, plant and equipment at a total cost of approximately HK$1,055,000 (six months ended 30 June 2025: approximately HK$2,000).

Details of the pledged investment properties and property, plant and equipment as at 30 June 2026 and 31 December 2025 are set out in Note 15.

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables		
– contracts with customers	**9,020**	7,448
– property investment business	**17,618**	15,940
Less: accumulated allowance for expected credit losses	**(7,392)**	(6,945)
	19,246	16,443
Prepayments and deposits	**8,722**	6,368
Other receivables	**2,151**	6,210
Less: accumulated allowance for expected credit losses	**(4,976)**	(4,810)
	5,897	7,768
	25,143	24,211

An aging analysis of trade receivables (net of allowance for credit losses) based on invoice dates at the end of the reporting period is as follows:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 90 days	**6,855**	3,617
91 to 180 days	**1,807**	1,807
Over 180 days	**10,584**	11,019
	19,246	16,443

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

11. SHARE CAPITAL

	Number of ordinary shares HK$0.1 each Share(s)	**Amount *HK$'000***
Authorised:		
At 1 January 2026 (audited) and 30 June 2026 (unaudited)	5,000,000,000	500,000
Issued and fully paid:		
As 1 January 2026 (audited) and 30 June 2026 (unaudited)	3,128,278,542	312,828

All shares rank pari passu with the shares in issue in all respects.

12. BORROWINGS

During the six months ended 30 June 2026, the Group obtained new borrowings of approximately HK$5,550,000 (six months ended 30 June 2025: approximately HK$19,375,000), and made repayments in the amount of approximately HK$4,651,000 (six months ended 30 June 2025: approximately HK$14,130,000). These borrowings borne interest at 5.00% to 8.00% per annum (year ended 31 December 2025: 5.00% to 8.00% per annum).

13. TRADE AND OTHER PAYABLES

An aging analysis of the Group's trade payables at the end of the reporting period based on invoice date is as follows:

	As at 30 June 2026 *HK$'000* (unaudited)	As at 31 December 2025 *HK$'000* (audited)
Within 90 days	**2,008**	1,191
91 to 180 days	**1**	152
Over 180 days	**6,944**	6,431
Trade payables	**8,953**	7,774
Interest payables	**794**	1,150
Accrued expenses and other tax payable	**6,296**	10,416
Other payables	**22,633**	10,354
	38,676	29,694

13. TRADE AND OTHER PAYABLES (continued)

Trade payables principally comprise amounts outstanding for dismantling costs of prior hotel business, construction materials and construction work of inventory of properties and investment properties.

The Directors consider that the carrying amount of trade and other payables approximate to their fair value.

14. ACQUISITION OF A SUBSIDIARY

On 10 February 2026, Shenzhen Huafeng Infrastructure Investments Company Limited, a wholly owned subsidiary of the Company, entered into an agreement with Qianhai Jiesuan Company Limited to acquire 60% equity interest of Shenzhen Shi Zhilian Fei Chuang Technology Limited ("Zhilian"). Since the acquisition was completed on 26 February 2026, Zhilian became an indirect non-wholly owned subsidiary of the Company thereafter.

The following table summarises the recognised fair values of the assets acquired and liabilities assumed on acquisition of Zhilian:

	HK$'000
Identifiable assets acquired and liabilities assumed on acquisition date	
Other receivables and prepayment	**2,394**
Inventories	**1,872**
Cash and cash equivalents	**13**
Other payables	**(10)**
Total identifiable net assets acquired	**4,269**
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of Zhilian	**(1,779)**
Goodwill	**738**
Total consideration to be satisfied by Convertible Bonds	**3,300**

14. ACQUISITION OF A SUBSIDIARY (continued)

Cashflow movement in relation to acquisition of Zhilian during the period ended 30 June 2026:

	HK$'000
Cash and cash equivalents acquired – net cash inflow arising on the acquisition	**17**

15. PLEDGE OF ASSETS

At the end of reporting period, the following assets were pledged by the Group to banks to secure general banking facilities granted to the Group, and their respective carrying amounts are as follows.

	As at 30 June 2026 ***HK$'000*** **(unaudited)**	As at 31 December 2025 *HK$'000* (audited)
Investment properties situated in the PRC	**412,458**	420,416

16. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2026 and 31 December 2025, the Group had no significant contingent liabilities and commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the businesses of property investment, property development and property management and the Group's strategy is to leverage a diversified portfolio of business segments to broaden and strengthen its revenue sources, while aligning with the market's increasing demand for technological innovation and intelligent solutions. The Board remains actively committed to exploring avenues for expanding the Group's business segments and proactively identifying and developing opportunities in emerging sectors with strong growth potential and accordingly, the Company commenced to operate under the new name "China AI Infrastructure Group Limited" with effect from 30 June 2026.

In order to devote more resources to meet the strategic direction of the Group's business, the Group may sell the whole or a portion of Group's property portfolio depending on the market and market value of the property portfolio. In support of further business development of the Group, the management is actively looking for the potential projects which is compatible with the Group's principal activities.

BUSINESS REVIEW

The Property Investment Business

Wuhan Future City Commercial Property Management Company Limited was formed by the Group to operate the Future City Shopping Centre ("Future City") owned by the Group. Future City is located at Luo Shi Road South within close proximity to the Luoyu Road shopping belt and the Jiedao Kou station of metro line No. 2. The total leasable area of Future City is approximately 55,029 sq.m. with carparks included. Future City is situated in the heart of business and commercial centre of Hongshan District in Wuhan City, convenient to East Lake, Wuhan University, Wuhan University of Technology and other landmarks. Future City now becomes a fashionable, dynamic and international shopping centre to cater for the growing demand from the surrounding business centres and university region (more than twenty universities and tertiary education institutions including Wuhan University and Wuhan University of Technology) with 1,000,000 students and residential consumers. As at 30 June 2026, the aggregate fair value of the Future City was approximately HK$872.4 million. During the six months ended 30 June 2026 (the "Current Period"), the rental income generated from the Future City was approximately HK$14.3 million (six months ended 30 June 2025: approximately HK$14.9 million) and the average occupancy rate was around 89.8% (30 June 2025: 88.2%).

The Group has total gross floor area of Future Mansion's carparks and Zhongshui • Longyang Plaza Carparks was 7,723.06 sq.m. and 135,173.09 sq.m. respectively, and as at 30 June 2026, the fair value of the carparks was approximately HK$13.3 million and HK$74.4 million respectively.

As at 30 June 2026, the aggregate fair value of the Future City, Future Mansion's carparks and Zhongshui • Longyang Plaza's Carparks held by the Group was approximately HK$973.2 million (31 December 2025: approximately HK$991.6 million). During the Current Period, the rental income generated from the investment properties was approximately HK$15.2 million (six months ended 30 June 2025: approximately HK$16.9 million).

The Property Management Business

Wuhan Future City Property Management Company Limited, the indirect wholly owned subsidiary of the Company, provides residents and tenants with safe, modern, comfortable and high quality property management services. During the Current Period, the revenue generated from property management was approximately HK$10.9 million (six months ended 30 June 2025: approximately HK$8.2 million).

The Group established a branch office, Wuhan Future City Property Management Company Limited (Henan Branch)* in August 2024 and entered a property management service contract with a third party in December 2024. The branch office contributed property management service income of approximately HK$3.3 million for the Current Period (six months ended 30 June 2025: approximately HK$1.7 million).

Water Products

In the first half of 2026, the Group launched a new business focused on the sale of water products, which generated a revenue of approximately HK$2.0 million for the six months ended 30 June 2026. Attributed to the company's proactive promotional efforts, revenue is expected to continue growing in the second half of 2026.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Period increased to approximately HK$28.1 million (six months ended 30 June 2025: approximately HK$25.0 million). The increase mainly due to the increase in the management income of the Henan Branch and the income from the selling of water products.

Comparing the six months ended 30 June 2025 to the Current Period, revenue from property management business increased from approximately HK$8.2 million to approximately HK$10.9 million, whereas revenue from property investment business decreased from approximately HK$16.9 million to approximately HK$15.2 million.

In the first half of 2026, the Company's subsidiaries, Yingrun Digital Technology Limited and Shenzhen 5100 Ruiquan Trading Limited* began serving as the Hong Kong and Macau General Agent and the China General Agent for 5100 Tibet Spring, respectively. The total revenue generated from the sale of water products for the Current Period amounted to approximately HK$2.0 million.

* *for identification purpose only*

Cost of Sales

Cost of sales increased from approximately HK$10.6 million for the six months ended 30 June 2025 to approximately HK$11.7 million for the Current Period, primarily due to the increase in the property management service cost of the Wuhan Future City Property Management Company Limited (Henan Branch) and the cost of the water products.

During the Current Period, the Group's cost of sales comprises of those from property investment segment of approximately HK$3.7 million (six months ended 30 June 2025: HK$5.5 million), property management business of approximately HK$6.1 million (six months ended 30 June 2025: HK$5.1 million) and selling of water products of approximately HK$1.9 million (six months ended 30 June 2025: Nil).

Gross Profit and Gross Profit Margin

Gross profit increased from HK$14.5 million for the six months ended 30 June 2025 to approximately HK$16.3 million for the Current Period. The Group had an overall gross profit margin of 58.2% for the Current Period, as compared to 57.8% for the corresponding six months in 2025. The increase in the gross profit margin was primarily attributable to the increase in the gross profit margin of the property management business.

Change in Fair Value of the Investment Properties

There was a loss of approximately HK$53.1 million for the Current Period arising from change in fair value of the investment property portfolio in the PRC held by the Group comparing to that of a loss of approximately HK$35.9 million for the six months ended 30 June 2025.

Administrative Expenses

The administrative expenses increased by approximately 12.4% to approximately HK$13.6 million for the Current Period from approximately HK$12.1 million for the corresponding six months in 2025, primarily due to the increase in staff costs.

Finance Costs

The finance costs decreased to approximately HK$17.1 million for the Current Period from approximately HK$19.4 million for the corresponding six months in 2025 due to the decrease in interest expense on borrowings of approximately HK$2.2 million.

Income Tax Credit

The income tax credit for the Current Period was approximately HK$33.6 million (six months ended 30 June 2025: credit of approximately HK$9.0 million). The amount was primarily attributable to the deferred tax credit arising from fair value loss in respect of investment properties revaluation during the Current Period.

Loss Attributable to Owners of the Company

The loss attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately HK$53.5 million (six months ended 30 June 2025: approximately HK$44.3 million). The increase was mainly attributable to the fair value loss of the investment properties during the Current Period.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2026, total bank balances and cash of the Group amounted to approximately HK$17.3 million (31 December 2025: HK$22.3 million).

Borrowings and Charges on the Group's Assets

As at 30 June 2026, the Group's total debts included borrowings of approximately HK$412.6 million (31 December 2025: HK$403.3 million). Amongst the borrowings, approximately HK$23.0 million (31 December 2025: approximately HK$13.3 million) was repayable within one year and approximately HK$389.6 million (31 December 2025: approximately HK$390.0 million) was repayable after one year.

At 30 June 2026, certain investment properties with an aggregate carrying amount of approximately HK$412.5 million (31 December 2025: approximately HK$420.4 million) were pledged as security for certain banking facilities granted to the Group.

Gearing and Current Ratios

The gearing ratio was 75.7% as at 30 June 2026 (31 December 2025: 70.1%). The gearing ratio was measured by net debt (aggregated borrowings net of bank balances and cash) over the equity attributable to owners of the Company. The current ratio (current assets divided by current liabilities) was 0.65 (31 December 2025: 0.84).

OUTLOOK AND FUTURE PLAN

Looking ahead to the second half of 2026, the global political situation continues to experience a high degree of unrest, with escalating geopolitical tensions, armed conflicts, civil unrest, and political instability shaping a more volatile and fragmented international environment. The business environment remains complicated and grim amid deepening armed conflicts, trade frictions, protectionism, and rising risks of protests and disruptions worldwide.

The Group will continue to closely monitor domestic and international political, economic, and market developments, responding with flexibility and prudence. Amid the rapid advancement of cutting-edge technologies, particularly digitalisation and artificial intelligence, and sustained strong demand for smart solutions, the Group will proactively align with industry transformation trends. While continuing to pursue opportunities that align closely with its core business, management will also actively explore revenue streams that create long-term value for shareholders, with the aim of further diversifying the business portfolio and strengthening overall revenue resilience.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and the short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

(i) Long positions in shares at 30 June 2026

Name of Director	Capacity	*Notes*	Number of underlying shares	Approximate percentage of shareholding
Mr. Li Chao Bo	Beneficial owner	*(1)*	728,912,000	23.30%
Mr. Ji Jiaming	Beneficial owner	*(2)*	100,000,000	3.20%
Ms. Kwong Mei Wan Cally	Beneficial owner	*(3)*	60,000,000	1.92%

Notes:

(1) Mr. Li Chao Bo is the sole beneficial owner of Linkway Investment Holdings Limited which in turn owns 728,912,000 shares of the Company. Mr. Li Chao Bo was appointed as the Chairman and an Executive Director of the Company with effect from 31 March 2016, and as the chief executive officer of the Company with effective from 25 July 2022.

(2) Mr. Ji Jiaming holds 50% of Double Joy Developments Limited and is a director of Double Joy Developments Limited, which in turn owns 100,000,000 shares of the Company.

(3) Ms. Kwong Mei Wan, Cally is the non-executive Director of the Company. Ms. Kwong Mei Wan, Cally acquired the shares on 24 June 2026.

Save as disclosed above, at 30 June 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

On 5 June 2025, the Company adopted a new share option scheme the (the "2025 Scheme") whereby the Board can grant options to any eligible participants (being full time employees, executive directors and non-executive directors of the Company or any of its subsidiaries) for the subscription of the Company's shares in order to provide them with incentives and retain them for the ongoing operation and development of the Group. Details of the 2025 Scheme are set out in the circulars of the Company dated 29 April 2025. The 2025 Scheme will remain in force for a period of 10 years commencing from the date of adoption of the 2025 Scheme from 5 June 2025, i.e. from 5 June 2025 to 4 June 2035.

As at the date of this interim report, the total number of Shares available for issue under the 2025 Scheme is 312,827,854 representing approximately 10.00% of the issued share capital of the Company as at the date of this interim report. The maximum number of Shares issuable upon exercise of the options which may be granted under the 2025 Scheme of the Group (including both exercised and outstanding option) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

No share option has been granted by the Company under the 2025 Scheme since the adoption date and up to the date of this report.

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders of the Company maintained under Section 336 of the SFO shows that as at 30 June 2026, the Company had been notified of the following substantial shareholders' interests and short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital.

(i) Long positions in the shares at 30 June 2026

Name of substantial Shareholder	*Notes*	**Capacity/ Nature of interest**	**Number of ordinary shares**	**Approximate percentage of shareholding**
Linkway Investment Holdings Limited ("LIHL")	*(1)*	Beneficial owner and interest of controlled corporation	728,912,000	23.30%
Good Outlook Investments Limited	*(2)*	Beneficial owner and interest of controlled corporation	215,683,681	6.89%
China Financial International Investments Limited ("CFIIL")	*(3)*	Beneficial owner	665,055,429	21.26%
China Financial International Investments and Managements Limited	*(4)*	Investment manager	196,735,429	6.29%
Capital Focus Asset Management Limited	*(4)*	Investment manager	196,735,429	6.29%
Asia Unite Limited	*(5)*	Beneficial owner	251,231,135	6.03%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

(1) These Shares were held by LIHL. Mr. Li Chao Bo ("Mr. Li") is the sole beneficial owner of LIHL. Mr. Li has beneficially interested in the said Shares.

(2) The company is a company incorporated in the British Virgin Island with limited liability.

(3) These Shares were held by CFIIL (Stock Code: 721). Therefore, CFIIL have beneficially interested in the said Shares.

(4) These Shares were held by CFIIL. China Financial International Investments and Managements Limited ("CFIIM") is 51% owned by Capital Focus Asset Management Limited ("Capital Focus") and 29% by owned CFIIL. Accordingly, for the purposes of the SFO, CFIIM and Capital Focus are deemed to have the same interests in the Company as CFIIL, being in the capacity of investment manager of CFIIL.

(5) These Shares were held by Asia Unite Limited. Ms. Xiao Fen is the sole beneficial owner of Asia Unite Limited. Ms. Xiao Fen has beneficially interested in the said Shares.

Save as disclosed above, the Company has not been notified by any persons or corporations, other than the Directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO as at 30 June 2026.

CORPORATE GOVERNANCE

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

During the six months ended 30 June 2026, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

(1) Code Provision A.2.1

Under this code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, Mr. Li Chao Bo is acting as both the chairman of the Board (the "Chairman") and the Chief Executive Officer (the "CEO"). The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of two executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

(2) Code Provision A.4.2

Under this code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. According to the articles of association of the Company, at each annual general meeting, one third of the Directors shall retire from office by rotation provided that notwithstanding anything therein, the chairman of the Board (the "Chairman") shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the Chairman should not be subject to retirement by rotation.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code set out in Appendix C3 of the Listing Rules (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Current Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the total number of employees stood at approximately 131 (30 June 2025: 121). Total staff costs for the Current Period was approximately HK$10.9 million (six months ended 30 June 2025: approximately HK$10.5 million). The Group offers its workforce comprehensive remuneration and employees' benefits packages.

INTERIM DIVIDEND

The Board resolved that the Company would not declare the payment of an interim dividend for the Current Period (six months ended 30 June 2025: Nil).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's ordinary shares.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Group had not executed any agreement in respect of material investment or capital asset and did not have any further plans relating to material investment or capital asset as at the date of this report. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

SIGNIFICANT INVESTMENT

The Group had no significant investment held as at 30 June 2026.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this interim report, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Current Period.

OTHER INFORMATION

CHANGE IN DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee is accountable to the Board and the primary duties of the audit committee include the review and supervision of the Group's financial reporting process and internal controls. The audit committee currently comprises Mr. Ng Chi Ho, Dennis (the chairman of audit committee), Prof. Lau Chi Pang and Ms. Chan Hoi Yan, who are the independent non-executive Directors of the Company.

The audit committee has reviewed the unaudited condensed consolidated financial results of the Group for the Current Period.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; and (v) the Company's Registrar deals with shareholders for share registration and related matters.