



CIG Yangtze Ports PLC

中國基建港口有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8233)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2005

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This announcement, for which the directors (the “Directors”) of CIG Yangtze Ports PLC (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS OF THE YEAR ENDED 31 DECEMBER 2005

- The Company was successfully listed on GEM of the Stock Exchange on 16 September 2005 (Stock Code: 8233).
- Activities at Wuhan International Container Terminal (WIT) have been in high gear.
- Container throughput increased by 174% to 59,098 TEUs.
- Market share increased by 100% to 24% of the total Wuhan market.
- Turnover increased by 225% to HK\$8.86 million. Net loss increased by 13% to HK\$13.17 million.
- Approval of Bonded Warehouse status obtained and the application of Class “A” Bonded Logistics Zone is awaiting approval by China Customs in 2006.
- Construction of the second stacking yard completed and became operational in November 2005 and the second berth is expected to be completed and be operational before the end of 2006 as planned.
- Heads of Agreement for the development of Phase II of WIT involving the development of 4 new berths signed.
- No cash dividend be paid in respect of 2005 but a one for ten bonus issue of shares proposed.

PROSPECTS

- High growth in throughput and turnover to be maintained in 2006.
- China’s 11th Five Year Plan with emphasis on the Central region of China, where the Group operates, will be very beneficial to the Group’s core businesses.
- Logistics business to be operational by mid-2006.
- Implementation of the development of Phase II of WIT in the medium term will enable the terminal’s annual container handling capacity to reach 1.2 million TEUs.

THE FINANCIAL STATEMENTS

Results

The Directors are pleased to announce the audited consolidated results (the “Final Results”) of the Group for the year ended 31 December 2005, together with the comparative audited figures for the year ended 31 December 2004 which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Consolidated Income Statement

		Consolidated Basis 2005 HK\$'000	Combined Basis 2004 HK\$'000 Note 1	Consolidated Basis 2004 HK\$'000 Note 1
	<i>Notes</i>			
Turnover	3	8,863	2,726	2,540
Cost of services rendered		(4,219)	(2,554)	(1,613)
Gross profit		4,644	172	927
Other income	3	274	197	138
Other operating expenses		(3,650)	(2,702)	(1,583)
General and administrative expenses		(8,510)	(6,713)	(4,036)
Finance costs	4	(5,930)	(2,656)	(1,599)
Loss before taxation	5	(13,172)	(11,702)	(6,153)
Taxation	6	–	–	–
Loss for the year		<u>(13,172)</u>	<u>(11,702)</u>	<u>(6,153)</u>
Attributable to:				
Shareholders of the Company		(11,584)	(7,300)	(4,168)
Minority interest		(1,588)	(4,402)	(1,985)
		<u>(13,172)</u>	<u>(11,702)</u>	<u>(6,153)</u>
Dividend	7	–	–	–
Loss per share – basic	8	<u>HK4.48 cents</u>	<u>HK3.30 cents</u>	<u>HK1.89 cents</u>

Consolidated Balance Sheet

		As at 31 December	
		2005	2004
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	9	157,497	126,976
Land use rights	10	8,184	8,386
Construction in progress	11	47,352	7,293
		<u>213,033</u>	<u>142,655</u>
Current assets			
Inventories	12	497	410
Account receivables	13	1,953	1,528
Prepayments, deposits and other receivables		1,102	1,764
Pledged deposit		4,808	–
Bank balances and cash		19,628	5,084
		<u>27,988</u>	<u>8,786</u>
Current liabilities			
Accrued expenses and other payables	14	22,917	8,468
Due to related companies	15	–	2,137
		<u>22,917</u>	<u>10,605</u>
Net current assets (liabilities)		<u>5,071</u>	<u>(1,819)</u>
Total assets less current liabilities		218,104	140,836
Non-current liabilities			
Long-term interest-bearing borrowings	16	(115,385)	(56,075)
Net assets		<u>102,719</u>	<u>84,761</u>
Capital and reserves			
Share capital	17	34,538	22,106
Reserves		56,039	24,633
		<u>90,577</u>	<u>46,739</u>
Minority interest		<u>12,142</u>	<u>38,022</u>
		<u>102,719</u>	<u>84,761</u>

Consolidated Statement of Changes in Equity
For the year ended 31 December 2005

	Attributable to shareholders of the Company					Minority Interest	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Foreign exchange reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
On incorporation	10	-	-	-	10	-	10
Issue of share capital	22,096	28,801	-	-	50,897	-	50,897
Acquisition of subsidiaries	-	-	-	-	-	40,007	40,007
Loss for the year	-	-	-	(4,168)	(4,168)	(1,985)	(6,153)
At 31 December 2004	<u>22,106</u>	<u>28,801</u>	<u>-</u>	<u>(4,168)</u>	<u>46,739</u>	<u>38,022</u>	<u>84,761</u>
At 1 January 2005	22,106	28,801	-	(4,168)	46,739	38,022	84,761
Exchange differences on consolidation	-	-	2,124	-	2,124	375	2,499
Acquisition of additional interest in subsidiary	-	-	-	-	-	(24,667)	(24,667)
Issue of shares to the public	12,432	62,158	-	-	74,590	-	74,590
Share issuing expenses	-	(21,292)	-	-	(21,292)	-	(21,292)
Loss for the year	-	-	-	(11,584)	(11,584)	(1,588)	(13,172)
At 31 December 2005	<u>34,538</u>	<u>69,667</u>	<u>2,124</u>	<u>(15,752)</u>	<u>90,577</u>	<u>12,142</u>	<u>102,719</u>

Notes to the Consolidated Income Statements
For the year ended 31 December 2005

1. BASIS OF PREPARATION

Consolidated Results

The audited consolidated results of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong). These financial statements also comply with applicable disclosure provisions of the GEM Listing Rules. The accounting policies adopted are consistent with those set out in the Group’s consolidated financial statements for the period ended 31 December 2004.

On 16 June 2004, pursuant to a sale and purchase agreement, the Company acquired the entire issued share capital of CIG Port Holdings Limited (“CIG Port”), the immediate holding company of Wuhan International Container Transshipment Co., Limited (“WIT”) for the allotment and issue by the Company of 220,962,500 Shares as consideration and CIG Port and WIT became part of the Group. For the 2004 comparatives, only post-acquisition results since 16 June 2004 had been included in the consolidated results and the pre-acquisition results prior to 16 June 2004 had been excluded.

Combined Results

For the purpose of providing shareholders with a complete picture of the operating performance of the Group for the year ended 31 December 2004, the Directors considered it appropriate to also include the combined results of 2004 prepared on the basis as if the Group had existed throughout that year, the same basis as adopted in the Accountants’ Report contained in Appendix I of the prospectus of the Company dated 6 September 2005 (the “Prospectus”).

The Final Results are audited and have been reviewed by the Audit and Remuneration Committee of the Company.

2. SEGMENTAL INFORMATION

All of the Group’s turnover and contribution to loss from operating activities were derived from its principal activities of port development, construction and operations in the People’s Republic of China (the “PRC”). Hence, no segmental information is presented.

3. TURNOVER AND OTHER INCOME

Turnover represents cargo handling service fee income earned.

Analysis of turnover and other income is as follows:

	Consolidated Basis 2005 HK\$'000	Combined Basis 2004 HK\$'000	Consolidated Basis 2004 HK\$'000
Cargo handling service fee income	<u>8,863</u>	<u>2,726</u>	<u>2,540</u>
Interest income	168	104	46
Sundry income	<u>106</u>	<u>93</u>	<u>92</u>
Other income	<u>274</u>	<u>197</u>	<u>138</u>

4. FINANCE COSTS

	Consolidated Basis 2005 HK\$'000	Combined Basis 2004 HK\$'000	Consolidated Basis 2004 HK\$'000
Interests on bank loans wholly repayable within 5 years	4,531	2,656	1,599
Interests on loans from shareholders	<u>1,738</u>	<u>–</u>	<u>–</u>
	6,269	2,656	1,599
Less: Amounts capitalized as construction in progress	<u>(339)</u>	<u>–</u>	<u>–</u>
	<u>5,930</u>	<u>2,656</u>	<u>1,599</u>

5. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging the following:

	Consolidated	Combined	Consolidated
	Basis	Basis	Basis
	2005	2004	2004
	HK\$'000	HK\$'000	HK\$'000
Cost of services rendered	4,219	2,554	1,613
Auditors' remuneration	372	92	51
Depreciation	4,395	3,267	1,896
Amortisation of prepaid lease payment for land use rights	185	190	95
Staff costs (including directors' remuneration and pension contributions)	5,363	2,736	1,406
Pension contributions	329	270	147
Operating lease rental in respect of land and buildings and machinery	<u>187</u>	<u>307</u>	<u>65</u>

6. TAXATION

In accordance with the relevant income tax laws applicable to Sino-foreign joint ventures in the PRC engaging in port and dock construction with year which exceeds 15 years, upon approval by the tax bureau, WIT would be subject to a reduced PRC enterprise income tax of 15% and exempted from PRC enterprise income tax for five years starting from its first profit-making year, after offsetting losses brought forward from the previous five years, if any, and followed by a 50% reduction (7.5%) for the next five years. In accordance with the same tax laws and regulations, WIT is also exempted from PRC local income tax of 3% for 5 years.

During the year, WIT did not have any profit which was subject to taxation.

No provision for Hong Kong Profits Tax has been made as the Group incurred a loss for taxation purpose for the year.

Reconciliation of tax expense

	Consolidated	Combined	Consolidated
	Basis	Basis	Basis
	2005	2004	2004
	HK\$'000	HK\$'000	HK\$'000
Loss before taxation	<u>(13,172)</u>	<u>(11,702)</u>	<u>(6,153)</u>
Income tax at applicable tax rate of 15% (2004:15%)	(1,976)	(1,755)	(923)
Non-deductible expenses	775	1,255	255
Tax exempt revenue	(1)	(1,300)	-
Unrecognized tax losses	1,534	1,692	893
Unrecognized temporary differences	<u>(332)</u>	<u>108</u>	<u>(225)</u>
Tax expense for the year	<u>-</u>	<u>-</u>	<u>-</u>

The Group has not recognized deferred tax assets in respect of tax losses of HK\$21,836,000 (2004: HK\$11,282,000). Under the current tax legislation, every year's agreed tax loss can be carried forward for the next five years.

7. DIVIDEND

The Directors do not recommend the payment of a cash dividend for the year ended 31 December 2005 (2004: Nil) but propose for shareholders' approval a bonus issue of shares on the basis of one bonus share for every ten existing shares held to be made to shareholders whose names appear on the register of members on 28 April 2006.

8. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the loss for the year attributable to shareholders of the Company of HK\$11,584,000 (2004: Consolidated basis: HK\$4,168,000; Combined basis: HK\$7,300,000) and on the weighted average number of 258,527,972 (2004: Consolidated basis: 221,062,500; Combined basis: 221,062,500) ordinary shares in issue for the year.

No diluted loss per share have been presented because the only dilutive potential shares are those of the share options granted under the Pre-IPO Share Option Scheme but the conditions for the exercise of these options have not been met during the year.

9. PROPERTY, PLANT AND EQUIPMENT

	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net book value at beginning of year	126,976	–
Exchange differences on consolidation	3,663	–
On acquisition of subsidiaries	–	120,054
Additions	1,118	1,621
Transferred from construction in progress	14,918	7,201
Fair value adjustment arising from acquisition of an additional interest in subsidiary	15,682	–
Disposals	(465)	(4)
Depreciation	(4,395)	(1,896)
	<hr/>	<hr/>
Net book value at end of year	<u>157,497</u>	<u>126,976</u>

Property, plant and equipment of the Group with an aggregate net book value at the balance date of HK\$154,694,000 (2004: Nil) were pledged to secure a bank loan granted to WIT.

10. LAND USE RIGHTS

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Net book value at beginning of year	8,386	–
On acquisition of subsidiaries	–	8,481
Exchange differences on consolidation	242	–
Disposal	(259)	–
Amortisation	(185)	(95)
	<u>8,184</u>	<u>8,386</u>
Net book value at end of year	<u>8,184</u>	<u>8,386</u>
At balance sheet date		
Cost	8,463	8,481
Accumulated amortisation	(279)	(95)
	<u>8,184</u>	<u>8,386</u>
Net book value	<u>8,184</u>	<u>8,386</u>

Land use rights of the Group with an aggregate net book value at the balance date of HK\$3,225,000 (2004: Nil) were pledged to secure a bank loan granted to WIT.

11. CONSTRUCTION IN PROGRESS

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
At cost		
At beginning of year	7,293	–
On acquisition of subsidiaries	–	11,121
Exchange differences on consolidation	211	–
Additions	54,766	3,373
Transferred to property, plant and equipment	(14,918)	(7,201)
	<u>47,352</u>	<u>7,293</u>
At balance sheet date	<u>47,352</u>	<u>7,293</u>

12. INVENTORIES

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Consumables, at cost	<u>497</u>	<u>410</u>

13. ACCOUNT RECEIVABLES

The Group has a policy of allowing an average credit period of 60 days to 90 days to its customers.

An aging analysis of the account receivables at the balance sheet date, based on invoice date, is as follows:

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Within 30 days	741	810
31 – 60 days	579	676
61 – 90 days	419	35
Over 90 days	214	7
	<u>1,953</u>	<u>1,528</u>

14. ACCRUED EXPENSES AND OTHER PAYABLES

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Payables to contractors and equipment suppliers	20,331	6,619
Accrued expenses and other payables	2,586	1,849
	<u>22,917</u>	<u>8,468</u>

An aging analysis of the accrued expenses and other payables as at the balance sheet date, based on the invoice date, is as follows:

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Within 30 days	9,614	3,624
31 – 60 days	7,475	336
61 – 90 days	327	10
91 – 180 days	17	28
Over 180 days	5,484	4,470
	<u>22,917</u>	<u>8,468</u>

15. DUE TO RELATED COMPANIES

The amounts due are unsecured, interest-free and have no fixed repayment term.

16. LONG-TERM INTEREST-BEARING BORROWINGS

	<i>Note</i>	2005 <i>HK\$'000</i> 2005	2004 <i>HK\$'000</i> 2004
Bank loans			
Secured	<i>16b</i>	57,693	–
Unsecured	<i>16a</i>	57,692	56,075
		<u>115,385</u>	<u>56,075</u>

- (a) On 23 June 2003, WIT entered into an agreement with a PRC bank for a loan facility of RMB60 million (HK\$58 million) to finance the port project. The loan is fully drawn down and is interest-bearing at 5.58% per annum, repayable on 30 June 2008 and, as at 31 December 2005, guaranteed by a former holding company.
- (b) On 30 May 2005, WIT entered into an agreement with another PRC bank for a loan facility of RMB90 million (HK\$87 million) to finance the construction of the Phase I Stage 2 of WIT Port. WIT has drawn down RMB60 million (HK\$58 million) as at 31 December 2005. The loan is interest bearing at 5.85% per annum, repayable as to RMB10 million (HK\$10 million) on 21 December 2008, RMB25 million (HK\$24 million) on 21 December 2009 and RMB55 million (HK\$53 million) on 30 May 2010 and secured by WIT's port facilities and land use rights.

17. SHARE CAPITAL

	2005		2004	
	No. of shares	HK\$'000	No. of shares	<i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.10 each	<u>2,000,000,000</u>	<u>200,000</u>	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:				
At beginning of year	221,062,500	22,106	–	–
On incorporation	–	–	100,000	10
Issue of shares to the public	124,317,247	12,432	–	–
New issue for acquisition of subsidiaries	–	–	220,962,500	22,096
At balance sheet date	<u>345,379,747</u>	<u>34,538</u>	<u>221,062,500</u>	<u>22,106</u>

On 13 September 2005, the issued share capital of the Company was increased to HK\$34,538,000 by allotting 124,317,247 ordinary shares of HK\$0.10 each at a premium of HK\$0.50 each of which 12,000,000 ordinary shares was by way of public offer for cash, 108,000,000 ordinary shares by way of placing for cash and 4,317,247 ordinary shares by way of remuneration shares to the Sponsor as sponsorship fee. These shares rank pari passu with the existing shares in all respects.

BUSINESS REVIEW AND PROSPECTS

OPERATING RESULTS

Comparison Between the Consolidated Results of 2005 and Consolidated Results of 2004

No comparison has been made between the consolidated results for the year ended 31 December 2005 and those of 2004 as the Directors are of the opinion that a comparison between the consolidated results of 2005 with the combined results instead of consolidated results of 2004 would give a more complete picture. This is the same basis as adopted in the Accountants' Report contained in Appendix I of the Prospectus of the Company.

Comparison Between the Consolidated Results for 2005 and Combined Results for 2004

Turnover

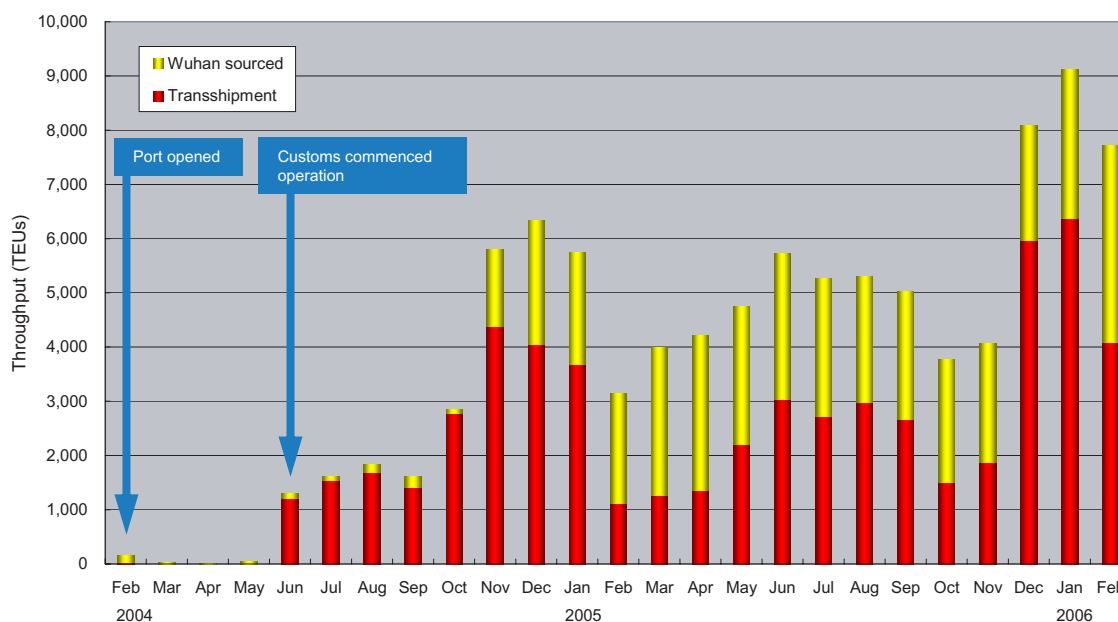
For the year ended 31 December 2005, the Group's turnover amounted to HK\$8.86 million, representing an increase of HK\$6.13 million or 225% over that of HK\$2.73 million for 2004. The increase in turnover was mainly attributable to the additional containers handled for the year under review compared with 2004 and the increase in average tariff per TEU achieved in 2005 over 2004.

Volume and Throughput

The TEUs achieved for 2005 was 59,098 TEUs, an increase of 37,495 TEUs or 174% over that of 21,603 TEUs for 2004, reflecting the slower pick up of business in the start-up year of 2004 and the combined achievements in marketing and business development of the management team of WIT.

In terms of market share, the 2005 year saw the Group's share increased to 24% from 12% against an aggregate of 242,967 TEUs (2004: 179,800 TEUs) handled in 2005 for the whole of Wuhan, an increase of 35%. The WIT's ability to handle transshipment cargo contributed significantly to the year-on-year increase of the total throughput of Wuhan.

WIT's Monthly Throughput Summary (February 2004 to February 2006)



Tariff

The average tariff per TEU achieved in 2005 was RMB136 compared with RMB118 achieved in 2004. Tariff for both years had been fixed at the same scale which were below the recommended rates of the Ministry of Communication (MOC) and other major ports in the PRC and the increase in 2005 was attributable to the shift in mix of Wuhan sourced and transshipment containers with more Wuhan sourced containers attracting higher tariffs being handled in 2005 (49%) compared with 2004 (21%).

Gross Profit and Gross Profit Margin

The gross profit for the year ended 31 December 2005 was HK\$4.64 million, representing a gross profit margin of 52% on turnover and a significant improvement on the gross profit of HK\$0.17 million and gross profit margin of 6.3% recorded in 2004. The significant improvement in gross profit and gross profit margin reflected the increase in containers handled and higher average tariff per TEU achieved during the year compared with 2004.

Loss for the Year and Attributable to Shareholders

Loss for the year amounted to HK\$13.17 million, representing an increase of HK\$1.47 million or 13% over that of HK\$11.70 million for the 2004 year. This was attributable to the net effect of (i) the additional gross profit contribution from the increased level of containers handled; (ii) the increase in other operating expenses, which are depreciation charges on port facilities and equipment; (iii) the increase in general and administrative expenses principally as a result of the net effect of the inclusion of head office expenses of the Group since Listing; the additional depreciation charge; the increase in staff welfare and increase in sundry expenses and (iv) the increase in finance costs of principally as a result of the increase in bank loans taken out to partially finance the construction cost of the second berth and container stacking yard of WIT and the interests accrued on the shareholders' loans taken out to finance the acquisition of the additional 28.9% equity interest in WIT. As the shareholders' loans were repaid out of the IPO proceeds as disclosed in the Prospectus, such interest will not recur in 2006.

Loss attributable to shareholders amounted to HK\$11.58 million, representing an increase of HK\$4.28 million or 59% over that of HK\$7.30 million for 2004. This increase is attributable to the reduction in the share of the loss for the year by minority shareholders for the year as the Group had increased its equity interest in WIT from 56.1% to 85% through the acquisition of an additional interest of 28.9% in WIT during the beginning of 2005.

Loss per share was HK cents 4.48 compared with HK cents 3.30 for 2004.

BUSINESS REVIEW

Business Development

The Group's principal activities are investment in and the development, operation and management of container ports which are conducted through the WIT Port, which is 85% owned by the Group. As a deep water regional container hub port at the mid-stream of Yangtze River and a feeder port to the ports in Shanghai, the WIT Port plays an increasingly key role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor. This role is particularly important with the anticipated increase in container throughput brought about by the rapid development in Central China region (中部崛起) which is a key theme of China's 11th 5-year plan. The pivotal role which Wuhan and the WIT Port will play is also a major feature of Wuhan Municipal Government's and the Hubei Provincial Government's 11th 5-year Plan. Under the Provincial and Municipal 5-year Plans Wuhan will have constructed container cargo handling capacity of 1.5 million TEUs, of which the WIT Port will account for 1.2 million. Under the same 5-year Plan, Wuhan will also become one of the four major regional logistics hubs in the whole of China.

Wuhan achieved GDP growth of 14.7% in 2005 (14.5% in 2004). Under the 11th 5-year plan the expected annual GDP growth is 12% or above for 2006 to 2010.

Against the above now approved 11th 5-year Plan and the existing industrial and commercial base, the Group and the WIT Port is well positioned to take advantage of growth opportunities commercially. We are also aware of PRC and international shipping companies, freight forwarders and logistics operators wishing to set up their Central China base in Wuhan. Some of these companies could become our partners/co-shareholders.

The concerted efforts of the WIT management team in the marketing and business development drive, following the grand opening of the WIT Port in February 2004 and the Chinese Customs Department establishing its office and providing the necessary on-site customs clearance at WIT since June 2004, have continued to bear fruits as evidenced by the increase in container throughputs handled by WIT. The growth achieved for 2005 was 59,098 TEUs, an increase of 37,495 TEUs or approximately 174% over that of 21,603 TEUs for 2004. Principal customers of the Group are major shipping companies/groups including Shanghai Port Shipping (Jihai), Sinotrans, the COSCO group, Chang Sha Port Shipping and Chong Qing Shipping. Of the 59,098 TEUs handled in 2005, 28,734 TEUs or 49% and 30,364 TEUs or 51% were Wuhan sourced and transshipment cargos respectively.

The strong and well established industrial base of Wuhan featuring operators in major industries including vehicle and engine manufacturers such as Nissan, Honda, Citroen, Renault and Cummins and LCD and electronics manufacturers as well as those in the construction materials and farm products businesses have been and will continue to be the principal providers of the Wuhan sourced container cargos to the WIT Port. Most of the manufacturing/assembly plants of these international companies are new and their production will grow, which will contribute to the growth in throughput at WIT.

The transshipment services provided by WIT provide a more economic alternative to surrounding areas of Wuhan to ship container cargos via bigger ships carrying more containers to and from Shanghai or overseas as the inherent water-depth limitations along the up-stream regions of and the surrounding waterways having shallower draft, particularly during the draught season between October to February each year, have precluded bigger ships from navigating directly from those areas to and from Shanghai. Surrounding areas which are serviced by WIT include Hunan, Guizhou, Chongqing, Sichuan, Shanxi, Henan, Hubei and Shaanxi Provinces.

With the container business of the WIT Port established, the Group considers that it has reached the juncture to extend the business scope of WIT to the logistics business to pave the way for the eventual transformation of the WIT Port into a major logistics hub in the central region of China, providing a one-stop service including cargo forwarding, trucking, bonded warehousing and other logistics services. WIT is in the process of amending its Articles and Business Licence, obtaining the relevant licences and permits to cater for the new businesses and the setting up of the Logistics Division to oversee these new businesses, which have been made possible under the post-WTO policies.

Expanding Port Construction Activities

Concurrent with the commercial and business development activities to increase container throughput and revenue, WIT is constructing new port facilities at the port.

Construction of Phase I Stage 2 of WIT Port

The development and construction of Stage 2, which commenced in early 2005, has been progressing in accordance with plan. Construction of the second stacking yard was completed and put into service in November 2005 (providing an additional stacking area of 28,364 sq.m.). An additional quay crane and a rubber tyred gentry crane have been ordered and the construction of the second berth had commenced during 2005 as planned. Based on present progress, full completion of the entire Stage 2 construction is expected before the end of 2006. Upon completion, WIT Port's designed annual container handling capacity will be increased to 250,000 TEUs from the present 150,000 TEUs.

Following completion of Phase I Stage 2, construction of Phase I Stage 3 will commence in 2007. Upon completion, the aggregate annual container handling capacity of the WIT Port will be increased to 400,000 TEUs.

Future Development of Phase II of WIT Port

The Group has, since the beginning of the WIT project, been granted the right of first refusal for the development of Phases II and III (now combined and renamed “Phase II”) of the WIT Port by the PRC joint venture partners who are Wuhan government agencies. Pursuant to this and the importance given to the development of Wuhan into a major hub port and logistics base for the Central China region under the 11th 5-year Plan by the Wuhan and Hubei Province governments, the Group and its joint venture partners have been in discussions to plan for the development of Phase II of WIT Port. Such discussions have led to a Heads of Agreement having been signed in the last quarter of 2005 to facilitate a development plan being submitted to the municipal, provincial and central government for approval (立項). In tandem with the 11th 5-year Plan, the Phase II development will increase capacity by 800,000 TEUs, taking the overall designed annual container handling capacity of the WIT Port to 1,200,000 TEUs. The directors are aware that development of Phase II is a lengthy and medium term process which will involve structuring and funding once the project is approved and construction planning starts. However, at this juncture, the directors are only able to report that planning for the approval of Phase II is only at the beginning stage. The directors undertake to keep shareholders informed in a timely manner as progress is made in the project approval process.

FINANCIAL POSITION

The Group generally finances its operations with internally generated financial resources, long-term bank borrowings and part of the proceeds from the listing of the Company’s shares on GEM. As at 31 December 2005, the Group had total outstanding bank borrowings of HK\$115.4 million (RMB120 million) (as at 31 December 2004: HK\$56.1 million) against total facilities available of HK\$144 million (RMB150 million), all of which are long-term bank project finance provided by two PRC banks.

Except for the bank borrowings disclosed above, as at 31 December 2005, the Group did not have any other committed borrowing facilities.

The Group had total pledged deposit and bank balances and cash of approximately HK\$24.4 million and HK\$5.1 million as at 31 December 2005 and 31 December 2004 respectively, undrawn banking facilities of HK\$28.6 million (RMB30 million) as at 31 December 2005 (2004: Nil) and consolidated net assets of approximately HK\$102.7 million and HK\$84.8 million as at 31 December 2005 and 31 December 2004 respectively.

EXCHANGE RATE RISKS

The Group’s reporting currency is the Hong Kong dollar. Hence, the Group’s exposure to foreign currency exchange rates relate primarily to the Group’s operation in Wuhan.

For the year ended 31 December 2005, the Group generated revenue solely in Renminbi, its loans are in Renminbi and incurred costs mainly in Renminbi and Hong Kong dollars. The Directors consider that the impact on foreign exchange exposure of the Group to be minimal.

GEARING RATIO

As at 31 December 2005, the Group had a gearing ratio of approximately 48% (as at 31 December 2004: 37%). The calculation of the gearing ratio was based on the long-term bank borrowings and total assets as at 31 December 2005 and 2004 respectively. The higher gearing in 2005 reflected the drawdown on the loan facilities for the financing of the construction of Stage 2 in 2005.

USE OF PROCEEDS FROM THE LISTING

The Company was successfully listed on GEM through the placing of 108,000,000 New Shares and the Public Offer of 12,000,000 New Shares at HK\$0.60 per Share (the "Listing") on 16 September 2005. Gross proceeds from the Listing was HK\$72 million and net proceeds of HK\$53.2 million after deduction of listing expenses of HK\$18.8 million. The net proceeds have been applied as set out in the Prospectus are as follows:

	Planned use of proceeds up to 31 December 2005 as stated in the Prospectus HK\$ '000	Actual utilization up to 31 December 2005 HK\$ '000
1.0 Repayment of shareholders' loans from Unbeatable Holdings Limited, Chow Holdings Limited and Harbour Master Limited which were used primarily for settlement of the consideration for the acquisition of 28.9% interest in WIT in February 2005.	42,000	42,245
2.0 Head office expenses		
2.1 Legal and professional fees	410	1,403
2.2 Service fee to CIG Corporate and Project Finance Limited	150	175
2.3 Wages, salaries and other administrative expenses	1,050	1,860
	<hr/>	<hr/>
Sub-total	1,610	3,438
	<hr/>	<hr/>
Total	43,610	45,683
	<hr/> <hr/>	<hr/> <hr/>

EMPLOYEE INFORMATION

Number of Employees

A breakdown of the number of employees of the Group by function and by geographical location as at 31 December 2005 and 2004 is set out below:

	As at 31 December 2005			As at 31 December 2004		
	H.K.	Wuhan	Total	H.K.	Wuhan	Total
Operation	–	63	63	–	53	53
Project Planning and management	2	7	9	2	5	7
Corporate and business development	–	8	8	–	5	5
Finance	2	7	9	2	7	9
Engineering	–	24	24	–	18	18
Administration and Personnel	4	14	18	4	11	15
	<u>8</u>	<u>123</u>	<u>131</u>	<u>8</u>	<u>99</u>	<u>107</u>

Remuneration of Employees and Policies

The Group has maintained good relationships with its staff and has not experienced any major disruptions of its operations due to labour disputes. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerates its employees in accordance with their work performance and experience and has designated the duties of determining Directors' service contracts, the reviewing of Directors' and senior management's emoluments and the awarding of discretionary bonuses and share options of the Company to the Audit and Remuneration Committee.

Total remuneration incurred for the year ended 31 December 2005 amounted to approximately HK\$5.4 million (2004: HK\$2.7 million). The Directors received remuneration of HK\$0.7 million during the year ended 31 December 2005 (2004: HK\$0.02 million).

FUTURE PROSPECTS

The Directors are optimistic about the future economic prospects of Wuhan and along the Yangtze River Region and believe that the Group will continue to benefit from its current and future investments in that region.

GDP growth of Wuhan has continued to out-pace that of the whole of China with the latest released data showing GDP growth of Wuhan for 2005 of 14.7% compared with 9.9% for the whole of China. Based on the studies conducted by the Group's traffic consultants, BMT Asia Pacific Pte Limited, there is a distinct correlation between GDP growth and port throughput growth in developing economies in the form of a 2.8 times multiplier. In fact, the actual throughput growth of Wuhan in the last 3 years carried a multiplier between 2.5 to 4.2 times of the respective GDP growth of Wuhan for those years.

Further, the focus on developing the Central Region (中部崛起) as highlighted in China's, Hubei Province's and the Wuhan Municipal Government's 11th Five-year Plan and the Wuhan Municipal Government's plan to build up container handling capability to 1,500,000 TEUs by the year 2010 will facilitate future growth in this region and the Group's port and related businesses, the only container port in Wuhan with development and expansion potentials.

The Yangshan Deepwater Port (洋山深水港) in Shanghai with a designed annual container handling capacity of 2,200,000 TEUs and which had commenced operation in December 2005, should strengthen WIT's role as a transshipment and feeder port to service bigger river and ocean going ships capable of carrying more containers between Wuhan and the Yangshan Deepwater Port. Delivery of such purpose designed new vessels are continuously being put into service expanding throughput. The WIT Port is the only container port in Wuhan capable of handling these vessels.

To capitalize on the future development potential of Wuhan and Central China, the Group will continue with its marketing and business development initiatives to increase its market share of container throughput in the region, to ensure that the construction of Phase I Stage 2 is properly monitored and completed according to plan and to continue to pursue development plan for Phase II at WIT and to develop the logistics business to complement its existing port operations in Wuhan.

SIGNIFICANT INVESTMENTS

Save as those disclosed in the "BUSINESS REVIEW", the Group did not hold any significant investment as at 31 December 2005.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed in the "BUSINESS REVIEW", the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during the year ended 31 December 2005.

CAPITAL COMMITMENTS

As at 31 December 2005, the Group had capital commitment in respect of the development of the WIT Port facilities contracted for but not provided for amounting to approximately HK\$26,439,000 (2004: HK\$31,000).

CONTINGENT LIABILITIES

As of the date of this announcement and as at 31 December 2005, the Board is not aware of any material contingent liabilities.

PLEDGE OF ASSETS

The Group has pledged port facilities and land use rights owed by WIT with a net book value of approximately HK\$154,694,000 (2004: Nil) and HK\$3,225,000 (2004: Nil) respectively to secure a bank loan granted to WIT, the same operating subsidiary.

As at 31 December 2005, bank deposit of HK\$4,808,000 (RMB5,000,000) (2004: HK\$ Nil) owed by WIT has been pledged to a bank to secure certain banking facility granted to WIT, the same operating subsidiary.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed elsewhere in this Announcement, the Group does not plan to have any other material investments or acquisition of material capital assets.

DISCLOSURE OF INTERESTS

DIRECTORS', CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

The interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules, are as follows:

Long positions in Shares

Name of Director	Capacity	As at 31 December 2005	
		No. of Shares	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	Interest by attribution (note 1)	122,046,606	35.34%
Lee Jor Hung, Dannis	Interest by attribution (note 2)	4,152,939	1.20%

Note:

1. 92,534,046 of these Shares are registered in the name of Unbeatable Holdings Limited and 29,512,560 of these Shares are registered in the name of Chow Holdings Limited, each being a company in respect of which Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company.
2. These Shares are registered in the name of Ramwealth Company Limited, a company in respect of which Mr. Lee Jor Hung, Dannis is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company.

Long positions in underlying shares of equity derivatives

Prior to the listing of the Shares of the Company on GEM on 16 September 2005 (the “Listing Date”) by way of a resolution passed by the shareholders of the Company on 2 September 2005, the Company adopted a share option scheme (the “Pre-IPO Share Option Scheme”) which granted certain options to subscribe for Shares of the Company (the “Pre-IPO Share Options”) to all directors and certain employees of the Group. Principal terms of the Pre-IPO Share Option Scheme are set out in Note 1 below. Details of the Pre-IPO Share Options granted to the directors under this scheme were as follows:

Name of Director	Exercise Price (HK\$)	Pre-IPO Share Options outstanding as at 31 December 2005	
		Number of underlying Shares	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	0.50	10,000,000	2.90
Wong Ying Wai	0.50	1,000,000	0.29
Wong Yuet Leung, Frankie	0.50	1,000,000	0.29
Zhao Cong, Richard	0.50	1,000,000	0.29
Lee Jor Hung, Dannis	0.50	1,000,000	0.29
Wong Tin Yau, Kelvin	0.50	1,000,000	0.29
Lee Kang Bor, Thomas	0.50	1,000,000	0.29
Leung Kwong Ho, Edmund	0.50	1,000,000	0.29

Note 1:

Principal terms of the Pre-IPO Share Option Scheme are as follows:

- a. The subscription price for Shares to be allotted on exercise of the options granted is at HK\$0.50 per Share (excluding brokerage and Stock Exchange transaction levy, if applicable, and subject to potential adjustment in the event of alteration of the Company's capital structure);
- b. No options may be exercised for the period of twelve months from the Listing Date and that not more than 50% of the options may be exercised for the period of twelve months immediately thereafter and that all options shall lapse on the third anniversary of the Listing Date; and
- c. The right to exercise the options is conditional upon:
 - (i) the Board confirming to the option holders that the Group has achieved its business plan and budgeted performance target for the financial year ending 31 December 2005; and
 - (ii) the option holder is an employee of the Group or a Director or an alternate director of any company within the Group on the date of exercise of the option.

Pursuant to a resolution of the Board of Directors meeting held on 15 March 2006, the Directors declared that all Pre-IPO Share Options are no longer exercisable and lapsed. For more details, please refer to the Section "Share Option Schemes" below.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 31 December 2005, the interest of the persons (not being Directors or chief executives of the Company) in shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register to be kept under section 336 of the SFO were as follows:

Long positions in Shares

(a) Substantial shareholders

Name	Capacity	Number of Shares	Approximate percentage of holding
Unbeatable Holdings Limited (<i>note 1</i>)	Beneficial owner	92,534,046	26.79%
Harbour Master Limited	Beneficial owner	65,583,623	18.99%
The Yangtze Ventures II Limited (<i>note 2</i>)	Interest by attribution	65,583,623	18.99%
Goldcrest Development Limited (<i>note 3</i>)	Interest by attribution	65,583,623	18.99%
Shui On Construction and Materials Limited (<i>note 4</i>)	Interest by attribution	65,583,623	18.99%
Shui On Company Limited (<i>note 5</i>)	Interest by attribution	65,583,623	18.99%
Bosrich Holdings Inc. (<i>note 6</i>)	Interest by attribution	65,583,623	18.99%
HSBC International Trustee Limited (<i>note 7</i>)	Interest by attribution	65,583,623	18.99%
Lo Hong Sui, Vincent (<i>note 8</i>)	Interest by attribution	65,583,623	18.99%

(b) Other persons required to disclose their interests (not being substantial shareholders)

Name	Capacity	Number of Shares	Approximate percentage of holding
Chow Holdings Limited (<i>note 1</i>)	Beneficial owner	29,512,560	8.54%
Spinnaker Capital Limited (<i>note 9</i>)	Investment manager	26,007,351	7.53%
Spinnaker Asset Management – SAM Limited (<i>note 9</i>)	Investment manager	26,007,351	7.53%
Mitsui O.S.K. Lines, Ltd. (<i>note 10</i>)	Interest by attribution	34,200,000	9.90%
MOL (Asia) Limited (<i>note 10</i>)	Beneficial owner	34,200,000	9.90%

Notes:

1. Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of each of Unbeatable Holdings Limited and Chow Holdings Limited.
2. The Yangtze Ventures II Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Harbour Master Limited.
3. Goldcrest Development Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of The Yangtze Ventures II Limited.
4. Shui On Construction and Materials Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Goldcrest Development Limited.
5. Shui On Company Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Construction and Materials Limited.
6. Bosrich Holdings Inc. is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Company Limited.
7. HSBC International Trustee Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Bosrich Holdings Inc.
8. Mr. Lo Hong Sui, Vincent is interested in the shares of Bosrich Holdings Inc. held by HSBC International Trustee Limited.
9. Spinnaker Capital Limited and Spinnaker Asset Management - SAM Limited are investment managers and each of them is deemed to be interested in the Shares held by Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited, which holds 4.37%, 1.96% and 1.20% of the share capital of the Company respectively.
10. Mitsui O.S.K. Lines, Ltd. is entitled to exercise or control the exercise of one-third or more of the voting power at general meeting of MOL (Asia) Ltd.

DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and under the Share Option Schemes referred to below, during the year ended and as at 31 December 2005, none of the Directors was granted options to subscribe for the Shares.

SHARE OPTION SCHEMES

1. As at 31 December 2005, share options (“Pre-IPO Share Options”) to subscribe for an aggregate of 28,800,000 Shares were granted to all Directors and certain employees of the Group pursuant to the Pre-IPO Share Option Schemes with terms and conditions on the exercise of the Share Options granted as set out in Note 1 in the section headed “Directors’, Chief Executives’ Interests in Shares and Short Positions in the Shares of the Company” above. Save as disclosed above, none of the Pre-IPO Share Options granted has been exercised or lapsed pursuant to the Pre-IPO Share Option Scheme as at 31 December 2005.

Pursuant to a Board of Directors meeting held on 15 March 2006, having taken into account of the results and performances of the Group for the year ended 31 December 2005, although recognizing that certain business achievements had been attained in the 2005 year, the Board considered that such achievements had not met the targets set in its entirety for that year. The Board took into consideration a condition for the exercise of the Pre-IPO Share Options (See Note 1c(i) to the Section “Long positions in underlying shares of equity derivatives” under the “Directors’, Chief Executives’ Interests In Shares And Short Positions In The Shares Of The Company”), and accordingly declared that all options granted under the Pre-IPO Share Option Scheme are no longer exercisable and therefore lapsed.

2. Pursuant to the resolution passed by the shareholders of the Company on 2 September 2005, a share option scheme (the “Share Option Scheme”) which provided for, subject to certain terms and conditions, the granting of a maximum of 34,537,974 Shares (“Share Options”), representing 10% of the total number of Shares in issue of 345,379,747 as of the Listing Date following the placement and public offer of Shares by the Company upon listing on GEM. Save as disclosed above, none of the Share Options have been granted under the Share Option Scheme as at 31 December 2005 or at the date of this announcement.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

Since the Listing Date to 31 December 2005, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

COMPETING INTERESTS

During the year ended and as at 31 December 2005, none of the Directors, the management shareholders, the significant shareholders or the substantial shareholders (as defined in the GEM Listing Rules) of the Company had any interest in a business which competes or may compete with the business of the Group.

COMPLIANCE ADVISER'S INTERESTS

Pursuant to the compliance adviser's agreement dated 10 October 2005 entered into between the Company and Oriental Patron Asia Limited ("Oriental Patron"), Oriental Patron was appointed as the compliance adviser of the Company as required under the GEM Listing Rules at a fee for the period from 15 November 2005 to the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the financial year ending 31 December 2007, being the remaining balance of the minimum period prescribed by Rule 6A.19 of the GEM Listing Rules, or until such agreement is terminated in accordance with the terms and conditions set out therein.

The Company has been advised by Oriental Patron that Oriental Patron, through its fellow subsidiary, Pacific Top Holding Limited, had an interest in 6,417,247 Shares of the Company as at 31 December 2005.

Save as disclosed above, none of Oriental Patron, its directors, employees or associates had any interests in the securities of the Company or any member of the Group or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group.

CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirms that it has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers, based on the confirmations received, the independent non-executive Directors to be independent.

CORPORATE GOVERNANCE PRACTICES

The Company adopts best prevailing corporate governance practices. Indeed, four Directors serve on public interest bodies which promote good corporate governance practices.

As at the date of this Announcement, with the exception of Mr. Chow Kwong Fai, Edward who acted as both the Chairman of the Board and the Chief Executive Officer of the Company, the Company has complied with the Code of Corporate Governance Practice contained in Appendix 15 of GEM Listing Rules in all other respects throughout the period from the Date of Listing to the 31 December 2005.

While the Board is aware that it is a recommended best practice to split the role of the Chairman and the Chief Executive, in view of the small size of the Group and the fact that the Group's core business is straight forward and is carried out singularly by its subsidiary, WIT, and the fact that the general manager (de facto chief executive) of WIT is a separate person, there is no necessity to appoint a Chief Executive at the Company level and Group level.

AUDIT AND REMUNERATION COMMITTEE

The Company has established an audit and remuneration committee (the “Audit and Remuneration Committee”) with written terms of reference modeled on the Guide to the Establishment of an Audit Committee published by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) and in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The Audit and Remuneration Committee comprises Mr. Lee Kang Bor, Thomas (Chairman), Mr. Wong Tin Yau, Kelvin, Mr. Leung Kwong Ho, Edmund and Mr. Wong Yuet Leung, Frankie, all of whom are non-executive directors and the majority of whom are independent non-executive Directors. The primary duties of the Audit and Remuneration Committee include the review of the financial reporting process and internal control systems of the Group, the appointment of auditors and the determination of executive Director’s service contract, the review of Directors’ and senior management’s emoluments and the award of discretionary bonuses and share options of the Company.

Since the Company’s listing on GEM on 16 September 2005 and up to the date of this announcement, the Audit and Remuneration Committee had held three meetings and had also made two on-site visits to the WIT Port. The Audit and Remuneration Committee has reviewed with the management the accounting principles and practices adopted by the Group in the preparation of its results for the year ended 31 December 2005 and had discussed with management on internal control, risk management and financial reporting matters including a review of the audited accounts for the year ended 31 December 2005 and meeting and discussing with the auditors, Moores Rowland Mazars on their audit findings. The Audit and Remuneration Committee did not have any disagreement with the accounting treatments which had been adopted in the preparation of the Group’s results for the year ended 31 December 2005.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Since the Listing Date to 31 December 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

By order of the Board
CIG Yangtze Ports PLC
Chow Kwong Fai, Edward
Chairman

Hong Kong, 15 March 2006

As at the date of this announcement, the Board comprises an executive director namely Mr. Chow Kwong Fai, Edward; five non-executive directors namely Mr. Wong Ying Wai, Mr. Wong Yuet Leung, Frankie, Mr. Lee Jor Hung, Dannis, Mr. Zhao Cong, Richard and Mr. Goh Pek Yang, Michael and three independent non-executive directors namely Mr. Lee Kang Bor, Thomas, Mr. Wong Tin Yau, Kelvin and Mr. Leung Kwong Ho, Edmund.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the Company’s website www.cigyangtzeports.com.

** For identification purpose only*