

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

On 12 June 2007, the Company has entered into the Subscription Agreement with Value Partners for the procurement of the subscription of 75,983,543 new Shares by the Subscriber(s) for an aggregate consideration of approximately HK\$44,830,290 at the Subscription Price of HK\$0.59 per Subscription Share.

The Company will allot and issue to the Subscriber(s) and Value Partners has agreed to procure the Subscriber(s) to subscribe for or failing which, Value Partners itself will subscribe for, the Subscription Shares pursuant to the Subscription Agreement.

The Subscription Shares of 75,983,543 new Shares represent approximately 20% of the existing issued share capital of the Company and 16.67% of the enlarged share capital of the Company. The Subscription Shares will be issued under the General Mandate and will rank equally with the existing Shares.

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon, inter alia, the GEM Listing Committee agreeing to grant a listing of and permission to deal in the Subscription Shares.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 12 June 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 13 June 2007.

THE SUBSCRIPTION AGREEMENT

Date

12 June 2007

Parties

The Company and Value Partners

Value Partners

To the best knowledge of the Directors, Value Partners is an investment manager, sub investment manager, investment advisor or sub investment advisor of the Subscriber(s).

Allotment of Subscription Shares

The Company will allot and issue to the Subscriber(s) and Value Partners has agreed to procure the Subscriber(s) to subscribe for or failing which, Value Partners itself will subscribe for, the Subscription Shares pursuant to the Subscription Agreement. To the best knowledge of the Directors, the Subscriber(s), Value Partners and its ultimate beneficial owners are Independent Third Parties.

Subscription Shares

The Subscription Shares represent approximately 20% of the existing issued share capital of the Company and 16.67% of the enlarged share capital of the Company. The Subscription Shares will be issued under the General Mandate and will rank equally with the existing Shares.

Subscription Price

The Subscription Price of HK\$0.59 per Share represents:

- (i) a discount of about 18% to the closing price of HK\$0.720 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e. the last price prior to the suspension of trading);
- (ii) a discount of about 19% to the average closing price per Share of approximately HK\$0.728 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of about 19% to the average closing price per Share of approximately HK\$0.726 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price of HK\$0.59 is negotiated on an arm's length basis between the Company and Value Partners. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market conditions and the Subscription is in the interests of the Company and its Shareholders as a whole.

After deducting the expenses of the Subscription which amounts to approximately HK\$100,000, the net Subscription Price per Share will be approximately HK\$0.5887.

Completion of the Subscription

Completion of the Subscription Agreement is expected to take place within three business days after the conditions of the Subscription Agreement have been fulfilled, i.e. 29 June 2007 or such other date as the Company and Value Partners may agree in writing.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with all other Shares presently in issue and at the time of issue and allotment of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the GEM Listing Committee agreeing to grant a listing of and permission to deal in all the Subscription Shares; and
- (b) the Company having obtained all consents and approval from the relevant authorities in respect of the transaction contemplated under the Subscription Agreement, if applicable.

In the event that the above condition is not fulfilled by 3 p.m. (Hong Kong time) on 29 June 2007 (or such later time and/or date as may be agreed by the Company and Value Partners in writing), the Subscription Agreement shall automatically terminate and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither of the parties in relation to the Subscription shall have any claim against the other in relation to the Subscription save for any antecedent breach.

Nomination of Director

As at the date of this announcement, the Board comprises of 1 executive Director, 3 non-executive Directors and 3 independent non-executive Directors. So long as the Subscriber(s) in aggregate holds at or above 10% of the issued share capital of the Company, the Subscriber(s) shall have the right to nominate one person as a non-executive Director to the Board.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company before and upon completion of the Subscription is as follows:

Names of Shareholders	Existing no. of Shares held	%	No. of Shares held immediately after completion of Subscription	%
Non-public shareholders				
Unbeatable Holdings Limited (<i>note 1</i>)	101,787,450	26.80	101,787,450	22.33
Chow Holdings Limited (<i>note 1</i>)	32,463,816	8.54	32,463,816	7.12
CIG China Holdings Limited (<i>note 1</i>)	7,500,000	1.97	7,500,000	1.64
	-----	-----	-----	-----
Sub-total	<u>141,751,266</u>	<u>37.31</u>	<u>141,751,266</u>	<u>31.09</u>
Subscriber(s)/Value Partners	0	0	75,983,543	16.67
Harbour Master Limited (<i>note 2</i>)	72,141,985	18.99	72,141,985	15.82
MOL (Asia) Limited	37,620,000	9.90	37,620,000	8.25
Ramwealth Company Limited (<i>note 3</i>)	4,568,232	1.20	4,568,232	1.00
Public shareholders				
Other Shareholders	<u>123,836,234</u>	<u>32.60</u>	<u>123,836,234</u>	<u>27.17</u>
Total	<u><u>379,917,717</u></u>	<u><u>100.00</u></u>	<u><u>455,901,260</u></u>	<u><u>100.00</u></u>

Notes:

- (1) Mr. Chow Kwong Fai, Edward, an executive Director, is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Unbeatable Holdings Limited, Chow Holdings Limited and CIG China Holdings Limited.
- (2) Harbour Master Limited is controlled by Yangtze Ventures II Limited. Yangtze Ventures II Limited is controlled by Goldcrest Development Limited. Goldcrest Development Limited is controlled by Shui On Construction and Materials Limited. Shui On Construction and Materials Limited is controlled by Shui On Company Limited. Shui On Company Limited is controlled by Bosrich Holdings Inc. Bosrich Holdings Inc. is controlled by HSBC International Trust Limited and Mr. Lo Hong Sui, Vincent is interested in the shares of Bosrich Holdings Inc. held by HSBC International Trust Limited.
- (3) Mr. Lee Jor Hung, Dannis, a non-executive Director, is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Ramwealth Company Limited.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors had considered various ways of raising new funds for the Group and consider that the Subscription represents an ideal opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

The gross proceeds from the Subscription amounted to approximately HK\$44,830,290. The net proceeds from the Subscription of approximately HK\$44,730,290 will be applied for the financing of the Group's on-going capital expenditure in expanding its container port and logistics facilities as well as for working capital of the Group. The net proceeds raised per Subscription Share will be about HK\$0.5887.

The Company has not conducted any equity fund raising activities in the past twelve-month period immediately before the date of this announcement.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing of the resolution by Shareholders at the annual general meeting of the Company held on 7 May 2007 (i.e. 75,983,543 Shares in number). As at the date of this announcement, no Shares have been issued under the General Mandate. After completion of the Subscription, no further Shares may be allotted and issued pursuant to the General Mandate.

GENERAL

The principal activities of the Group are investment in and the development, operation and management of container ports which are conducted through the WIT Port in Wuhan, Central China, which is 85% owned by the Group.

The Company will submit an application to the Stock Exchange for the listing of and permission to deal in the Subscription Shares to be allotted and issued pursuant to the Subscription Agreement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 12 June 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 13 June 2007.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement have the following meanings:

“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“Company”	CIG Yangtze Ports PLC, the shares of which are listed on GEM
“Director(s)”	director(s) of the Company, including independent non-executive director(s)
“GEM”	The Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 7 May 2007 subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing of the resolution (i.e. 75,983,543 Shares in number)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	Third party independent of the Company and its connected persons (as defined in the GEM Listing Rules) or any party or parties acting in concert with any of them
“Last Trading Day”	11 June 2007, being the last trading day for the Shares prior to this announcement
“PRC”	The People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purposes of this announcement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	certain investment or collective investment fund(s)/sub fund(s), or managed account(s) that Value Partners or its subsidiaries is acting for as the investment manager, sub investment manager, investment advisor or sub investment advisor

“Subscription”	the subscription for the Subscription Shares by the Subscriber(s) subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and Value Partners for the procurement of the subscription of the Subscription Shares by the Subscriber(s) on 12 June 2007
“Subscription Price”	HK\$0.59 per Subscription Share
“Subscription Shares”	a total of 75,983,543 new Shares to be subscribed for by the Subscriber(s) pursuant to the Subscription Agreement
“Value Partners”	Value Partners Limited, an investment manager, sub investment manager, investment advisor or sub investment advisor of the Subscriber(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
CIG Yangtze Ports PLC
Edward K. F. Chow
Chairman

Hong Kong, 12 June 2007

As at the date of this announcement, the executive Director is Mr. Chow Kwong Fai, Edward; the non-executive Directors are Mr. Wong Yuet Leung, Frankie, Mr. Lee Jor Hung, Dannis and Mr. Goh Pek Yang, Michael; and the independent non-executive Directors are Mr. Lee Kang Bor, Thomas, Mr. Wong Tin Yau, Kevin and Mr. Leung Kwong Ho, Edmund.

The Directors jointly and severally accept fully responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the day of its posting.

* For identification purpose only