

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



中國基建港口有限公司*
CIG Yangtze Ports PLC

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8233)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO RIGHTS SHARES FOR EVERY THREE EXISTING SHARES
HELD BY QUALIFYING SHAREHOLDERS ON THE RECORD DATE
WITH
BONUS ISSUE ON THE BASIS OF
ONE BONUS SHARE FOR EVERY RIGHTS SHARE
TAKEN UP UNDER THE RIGHTS ISSUE**

**REVISION ON THE TERMS AND CONDITIONS OF THE RIGHTS ISSUE
(TOGETHER WITH THE BONUS ISSUE)**

Financial adviser to the Company



**REVISION ON THE TERMS AND CONDITIONS OF THE RIGHTS ISSUE AND THE
BONUS ISSUE**

Reference is made to the Announcement in respect of the terms and conditions of the Rights Issue (together with the Bonus Issue).

The Company has decided to revise the conditions of the Rights Issue such that the Rights Issue will be conditional upon, amongst other things, the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof. Accordingly, the Chow Companies will no longer be required to apply for the Whitewash Waiver to facilitate the completion of the Rights Issue and hence the Rights Issue will not be conditional upon (a) the passing by the Independent Shareholders at the EGM of the relevant resolution (such vote shall be taken by way of poll) to approve the Whitewash Waiver not later than the Posting Date; and (b) the granting of the Whitewash Waiver to the Chow Companies and parties acting in concert with any of them not later than the Posting Date.

As a result of the changes in the conditions to the Rights Issue, the terms of the Rights Issue will be revised such that the number of the Rights Shares and the Bonus Shares to be allotted and issued under the Rights Issue (together with the Bonus Issue) will be fixed to 334,327,589 Rights Shares and 334,327,589 Bonus Shares, subject to fractional adjustments. The amount to be raised by the Company will also be fixed to approximately HK\$33.4 million, before expenses, by issuing 334,327,589 Rights Shares at the Subscription Price.

The net proceeds from the Rights Issue are expected to be approximately HK\$32.0 million, of which approximately HK\$16.3 million will be used for payment of the land and preliminary expenses for the Heavy Item Port and the balance of approximately HK\$15.7 million will be used as general working capital of the Group.

Save for the above, other terms and conditions including the Subscription Price and the basis of the Rights Issue (together with the Bonus Issue) will remain the same as set out in the Announcement.

Shareholders should note, in particular, that completion of the Underwriting Agreement now becomes a condition for the completion of the Rights Issue (together with the Bonus Issue). If the Underwriting Agreement is terminated in accordance with the terms thereof, the Rights Issue (together with the Bonus Issue) will not proceed and will be terminated.

WARNING OF RISKS OF DEALINGS IN THE SHARES AND THE RIGHTS SHARES

The Rights Issue (together with the Bonus Issue) is conditional upon, among other things, (i) approval by the Independent Shareholders at the EGM; (ii) the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares; and (iii) the Underwriting Agreement having become unconditional and not being terminated. Any dealing in the Shares from the date of this announcement up to the date on which the Rights Issue becomes unconditional, and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

A circular setting out, among other things, details of the Rights Issue (together with the Bonus Issue) and the Amendment to the Articles, the letter of advice from the independent financial adviser and the recommendation of the independent board committee will be sent to the Shareholders as soon as possible in accordance with the GEM Listing Rules.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded Shareholders for information only.

Reference is made to the announcement of the Company dated 26 May 2009 in respect of the Rights Issue (together with the Bonus Issue) (the “**Announcement**”). Terms used herein will bear the same meanings as those defined in the Announcement unless otherwise defined herein.

Background

On 26 May 2009, the Company released the Announcement to propose the Rights Issue (together with the Bonus Issue) to raise not less than approximately HK\$22.0 million and not more than approximately HK\$33.4 million, before expenses, by issuing not less than 220,280,047 Rights Shares and not more than 334,327,589 Rights Shares at a price of HK\$0.10 per Rights Share, on the basis of two Rights Shares for every three Shares held by Qualifying Shareholders on the Record Date, together with not less than 220,280,047 Bonus Shares and not more than 334,327,589 Bonus Shares on the basis of one Bonus Share for every Rights Share taken up under the Rights Issue.

As set out in the Announcement, the completion of the Underwriting Agreement is not a condition to the completion of the Rights Issue (together with the Bonus Issue).

Accordingly, if the conditions of the Rights Issue and the Bonus Issue, as set out in the Announcement, are being fulfilled including (i) the passing by the Independent Shareholders at the EGM of the relevant resolution (such vote shall be taken by way of poll) to approve the Whitewash Waiver not later than the Posting Date; and (ii) the granting of the Whitewash Waiver to the Chow Companies and parties acting in concert with any of them not later than the Posting Date, the Company will allot and issue (a) 334,327,589 Rights Shares and 334,327,589 Bonus Shares to raise approximately HK\$33.4 million, before expenses, under the Rights Issue (together with the Bonus Issue), if the Underwriting Agreement is not terminated in accordance with the terms thereof; or (b) not less than 220,280,047 Rights Shares and 220,280,047 Bonus Shares (assuming only the Substantial Shareholders take up their respective entitlements under the Rights Issue (together with the Bonus Issue)) but not more than 334,327,589 Rights Shares and 334,327,589 Bonus Shares (assuming all Qualifying Shareholders take up their respective entitlements in full under the Rights Issue (together with the Bonus Issue)) to raise not less than approximately HK\$22.0 million but not more than approximately HK\$33.4 million, before expenses, under the Rights Issue (together with the Bonus Issue), if the Underwriting Agreement is terminated in accordance with the terms thereof.

In the event that only the Substantial Shareholders take up their respective entitlements under the Rights Issue (together with the Bonus Issue) and the Underwriting Agreement is terminated in accordance with the terms thereof, the interests of the Chow Companies and parties acting in concert with them in the voting rights of the Company would increase from approximately 34.89% to approximately 43.34% immediately upon completion of the Rights Issue (together with the Bonus Issue). Accordingly, the Chow Companies and parties acting in concert with them would be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code. Unbeatable Holdings, one of the Chow Companies, has made an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

REVISION ON THE TERMS AND CONDITIONS OF THE RIGHTS ISSUE AND THE BONUS ISSUE

After due consideration, the Company considers it not in the best interests of the Company and its Shareholders to proceed with the Rights Issue (together with the Bonus Issue) if the Underwriting Agreement is being terminated in accordance with the terms thereof. The Company has decided to add a condition to the Rights Issue (together with the Bonus Issue) such that the Rights Issue (together with the Bonus Issue) will be conditional upon, amongst other things, the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

With the addition of such condition, the Rights Issue (together with the Bonus Issue) will not proceed if such condition is not fulfilled and hence the Chow Companies will no longer be required to apply for the Whitewash Waiver to facilitate the completion of the Rights Issue as set out in the section headed “Background” above.

Accordingly, the Rights Issue (together with the Bonus Issue) will not be conditional upon (a) the passing by the Independent Shareholders at the EGM of the relevant resolution (such vote shall be taken by way of poll) to approve the Whitewash Waiver not later than the Posting Date; and (b) the granting of the Whitewash Waiver to the Chow Companies and parties acting in concert with any of them not later than the Posting Date.

Unbeatable Holdings has submitted an application to the Executive to withdraw the application for the Whitewash Waiver.

The revised terms and conditions of the Rights Issue and the Bonus Issue are as follows:

Revised issue statistics

The number of the Rights Shares and the Bonus Shares to be allotted and issued under the Rights Issue (together with the Bonus Issue) will no longer be not less than 220,280,047 Rights Shares and 220,280,047 Bonus Shares and not more than 334,327,589 Rights Shares and 334,327,589 Bonus Shares. Instead, the number of Rights Shares and Bonus Shares to be allotted and issued under the Rights Issue (together with the Bonus Issue) will be fixed to 334,327,589 Rights Shares and 334,327,589 Bonus Shares, subject to fractional adjustments. Save for these changes, other terms of the Rights Issue (together with the Bonus Issue) including the basis of the Rights Issue and the Bonus Issue and the Subscription Price will remain the same as set out in the Announcement. The revised issue statistics of the Rights Issue (together with the Bonus Issue) are shown in the following table.

Basis of the Rights Issue with the Bonus Issue : Two Rights Shares for every three Shares held by Qualifying Shareholders on the Record Date, with one Bonus Share for every fully paid Rights Share taken up under the Rights Issue

Number of Shares in issue as at the date of this announcement : 501,491,386 Shares

Number of Rights Shares : 334,327,589 Rights Shares, representing approximately 66.67% of the existing issued share capital of the Company as at the date of this announcement and approximately 28.57% of the issued share capital of the Company as enlarged by the Rights Issue and the Bonus Issue

The aggregate nominal value of the Rights Shares amounts to HK\$33,432,759

Number of Bonus Shares : 334,327,589 Bonus Shares to be issued to the first registered holders of the fully-paid Rights Shares on the basis of one Bonus Share for every Rights Share taken up under the Rights Issue, representing approximately 66.67% of the existing issued share capital of the Company as at the date of this announcement and approximately 28.57% of the issued share capital of the Company as enlarged by the Rights Issue and the Bonus Issue

The aggregate nominal value of the Bonus Shares amounts to HK\$33,432,759

Subscription Price per Rights Share : HK\$0.10 per Rights Share

Underwriter : VC Brokerage

To the best knowledge, information and belief of the Directors, having made reasonable enquiries, each of the Underwriter and its beneficial owner(s) is an independent third party not connected with the Company or its connected persons

As at the date of this announcement, the Company has 8,600,000 outstanding Share Options which are only exercisable on 10 April 2010 by the earliest. Save for the aforesaid, the Company does not have any pre-existing obligation to issue Shares or any outstanding share options, derivatives or securities which are convertible or exchangeable into Shares.

Revised conditions of the Rights Issue and the Bonus Issue

The conditions of the Rights Issue have been revised such that (i) the Rights Issue will be conditional upon, amongst other things, the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof; (ii) the Rights Issue will not be conditional upon (a) the passing by the Independent Shareholders at the EGM of the relevant resolution (such vote shall be taken by way of poll) to approve the Whitewash Waiver not later than the Posting Date; and (b) the granting of the Whitewash Waiver to the Chow Companies and parties acting in concert with any of them not later than the Posting Date. The revised conditions of the Rights Issue are as follows:

The Rights Issue is conditional upon:

- (i) the passing by the Independent Shareholders (or where appropriate the Shareholders) at the EGM of the relevant resolutions (such vote shall be taken by way of poll) to approve: (a) the Amendments to the Articles to allow the allotment and issue of the Bonus Shares not in proportion to the shareholding of the Shareholders by way of capitalisation of the share premium account of the Company; (b) the Rights Issue; and (c) the allotment and issue of the Bonus Shares;
- (ii) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Rights Issue Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;
- (iii) the posting of the Rights Issue Documents to Qualifying Shareholders on the Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) and the Bonus Shares by no later than the Posting Date;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) due compliance with and performance of all the undertakings and obligations of each of Mr. Chow, the Chow Companies, Harbour Master and the Value Partners Group under the Undertakings; and
- (vii) the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

None of the conditions above is capable of being waived. As at the date of this announcement, none of the conditions (i) to (iv) and (vii) above have been fulfilled. The Directors are not aware of any matter which indicates that any of the undertakings or obligations of the Company under condition (v) above and any of the undertakings and obligations of each of Mr. Chow, the Chow Companies, Harbour Master and the Value Partners Group under the Undertakings under condition (vi) above have been breached or have not been complied with.

Shareholders should note, in particular, that completion of the Underwriting Agreement now becomes a condition for the completion of the Rights Issue (together with the Bonus Issue). If the Underwriter terminates the Underwriting Agreement in accordance the terms thereof, the Rights Issue (together with the Bonus Issue) will not proceed and will lapse immediately.

UNDERTAKINGS AND UNDERWRITING AGREEMENT

Each of Mr. Chow, the Chow Companies, Harbour Master and the Value Partners Group has acknowledged that their respective Undertakings are still valid albeit the revised terms and conditions of the Rights Issue (together with the Bonus Issue).

The Underwriter has also acknowledged that the Underwriting Agreement is still valid albeit the revised terms and conditions of the Rights Issue (together with the Bonus Issue).

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

The Rights Issue (together with the Bonus Issue) is conditional upon, among other things, the fulfillment of the conditions as set out in the section headed “Revised Conditions of the Rights Issue and the Bonus Issue” above. In particular, it is subject to (i) approval by the Independent Shareholders at the EGM; (ii) the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares; and (iii) the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof. Any dealing in the Shares from the date of this announcement up to the date on which the Rights Issue becomes unconditional, and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

EXPECTED TIMETABLE

The revised timetable will be set out in a separate announcement upon the despatch of the circular in respect of the Rights Issue (together with the Bonus Issue).

USE OF PROCEEDS OF THE RIGHTS ISSUE

Under the revised terms of the Rights Issue, the number of Rights Shares and Bonus Shares to be allotted and issued under the Rights Issue (together with the Bonus Issue) will be fixed to 334,327,589 Rights Shares and 334,327,589 Bonus Shares, subject to fractional adjustments. As such, the net proceeds of the Rights Issue will amount to approximately HK\$32.0 million, of which approximately HK\$16.3 million will be used for payment of the land and preliminary expenses for the Heavy Item Port and the balance of approximately HK\$15.7 million will be used as general working capital of the Group.

The Directors consider that the revised terms and conditions of the Rights Issue (together with the Bonus Issue) would be in the best interests of the Company and its Shareholders such that if the Underwriting Agreement is being terminated in accordance with the terms thereof, the Rights Issue (together with the Bonus Issue) will not proceed.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue together with the Bonus Issue (assuming that all Qualifying Shareholders have taken up their respective entitlements under the Rights Issue); and (iii) immediately after completion of the Rights Issue together with the Bonus Issue (assuming that the Underwriter has taken up all the entitlements of the Qualifying Shareholders, other than the Substantial Shareholders, under the Rights Issue):

	As at the date of this announcement		Immediately after completion of the Rights Issue together with the Bonus Issue (assuming that all Qualifying Shareholders have taken up their respective entitlements under the Rights Issue)		Immediately after completion of the Rights Issue together with the Bonus Issue (assuming that the Underwriter has taken up all the entitlements of the Qualifying Shareholders, other than the Substantial Shareholders, under the Rights Issue)	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Chow Companies and parties acting in concert with any of them (<i>Note 1</i>)	174,977,592	34.89%	408,281,048	34.89%	408,281,048	34.89%
Harbour Master (<i>Note 2</i>)	79,356,183	15.83%	185,164,427	15.83%	185,164,427	15.83%
Value Partners Group (<i>Note 3</i>)	76,086,297	15.17%	177,534,691	15.17%	177,534,691	15.17%
Sub-total of Shareholders who have given the Undertakings	330,420,072	65.89%	770,980,166	65.89%	770,980,166	65.89%
Ramwealth Company Limited (<i>Note 4</i>)	5,025,055	1.00%	11,725,127	1.00%	5,025,055	0.43%
Underwriter (<i>Note 5</i>)	0	0.00%	0	0.00%	228,095,084	19.49%
Public Shareholders	166,046,259	33.11%	387,441,271	33.11%	166,046,259	14.19%
Sub-total	171,071,314	34.11%	399,166,398	34.11%	399,166,398	34.11%
Total	501,491,386	100.00%	1,170,146,564	100.00%	1,170,146,564	100.00%

Notes:

- Each of the Chow Companies is wholly owned by Mr. Chow, Chairman of the Company and an executive Director. As at the date of this announcement, in addition to the interests as stated above, Mr. Chow is also interested in 450,000 outstanding Share Options (which are only exercisable on 10 April 2010 by the earliest).

2. Harbour Master is indirectly controlled by Shui On Construction and Materials Limited, a company listed on the Main Board of the Stock Exchange.
3. The Value Partners Group comprises funds managed by Value Partners Limited.
4. Ramwealth Company Limited is a company in respect of which 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 its general meetings. As at the date of this announcement, in addition to the interests as stated above, Mr. Lee Jor Hung, Dannis is also interested in 450,000 outstanding Share Options (which are only exercisable on 10 April 2010 by the earliest).
5. The Underwriter has confirmed that, as at the date of this announcement, it has entered into sub-underwriting arrangements with various sub-underwriters, being its clients, to sub-underwrite all the Underwritten Shares. Each of the sub-underwriters has confirmed that it is not connected with the Company and its connected persons and is not an existing Shareholder. The number of Shares being sub-underwritten by each of these sub-underwriters represents less than 10% of the issued share capital of the Company as at the date hereof. The taking up of the sub-underwritten Rights Shares by the sub-underwriters will not give rise to a general offer obligation under Rule 26 of the Takeovers Code.

GENERAL

A circular setting out, among other things, details of the Rights Issue (together with the Bonus Issue) and the Amendment to the Articles, the letter of advice from the independent financial adviser and the recommendation of the independent board committee will be sent to the Shareholders as soon as possible in accordance with the GEM Listing Rules.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded Shareholders for information only.

All times and dates in this announcement refer to Hong Kong times and dates.

By order of the Board of
CIG Yangtze Ports PLC
Wong Wai Keung, Frederick
Company Secretary

Hong Kong, 16 June 2009

As of the date of this announcement, the Board comprises an executive Director, namely Mr. Chow Kwong Fai, Edward; three non-executive Directors, namely Mr. Wong Yuet Leung, Frankie, Mr. Lee Jor Hung, Dannis and Mr. Goh Pek Yang, Michael; and three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas, Dr. Wong Tin Yau, Kelvin and Mr. Fan Chun Wah, Andrew.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement (other than information relating to the Chow Companies and parties acting in concert with any of them) is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement (other than those relating to the Chow Companies and parties acting in concert with them) in this announcement misleading; and (3) all opinions expressed in this announcement (other than those relating to the Chow Companies and parties acting in concert with any of them) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Chow Companies and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Chow Companies and parties acting in concert with any of them) 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.

The sole director of each of the Chow Companies jointly and severally accepts full responsibility for the accuracy of the information relating to the Chow Companies and parties acting in concert with any of them contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement by the Chow Companies and parties acting in concert with any of them 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*