



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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take 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.

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.

RESULTS HIGHLIGHTS

Year on Year Comparison

- Container throughput increased by 57% to 251,028 TEUs
- Market share of container throughput in Wuhan increased from 34% to 44%
- Revenue increased by 28% to HK\$54.1 million
- Gross profit increased by 15% to HK\$26.6 million. Gross profit margin decreased from 55% to 49%
- EBITDA increased by 26% to HK\$12.9 million
- WIT achieved a profit for the year
- Net loss attributable to shareholders reduced by 43% to HK\$6.0 million (2008: HK\$10.5 million)

OTHER HIGHLIGHTS

- The WIT Port ranked third (3rd) amongst container ports with the highest growth rate for the whole of China in 2009
- While achieving higher container throughput and greater market share, gross profit margin for the year ended 31 December 2009 has decreased as a result of higher mix of transshipment containers, which attract lower tariff
- By way of a rights issue, the Company successfully raised net proceeds of HK\$31.3 million in August 2009 to finance the development of the Heavy Item Port and to provide additional working capital

PROSPECTS

The Group expects to continue to improve its performance and maintain business growth in 2010, despite slow global economic recovery. The Group believes, continuing government support to promote marine cargo traffic along the Yangtze River corridor and the policy to stimulate domestic trade in China together with management's efforts to open new routes and new cargo sources, would enable the Group to achieve better results in 2010.

MANAGEMENT COMMENTARY

PERFORMANCE

	Year ended 31 December	
	2009	2008
	HK\$'000	HK\$'000
Revenue	54,136	42,304
Cost of services rendered	<u>(27,518)</u>	<u>(19,213)</u>
Gross profit	26,618	23,091
Other income	6,865	6,429
General, administrative and other operating expenses	<u>(20,618)</u>	<u>(19,311)</u>
Operating Profit/EBITDA	12,865	10,209
Finance costs	<u>(8,455)</u>	<u>(10,845)</u>
EBITDA	4,410	(636)
Depreciation and amortisation	<u>(10,377)</u>	<u>(9,827)</u>
Loss for the year	(5,967)	(10,463)
Minority interests	<u>(37)</u>	<u>(53)</u>
Loss attributable to shareholders	<u><u>(6,004)</u></u>	<u><u>(10,516)</u></u>

REVIEW OF OPERATION

Overall business environment

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 a key role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor, including the upstream area of Chongqing and neighbouring provinces. This role is particularly important in achieving high economic growth in Central China region (中部崛起), a key theme of China's 11th 5-year Plan (2006-2010). This pivotal role which Wuhan and WIT Port plays 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, by 2012, Wuhan plans to build up its container cargo handling capacity of 1.5 million TEUs. Under the 5-year Plan, Wuhan will also become one of the four major regional logistics hubs in the whole of China.

Wuhan and Hubei Province respectively achieved GDP growth of 12.5% (15.1% in 2008) and 13.2% (13.4% in 2008) in 2009 while that of the whole of China grew by 8.7% (9% in 2008).

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 such as Foxconn and TPV as well as those in the construction materials and farm products businesses have been and will continue to be the principal providers of Wuhan sourced container cargos to the WIT Port. As many of the manufacturing/assembly plants of these international companies are new, their planned production expansion will contribute to the growth in throughput at the WIT Port.

The transshipment services provided by WIT provide a more economical alternative to surrounding areas of Wuhan to ship container cargos using bigger ships carrying more containers to and from Shanghai and overseas as the inherent water-depth limitations along the up-stream regions of the Yangtze River precludes bigger ships from navigating directly between those areas and Shanghai. Surrounding areas which are serviced by WIT include Hunan, Guizhou, Chongqing, Sichuan, Shanxi, Henan, Hubei and Shaanxi Provinces. Recent new strategic initiatives by the government for shipping companies and WIT Port to recommence direct sailings to Yangshan Port in Shanghai (江海直達) further strengthened the position of WIT Port as a transshipment port at the mid-stream of the Yangtze River.

With the development and growth of the container business on track, the Group has been developing its agency and integrated logistics businesses to expand its revenue sources, including bonded warehousing, customs clearance, break-bulk and distribution.

Below is a more detailed description of the Group's revenue segments:

Container throughput

The total throughput achieved by WIT for 2009 was 251,028 TEUs, an increase of 90,991 TEUs or 57% over that of 160,037 TEUs for 2008. Of the 251,028 TEUs handled in 2009, 57,730 TEUs (2008: 45,451 TEUs) or 23% (2008: 28%) and 193,298 TEUs (2008: 114,586 TEUs) or 77% (2008: 72%) were attributed to Wuhan sourced and transshipment cargos respectively.

The high growth in container throughput is mainly due to three reasons, namely, general economic growth, government policy to encourage the recommencement of direct sailings to Yangshan Port in Shanghai (江海直達) and a major shipping company's decision to use the WIT Port as its mid-stream transshipment hub to facilitate cargo movements along the Yangtze River.

General Cargo

Throughput of general cargo for 2009 was 143,231 tons, an increase of 3% over 2008.

Agency & Logistics

The agency and logistics businesses continue to make important contributions to the revenue of the Group in 2009. Revenue from these sources accounted for 45% of revenue (2008: 31%).

OPERATING RESULTS

Revenue

	2009		2008		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Container handling	26,939	50	26,249	62	690	3
General and bulk cargo	2,768	5	2,922	7	(154)	(5)
Agency	15,979	30	5,479	13	10,500	192
Integrated logistics services	8,450	15	7,654	18	796	10
	54,136	100	42,304	100	11,832	28

For 2009, the Group's revenue amounted to HK\$54.1 million, representing an increase of HK\$11.8 million or 28% over that of HK\$42.3 million for 2008. The increase in revenue was mainly attributable to extra revenue from additional containers handled and increased revenue from agency services as more agency agreements were entered into with shipping companies to extend our services.

In percentage terms, container handling services accounted for 50% (2008: 62%), agency income 30% (2008: 13%), integrated logistics services 15% (2008: 18%) and general and bulk cargo handling service 5% (2008: 7%) of total revenue.

Container Volume and Throughput

	2009		2008		Increase	
	TEUs	%	TEUs	%	TEUs	%
Wuhan sourced	57,730	23	45,451	28	12,279	27
Transshipment	193,298	77	114,586	72	78,712	69
	251,028	100	160,037	100	90,991	57

The volume of throughput achieved for 2009 was 251,028 TEUs, an increase of 90,991 TEUs or 57% over that of 160,037 TEUs for 2008. These achievements reflected the combined achievements in marketing and business development of the management team of WIT and WIT's ability to handle transshipment cargo from neighbouring and upstream provinces of Wuhan.

In terms of market share, the 2009 year saw the WIT Port's share increased from 34% to 44% against an aggregate of 565,981 TEUs handled in 2009 for the whole of Wuhan. In comparison with other ports in China, the WIT Port was ranked third (3rd) in terms of ports with the highest growth rate for the whole of China in 2009.

Gross Profit and Gross Profit Margin

Gross profit for 2009 was HK\$26.6 million, an improvement of HK\$3.5 million on the gross profit of HK\$23.1 million in 2008. Gross profit margin for 2009 decreased from 55% for 2008 to 49%. While achieving higher container throughput and greater market share, gross profit margin for the year has decreased as a result of higher mix of transshipment container being handled which command lower tariffs.

Loss for the Year

Loss for the year (and loss attributable to shareholders) amounted to HK\$6.0 million, representing a reduction of HK\$4.5 million or 43% over that of HK\$10.5 million for the 2008 year. These were attributable to a combination of factors, including the increase in gross profit contributions, subsidies granted by government, the decrease in general and administrative expenses as a result of the implementation of cost cutting measures and the decrease in finance costs due to reduction in interest rates.

Loss per share was HK cents 0.58, a substantial improvement compared with HK cents 1.11 for 2008.

FINANCIAL POSITION AND GEARING RATIO

The Group finances its operations and capital expenditure with internal financial resources, long-term and short-term bank borrowings.

As at 31 December 2009, the Group had total outstanding bank borrowings of HK\$204.1 million (RMB179 million) (2008: HK\$199.5 million), which are provided by a PRC bank.

The Group had total cash and cash equivalents of HK\$26.6 million as at 31 December 2009 (2008: HK\$8.6 million) and consolidated net assets of HK\$147.9 million (2008: HK\$122.3 million).

During the year, the Group successfully obtained new banking facilities of HK\$228 million (RMB200 million) to re-finance all its existing bank loans of and to provide additional working capital facilities to WIT. Such banking facilities, which comprise of a RMB120 million capital loan and a RMB80 million working capital loan with tenures of seven years and three years respectively, allowed the Group to extend the tenure of its borrowings.

As at 31 December 2009, the Group had a gearing ratio of approximately 1.5 (2008: 1.9). The calculation of the gearing ratio was based on total bank borrowings over equity attributable to shareholders of the Company as at 31 December 2009 and 2008 respectively. The lower gearing in 2009 reflected the increased equity resulting from the successful rights issue during the year.

EXCHANGE RATE RISKS

The Group's reporting currency is the Hong Kong dollar. The Group's exposure to foreign currency exchange rates relates primarily to the Group's operations in Wuhan which are conducted in Renminbi.

For the year ended 31 December 2009, 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.

RIGHTS ISSUE

In August, the Company successfully completed the Rights issue and raised net proceeds of HK\$31.3 million by issuing 334,327,589 rights shares (the "Rights Issue") at HK\$0.10 per rights share ("Rights Shares") on the basis of two rights shares for every three existing shares held with a bonus issue on the basis of one bonus share for every rights share taken up under the Rights Issue. The Excess Applications under the Rights Issue were particularly enthusiastically subscribed for, with a total of 6,774,208,957 Rights Shares being applied for, representing approximately 19.39 times of the total number of 334,327,589 Rights Shares available for subscription. Against the actual number of 41,434,443 excess Rights Shares available for Excess Application, this represented an over-subscription of 156.42 times.

Developing New Port & Logistics facilities

Being a ports and logistics company operating in a high growth economy, the Group's strategy is twofold – expanding the volume of business on the operations side and at the same time constructing new facilities to cater for growth.

The implementation of this strategy, which will create enterprise and shareholder value in the long term, could only be achieved at the expense of short term profit due to higher depreciation and interest charges.

Heavy Item Port

On 1 August 2007, the Group entered into a heads of agreement with the Wuhan Xinzhou District Government to construct and operate a heavy item port (重特大件碼頭) (the "Heavy Item Port" or the "Project") to handle large and heavy cargo (up to 600 tonnes in weight) shipments to cater for the transportation needs of some major international power generation, transmission and distribution equipment manufacturers which have chosen to establish manufacturing plants in the Yanglou District of Wuhan, where the WIT Port is situated.

The provision of a heavy item port facility is part of the Wuhan Government's commitment to these world class manufacturers to attract them to establish manufacturing facilities in Wuhan. The Heavy Item Port will be located adjacent to the WIT Port and will be managed by the same management team to achieve economies of scale. Total estimated capital expenditure is estimated to be around RMB150 million.

The Group has commissioned for the feasibility studies and preliminary designs to be included in the submission of the application for Government approval (立項).

On 30 September 2009, the Group entered into a land acquisition agreement with the Wuhan Xinzhou District Bureau of Land and Resources (武漢新洲區國土資源管理局) to procure 124 mou of land for the development of the Heavy Item Port. The land procurement procedures are in progress.

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 Phase II of the WIT Port by the PRC joint venture partners who are Wuhan government agencies. Pursuant to this the Group signed a Heads of Agreement in 2005 and a supplemental agreement in April 2007 to commission a development plan which has been approved by the Central Government.

Under the Heads of Agreement, the Group will take a 44% equity interest in the Phase II development with the rest of the interest to be taken up by the two PRC Joint Venture partners of WIT. The Phase II development will increase designed handling capacity by 800,000 TEUs, taking the overall annual designed handling capacity of the WIT Port to 1,200,000 TEUs. Negotiations of the terms of the joint venture agreement are progressing slowly. The Group will keep shareholders informed of the development and if the Board approves for the negotiated project to go ahead, the project will be tabled for shareholders' approval.

FORWARD LOOKING OBSERVATIONS

The Directors are pleased to note that the Group has continued to improve and increase its container throughput and revenue and has been able to significantly reduce its loss. The directors are also optimistic about the medium and long term economic prospects of Wuhan, the Yangtze River Region and indeed China as a whole and believe that the Group will continue to benefit from its expanded revenue sources and future investments in the region.

In particular, the Group will be looking for additional strategic partners/shareholders in the ports and logistics businesses to further grow its business. As the global economy and trade recover, the Group will also be looking to build a non-capital intensive trading, sourcing and distribution platform to expand its business segments and revenue sources.

In conclusion, the Group expects its financial performance and business growth to continue in the foreseeable future.

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 2009, together with the comparative audited figures for the year ended 31 December 2008 which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Consolidated Statement of Comprehensive Income

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i> (Restated)
Revenue	3	54,136	42,304
Cost of services rendered		(27,518)	(19,213)
Gross profit		26,618	23,091
Other income	4	6,865	6,429
Other operating expenses		(9,870)	(5,785)
General and administrative expenses		(21,125)	(23,353)
Finance costs	5	(8,455)	(10,845)
Loss before taxation	6	(5,967)	(10,463)
Taxation	7	–	–
Loss for the year		(5,967)	(10,463)
Other comprehensive income			
Exchange gain on translation of financial statements of foreign operations		23	6,393
Total comprehensive loss for the year		(5,944)	(4,070)
Loss for the year attributable to:			
Shareholders of the Company		(6,004)	(10,516)
Minority interests		37	53
		(5,967)	(10,463)
Total comprehensive loss attributable to:			
Shareholders of the Company		(5,981)	(5,074)
Minority interests		37	1,004
		(5,944)	(4,070)
Dividend	8	–	–
Loss per share for the year attributable to shareholders of the Company – basic	9	HK0.58 cents	HK1.11 cents

Consolidated Statement of Financial Position

		As at 31 December	
		2009	2008
	Note	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	284,109	282,755
Land use rights	11	8,538	8,756
Construction in progress	12	6,926	4,518
		<u>299,573</u>	<u>296,029</u>
Current assets			
Inventories	13	921	933
Trade receivables	14	14,478	11,252
Prepayments, deposits and other receivables		4,656	2,727
Government subsidy receivables	15	14,393	11,115
Cash and cash equivalents		26,644	8,611
		<u>61,092</u>	<u>34,638</u>
Current liabilities			
Accrued expenses and other payables	16	8,718	8,728
Current portion of interest-bearing borrowings	17	28	28,566
		<u>8,746</u>	<u>37,294</u>
Net current assets/(liabilities)		<u>52,346</u>	<u>(2,656)</u>
Total assets less current liabilities		351,919	293,373
Non-current liabilities			
Long-term interest-bearing borrowings	17	(204,060)	(171,028)
Net assets		<u>147,859</u>	<u>122,345</u>
EQUITY			
Share capital	18	117,015	50,149
Reserves		15,155	56,544
Equity attributable to shareholders of the Company		<u>132,170</u>	<u>106,693</u>
Minority interests		<u>15,689</u>	<u>15,652</u>
Total equity		<u><u>147,859</u></u>	<u><u>122,345</u></u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to shareholders of the Company					Total HK\$'000	Minority Interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Foreign exchange reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2009	50,149	98,601	234	15,245	(57,536)	106,693	15,652	122,345
Total comprehensive income/ (loss) for the year	-	-	-	23	(6,004)	(5,981)	37	(5,944)
Rights issue of shares	33,433	-	-	-	-	33,433	-	33,433
Bonus issue of shares	33,433	(33,433)	-	-	-	-	-	-
Share issuing expenses	-	(2,150)	-	-	-	(2,150)	-	(2,150)
Share-based payment transactions	-	-	175	-	-	175	-	175
Transactions with owners	66,866	(35,583)	175	-	-	31,458	-	31,458
Release on forfeiture of share options	-	-	(23)	-	23	-	-	-
At 31 December 2009	117,015	63,018	386	15,268	(63,517)	132,170	15,689	147,859
At 1 January 2008	45,590	103,189	-	9,803	(47,020)	111,562	14,648	126,210
Total comprehensive income/ (loss) for the year	-	-	-	5,442	(10,516)	(5,074)	1,004	(4,070)
Bonus issue of shares	4,559	(4,559)	-	-	-	-	-	-
Share issuing expenses	-	(29)	-	-	-	(29)	-	(29)
Share-based payment transactions	-	-	234	-	-	234	-	234
Transactions with owners	4,559	(4,588)	234	-	-	205	-	205
At 31 December 2008	50,149	98,601	234	15,245	(57,536)	106,693	15,652	122,345

Notes to the Financial Statements

For the year ended 31 December 2009

1. BASIS OF PREPARATION

Consolidated Results

The Final Results of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”), which collective terms includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations issued by the International Accounting Standards Board (“IASB”), 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.

From 1 January 2009, the Group has adopted all of the new standards, amendments and interpretations (the “New IFRSs”) issued by the IASB, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2009.

The New IFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

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

2. SEGMENTAL INFORMATION

The Group is principally engaged in the businesses of port construction and operation and the management has regarded port construction and operation as the only dominant reportable operating segment. All of the Group’s revenue and contribution to loss from operating activities were derived from its principal activities of port operation in the People’s Republic of China (“PRC”). Hence, no segmental information is presented.

3. REVENUE

Revenue represents the fair value of container handling, general and bulk cargo handling, agency and integrated logistics services rendered for the year.

4. OTHER INCOME

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i> (Restated)
Bank interest income	43	251
Net loss on financial assets at fair value through profit or loss	–	(170)
Sundry income	597	317
Government subsidies	<u>6,225</u>	<u>6,031</u>
	<u>6,865</u>	<u>6,429</u>

5. FINANCE COSTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i> (Restated)
Interests on bank loans wholly repayable within 5 years	10,696	15,917
Interests on bank loans not wholly repayable within 5 years	1,406	–
Finance charges on obligations under finance lease	12	12
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	12,114	15,929
Less: Government subsidies	(3,659)	(5,084)
	<hr/>	<hr/>
	8,455	10,845
	<hr/> <hr/>	<hr/> <hr/>

6. LOSS BEFORE TAXATION

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Salaries, allowances and benefits in kind	15,203	15,324
Auditors' remuneration	400	360
Depreciation		
– owned asset	10,101	9,550
– leased asset	58	59
Impairment loss on government subsidy receivables	3,420	–
Cost of services rendered	32,955	19,213
Government subsidies	(5,437)	–
	<hr/>	<hr/>
	27,518	19,213
Amortisation of prepaid lease payment for land use rights	218	218
Loss on disposal of property, plant and equipment	70	94
Operating lease rental	919	1,127
Net loss on of financial assets at fair value through profit or loss	–	170
Net foreign exchange losses	3	241
	<hr/> <hr/>	<hr/> <hr/>

7. 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 and upon approval by the tax bureau, WIT is entitled to exemption from PRC enterprise income tax for five years (the “5-Year Exemption Entitlement”) and a 50% reduction for five years thereafter (the “5-Year 50% Tax Reduction Entitlement”). The 5-Year Exemption Entitlement, which commenced on 1 January 2008, will end on 31 December 2012 irrespective of whether WIT is profit-making during this period and the 5-Year 50% Tax Reduction Entitlement will commence from 1 January 2013 to 31 December 2017 and tax payable will be charged at 12.5%.

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries which are subject to Hong Kong Profits Tax incurred a loss for taxation purpose for the year.

7. TAXATION (CONTINUED)

Reconciliation between tax expense and accounting loss at applicable tax rate:

	2009 HK\$'000	2008 HK\$'000
Loss before taxation	<u>(5,976)</u>	<u>(10,463)</u>
Income tax at the applicable tax rates in the tax jurisdiction concerned	(794)	(1,883)
Non-deductible expenses	1,404	419
Tax exempt revenue	(3)	(4)
Unrecognised tax losses	1,354	1,697
Unrecognised temporary differences	(763)	(180)
Others	–	154
Tax concession	<u>(1,198)</u>	<u>(203)</u>
Tax expense for the year	<u>–</u>	<u>–</u>

The Group has not recognised deferred tax assets in respect of tax losses of HK\$72,135,000 (2008: HK\$72,719,000). Under the current tax legislations, tax losses of HK\$32,130,000 (2008: HK\$40,923,000) can be carried forward for five years since the year the loss is incurred and tax losses of HK\$40,005,000 (2008: HK\$31,796,000) have no expiry date under the current tax legislations. All tax losses are subject to the agreement from the relevant tax bureau.

8. DIVIDEND

The directors do not recommend the payment of a dividend for 2009 (2008: Nil).

9. 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\$6,004,000 (2008: HK\$10,516,000) and on the weighted average number of 1,037,907,764 (2008: 948,737,565) ordinary shares in issue during the year.

The number of shares for the purpose of calculating basic loss per share for the year ended 31 December 2008 has been adjusted and restated to reflect the rights and bonus issue of shares during the year.

No diluted loss per share has been presented because the only potential dilutive shares are those of the share options granted under the Share Option Scheme but the conditions for the exercise of such options have not yet been met during the year. Details of the share options granted and the Share Option Scheme are set out in the Section headed “Share Option Scheme” of this Announcement.

10. PROPERTY, PLANT AND EQUIPMENT

	2009 HK\$'000	2008 HK\$'000
Net book value at beginning of year	282,755	263,581
Exchange differences on consolidation	–	16,240
Additions	5,008	2,657
Transferred from construction in progress	6,575	10,047
Disposals	(70)	(161)
Depreciation	<u>(10,159)</u>	<u>(9,609)</u>
Net book value at end of year	<u>284,109</u>	<u>282,755</u>

Property, plant and equipment of WIT with an aggregate net book value at the reporting date of HK\$261,548,000 (2008: HK\$152,163,000) were pledged to secure bank loans granted to WIT.

Motor vehicles with net book value of HK\$78,000 (2008: HK\$136,000) is held under finance lease.

11. LAND USE RIGHTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Net book value at beginning of year	8,756	8,424
Exchange differences on consolidation	–	550
Amortisation	<u>(218)</u>	<u>(218)</u>
Net book value at end of year	<u><u>8,538</u></u>	<u><u>8,756</u></u>
At reporting date		
Cost	9,741	9,741
Accumulated amortisation	<u>(1,203)</u>	<u>(985)</u>
Net book value	<u><u>8,538</u></u>	<u><u>8,756</u></u>

Land use rights of WIT with an aggregate net book value at the reporting date of HK\$8,538,000 (2008: HK\$8,756,000) were pledged to secure bank loans granted to WIT. All land use rights are outside Hong Kong and are held on leases of between 10 and 50 years.

12. CONSTRUCTION IN PROGRESS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
At cost		
At beginning of year	4,518	7,271
Exchange differences on consolidation	–	476
Additions	8,983	6,818
Transferred to property, plant and equipment	<u>(6,575)</u>	<u>(10,047)</u>
At end of year	<u><u>6,926</u></u>	<u><u>4,518</u></u>

13. INVENTORIES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Consumables, at cost	<u><u>921</u></u>	<u><u>933</u></u>

14. TRADE RECEIVABLES

The Group has a general policy of allowing its customers a credit period between 30 and 90 days.

An aging analysis of the trade receivables at the reporting date, based on invoice dates, is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Within 30 days	4,504	5,578
31 – 60 days	3,611	3,218
61 – 90 days	3,233	1,598
Over 90 days	3,130	858
	<u>14,478</u>	<u>11,252</u>

15. GOVERNMENT SUBSIDY RECEIVABLES

These are subsidies granted by the Hubei Provincial and Wuhan Municipal governments to WIT.

16. ACCRUED EXPENSES AND OTHER PAYABLES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Payables to contractors and equipment suppliers	996	1,784
Accrued expenses and other payables	7,722	6,944
	<u>8,718</u>	<u>8,728</u>

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Within 30 days	3,248	4,494
31 – 60 days	1,325	569
61 – 90 days	1,194	289
91 – 180 days	154	65
Over 180 days	2,797	3,311
	<u>8,718</u>	<u>8,728</u>

Included in the over 180 days balance of HK\$2,797,000 is an amount of HK\$2,239,000 relating to retentions on the construction of port and related facilities of WIT.

17. INTEREST-BEARING BORROWINGS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Bank loans		
Unsecured	68,400	68,400
Secured	135,660	131,100
	<u>204,060</u>	<u>199,500</u>
Obligation under finance lease	<u>28</u>	<u>94</u>
	<u>204,088</u>	<u>199,594</u>
Current portion	28	28,566
Non-current portion	<u>204,060</u>	<u>171,028</u>
	<u>204,088</u>	<u>199,594</u>
Bank Loans		
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Amount repayable:		
Within one year	–	28,500
In the second year	68,400	79,800
In the third to fifth years inclusive	22,800	91,200
After the fifth year	<u>112,860</u>	<u>–</u>
	<u>204,060</u>	<u>199,500</u>

The unsecured bank loan of HK\$68,400,000 (RMB60,000,000) (2008: HK\$68,400,000 (RMB60,000,000)), which is granted to WIT, is supported by a corporate guarantee for a maximum sum of HK\$75,240,000 (RMB66,000,000) provided by the Company to the bank. Details of assets pledged to banks for secured bank loans are set out in this Announcement under the heading “Pledge of Assets”. All bank loans are interest-bearing in the range of 5.4% to 5.94% (2008: 5.94% to 8.69%) per annum. All borrowings are denominated in RMB.

Obligations under finance lease

	Minimum lease payments		Present value of minimum lease payments	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Amount payable:				
Within one year	33	79	28	66
In the second to fifth years inclusive	<u>–</u>	<u>33</u>	<u>–</u>	<u>28</u>
	33	112	28	94
Future finance charges	<u>(5)</u>	<u>(18)</u>	<u>–</u>	<u>–</u>
Present value of lease obligations	<u>28</u>	<u>94</u>	<u>28</u>	<u>94</u>

18. SHARE CAPITAL

	2009		2008	
	<i>No. of shares</i>	<i>HK\$'000</i>	<i>No. of shares</i>	<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	501,491,386	50,149	455,901,260	45,590
Rights issue of shares	334,327,589	33,433	–	–
Bonus issue of shares	334,327,589	33,433	45,590,126	4,559
At end of year	<u>1,170,146,564</u>	<u>117,015</u>	<u>501,491,386</u>	<u>50,149</u>

At the extraordinary general meeting of the shareholders (“Shareholders”) of the Company held on 16 July 2009, Shareholders approved the resolutions for the rights issue on the basis of two rights shares for every three existing shares together with a bonus issue on the basis of one bonus share for every rights share taken up (the “Rights Issue”) which raised gross proceeds of HK\$33.4 million. Following approval for listing of the new shares under the Rights Issue, a total of 668,655,178 shares were issued at par to Shareholders subscribed to the Rights Issue, taking the total number of shares of the Company in issue to 1,170,146,564 shares. These shares rank pari passu with the existing shares in all respects.

19. COMPARATIVE FIGURES

As a result of change in presentation of government subsidies, certain comparative figures have been reclassified in order to conform to the current year’s presentation.

SIGNIFICANT INVESTMENTS

Save as those disclosed elsewhere in this Announcement, the Group did not hold any significant investment as at 31 December 2009.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed elsewhere in this Announcement, the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during 31 December 2009.

CAPITAL COMMITMENTS

As at 31 December 2009, the Group had capital commitment in respect of the construction of port facilities and acquisition of land contracted for but not provided for amounting to approximately HK\$20,283,000 (2008: HK\$6,478,000) and capital contribution to a subsidiary amounting to HK\$ Nil (2008: HK\$4,834,000) respectively.

CONTINGENT LIABILITIES

As of the date of this announcement and as at 31 December 2009, the Board is not aware of any material contingent liabilities.

PLEDGE OF ASSETS

The Group has pledged port facilities and land use rights owned by WIT with an aggregate net book value of approximately HK\$261,548,000 (2008: HK\$152,163,000) and HK\$8,538,000 (2008: HK\$8,756,000) respectively to secure bank loans granted to WIT.

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 "SHARE(S)")

The interests or short positions of the Directors and chief executives 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 Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by directors of listed issuers, were as follows:

Long and short positions in Shares

Name of Director	Capacity	As at 31 December 2009	
		No. of Shares (Note 1)	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	Interest by attribution (note 2)	412,131,714 (L)	35.22%
		189,000,000 (S)	16.15%
Lee Jor Hung, Dannis	Interest by attribution (note 3)	11,725,127 (L)	1.00%

Notes:

1. The letter "L" denotes a long position whilst the letter "S" denotes a short position.
2. The 412,131,714 (L) Shares were held as to 275,486,455 Shares by Unbeatable Holdings Limited, as to 82,923,793 Shares by Chow Holdings Limited and as to 53,721,466 Shares by CIG China 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. The 189,000,000 (S) Shares were held as to 131,000,000 Shares by Unbeatable Holdings Limited, as to 46,000,000 Shares by Chow Holdings Limited and as to 12,000,000 Shares by CIG China Holdings Limited.

3. These Shares were 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.

Shares options

Pursuant to the share option scheme of the Company, certain directors were granted share options to subscribe for Shares and details of the Directors' interests in share options are set out in the section headed "Share Option Scheme" in this Announcement.

Save as disclosed above, as at 31 December 2009, none of the Directors had any interest or short position in the Shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 31 December 2009, the persons (not being Directors or chief executives of the Company) whose interests 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, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

(i) Interests in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of existing issued share capital of the Company
Unbeatable Holdings Limited <i>(Note 2)</i>	Beneficial owner	275,486,455 (L) 131,000,000 (S)	23.54% 11.19%
Harbour Master Limited <i>(Note 3)</i>	Beneficial owner	246,164,427 (L)	21.03%
The Yangtze Ventures II Limited <i>(Note 3)</i>	Interest by attribution	246,164,427 (L)	21.03%
Goldcrest Development Limited <i>(Note 4)</i>	Interest by attribution	246,164,427 (L)	21.03%
Shui On Construction and Materials Limited <i>(Note 5)</i>	Interest by attribution	246,164,427 (L)	21.03%

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of existing issued share capital of the Company
Shui On Company Limited (Note 6)	Interest by attribution	246,164,427 (L)	21.03%
Bosrich Holdings Inc. (Note 7)	Interest by attribution	246,164,427 (L)	21.03%
HSBC International Trustee Limited (Note 8)	Interest by attribution	246,164,427 (L)	21.03%
Lo Hong Sui, Vincent (Note 9)	Interest by attribution	246,164,427 (L)	21.03%
Chu, Loletta (Note 9)	Interest by attribution	246,164,427 (L)	21.03%
Chow Holdings Limited (Note 2)	Beneficial owner	82,923,793 (L) 46,000,000 (S)	7.08% 3.93%
Value Partners Asia Fund, LLC (Note 10)	Beneficial owner	69,114,159 (L)	5.90%
Value Partners Limited (Note 10)	Investment manager	150,614,691 (L)	12.87%
Value Partners Group Limited (Note 11)	Interest by attribution	150,614,691 (L)	12.87%
Cheah Capital Management Limited (Note 12)	Interest by attribution	150,614,691 (L)	12.87%
Cheah Company Limited (Note 13)	Interest by attribution	150,614,691 (L)	12.87%
Hang Seng Bank Trustee International Limited (Note 14)	Interest by attribution	150,614,691 (L)	12.87%
Cheah Cheng Hye (Note 14)	Interest by attribution	150,614,691 (L)	12.87%
To Hau Yin (Note 14)	Interest by attribution	150,614,691 (L)	12.87%

Notes:

1. The letter “L” denotes a long position whilst the letter “S” denotes a short position.
2. 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, Chow Holdings Limited and CIG China Holdings Limited.

3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. Mr. Lo Hong Sui, Vincent is interested in the shares of Bosrich Holdings Inc. held by HSBC International Trustee Limited. Ms. Chu, Loletta is interested in the Shares by virtue of her being the spouse of Mr. Lo.
10. Value Partners Limited is an investment manager and is deemed to be interested in the Shares held by Value Partners Asia Fund, LLC, Value Partners Hedge Master Fund Limited and Value Partners China Greenchip Fund Limited.
11. Value Partners Group Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Value Partners Limited.
12. Cheah Capital Management Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Value Partners Group Limited.
13. Cheah Company Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Cheah Capital Management Limited.
14. Hang Seng Bank Trustee International Limited, as trustee for a discretionary trust, the discretionary objects of which include Mr. Cheah Cheng Hye and certain members of his family, is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Cheah Company Limited. For the purpose of the SFO, Mr. Cheah Cheng Hye and Ms. To Hau Yin are respectively interested in the Shares by virtue of Mr. Cheah being the founder of the trust and Ms. To being the spouse of Mr. Cheah.

DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors, Chief Executives Interests in Shares and Short Positions in the Shares of the Company" under the Section headed "Disclosure of Interests", during the year ended 31 December 2009, none of the Directors was granted any other options to subscribe for the Shares.

SHARE OPTION SCHEME

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, 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. Details of options granted under the Share Option Scheme and movements thereon during the year ended 31 December 2009 are set out below:

On 10 November 2008, options to subscribe for an aggregate of 10,850,000 Shares were granted to all Directors and certain employees of the Group under the Share Option Scheme. The numbers of Share Options were subsequently adjusted as a result of a rights issue by the Company, details of which are set out below. Principal terms and conditions on the exercise of the Share Options granted are as follows:

General conditions applicable to all option holders

1. The subscription price (the “Subscription Price” or the “Exercise Price”) for Shares to be allotted on exercise of the options granted was at HK\$0.130 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). The Subscription Price was subsequently adjusted to HK\$0.064 as a result of a rights issue by the Company, details of which are set out below;
2. No options may be exercised for the period between the date of grant of 10 November 2008 (the “Option Grant Date”) and 9 April 2010, both dates inclusive 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 Option Grant Date; and
3. The right to exercise the options is conditional upon 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.

Specific condition applicable to the Chairman, Mr. Chow Kwong Fai, Edward and other option holders who are Employees of the Group

The right to exercise the option is conditional upon the Board confirming to these option holders that WIT has achieved the target of generating a net profit for the year ending 31 December 2009.

As a result of the rights issue pursuant to the approval by the Shareholders at the extraordinary general meeting of the Company held on 16 July 2009, the original Subscription Price of HK\$0.130 was adjusted to HK\$0.064 per share and the remaining number of outstanding Share Options was adjusted from 8,600,000 to 17,477,264 accordingly as stipulated under the terms and conditions of the Share Option Scheme. Details of these are set out in the announcement of the Company dated 7 August 2009.

On 16 November 2009, options to subscribe for an aggregate of 914,508 Shares were granted to a Director of the Group under the Share Option Scheme. Principal terms and conditions on the exercise of the Share Options granted are as follows:

1. The Subscription Price for Shares to be allotted on exercise of the options granted was at HK\$0.177 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);
2. No options may be exercised for the period between the date of grant of 16 November 2009 (the “November 2009 Option Grant Date”) and 16 April 2011, both dates inclusive 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 November 2009 Option Grant Date; and
3. The right to exercise the options is conditional upon 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.

The movements in the share options of the Company during the year ended 31 December 2009 are set out as follows:

Name and category of eligible participant	Grant date	Exercise Price per share HK\$	Number of options				As at 31.12.2009	Period during which option outstanding as at 31.12.2009 are exercisable
			As at 1.1.2009	Granted during the year	Exercised during the year	Lapsed or cancelled during the year		
Directors								
Chow Kwong Fai, Edward	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Wong Yuet Leung, Frankie	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Lee Jor Hung, Dannis	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Goh Pek Yang, Michael	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Lee Kang Bor, Thomas	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Wong Tin Yau, Kelvin	10.11.2008	0.064	450,000	464,508	-	-	914,508	(b)
Leung Kwong Ho, Edmund (<i>Note a</i>)	10.11.2008	0.13	450,000	-	-	(450,000)	-	(b)
Fan Chun Wah, Andrew	16.11.2009	0.177	-	914,508	-	-	914,508	(c)
Sub-total			<u>3,150,000</u>	<u>3,701,556</u>	<u>-</u>	<u>(450,000)</u>	<u>6,401,556</u>	
Employees (in aggregate)	10.11.2008	0.064	<u>7,400,000</u>	<u>6,090,216</u>	<u>-</u>	<u>(1,500,000)</u>	<u>11,990,216</u>	(b)
Total			<u>10,550,000</u>	<u>9,791,772</u>	<u>-</u>	<u>(1,950,000)</u>	<u>18,391,772</u>	

Notes:

- (a) Mr. Leung Kwong Ho, Edmund resigned as an independent non-executive Director of the Company with effect from 28 February 2009. Upon his resignation, all options granted to Mr. Leung under the Share Option Scheme became lapsed and no longer exercisable.
- (b) 50% exercisable between 10 April 2010 and 9 April 2011, both dates inclusive; 50% exercisable between 10 April 2011 and 9 November 2011, both dates inclusive.
- (c) 50% exercisable between 16 April 2011 and 15 April 2012, both dates inclusive; 50% exercisable between 16 April 2012 and 15 November 2012, both dates inclusive.
- (d) Details of other terms and performance conditions of the share options granted are set out above.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the year ended 31 December 2009, the Company had adopted a code of conduct regarding securities transactions by directors (“Code of Conduct”) on terms no less stringent than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (“Required Standard of Dealings”). The Company has also made specific enquiry of all Directors and is not aware of any non-compliance with the Required Standard of Dealings and the Code of Conduct.

COMPETING INTERESTS

During the year ended and as at 31 December 2009, save as disclosed in the 2006 half year results announcement of the Company of Mr. Edward Chow’s interest in the Logistics Project, none of the other Directors, the management shareholders, the significant shareholders or the substantial shareholders of the Company as defined in the GEM Listing Rules had any interest in a business which competes or may compete with the business 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 endeavours to adopt prevailing best 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 year ended 31 December 2009.

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 role of general manager (de facto chief executive) of WIT is carried out and performed by another person, the Board does not see a need to appoint a person other than the Chairman as Chief Executive at the Company level and the 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. During the year ended 31 December 2009, the Audit and Remuneration Committee comprised three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Dr. Wong Tin Yau, Kelvin and Mr. Leung Kwong Ho, Edmund (resigned on 28 February 2009) and Mr. Fan Chun Wah, Andrew (appointed on 28 February 2009) and one non-executive Director, Mr. Wong Yuet Leung, Frankie. The primary duties of the Audit and Remuneration Committee include reviewing the financial reporting process, the system of internal control and risk management 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.

The Audit and Remuneration Committee has reviewed the results of the Group for the year ended 31 December 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the year ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s shares.

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

Hong Kong, 30 March 2010

As at 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 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*