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)

Interim Report 2006

1H 2006

* For identification only

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This report, 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 of the Hong Kong Limited (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 report 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 report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS OF THE SIX MONTHS ENDED 30 JUNE 2006

- Container throughput increased by 84% to 50,898 TEUs.

- Market share of container throughput in Wuhan increased from 25% to 33%.

- Turnover increased by 57% to HK$6.69 million.

- Gross profit increased by 67% to HK$3.93 million. Net loss attributable to shareholders increased from HK$3.35 million to HK$7.16 million due to higher general and administrative expenses after listing.

- Construction of the second berth progressing for completion before the end of 2006.

THE FINANCIAL STATEMENTS

Half Year Results

The Directors are pleased to announce the unaudited consolidated half year results of the Group for the three months and six months ended 30 June 2006 (the "Half Year Results"), together with the comparative figures for the corresponding period in 2005 which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Condensed Consolidated Income Statement

For the three months and six months ended 30 June 2006

	Notes	Six months ended 30 June		Three months ended 30 June	
		2006 HK$'000 (Unaudited)	2005 HK$'000 (Unaudited)	**2006 HK$'000 (Unaudited)**	2005 HK$'000 (Unaudited)
Turnover	2	**6,686**	4,252	**3,083**	2,321
Cost of services rendered		**(2,759)**	(1,906)	**(1,321)**	(900)
Gross profit		**3,927**	2,346	**1,762**	1,421
Other income		**216**	95	**193**	71
Other operating expenses		**(1,946)**	(1,555)	**(970)**	(724)
General and administrative expenses	5	**(7,669)**	(2,517)	**(3,958)**	(1,287)
Finance costs		**(2,215)**	(2,551)	**(993)**	(1,730)
Loss before taxation	4	**(7,687)**	(4,182)	**(3,966)**	(2,249)
Taxation	6	**–**	–	**–**	–
Loss for the period		**(7,687)**	(4,182)	**(3,966)**	(2,249)
Attributable to:					
Shareholders of the Company		**(7,164)**	(3,350)	**(3,697)**	(2,065)
Minority interest		**(523)**	(832)	**(269)**	(184)
		(7,687)	(4,182)	**(3,966)**	(2,249)
Dividend	7	**–**	–	**–**	–
Loss per share – basic (HK cent)	8	**2.02**	1.52	**1.02**	0.93

Condensed Consolidated Balance Sheet

As at 30 June 2006

	Notes	30 June 2006 HK$'000 (Unaudited)	31 December 2005 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**156,233**	157,497
Land use rights		**7,859**	8,184
Construction in progress		**69,702**	47,352
		233,794	213,033
CURRENT ASSETS			
Inventories		**461**	497
Accounts receivable	9	**4,442**	1,953
Prepayments, deposits and other receivables		**1,619**	1,102
Pledged deposit		**–**	4,808
Bank balances and cash		**10,514**	19,628
		17,036	27,988
CURRENT LIABILITIES			
Accrued expenses and other payables	10	**11,420**	22,917
NET CURRENT ASSETS		**5,616**	5,071
TOTAL ASSETS LESS CURRENT LIABILITIES		**239,410**	218,104
NON-CURRENT LIABILITIES			
Long-term interest-bearing borrowings		**144,490**	115,385
NET ASSETS		**94,920**	102,719
CAPITAL AND RESERVES			
Share capital	11	**37,992**	34,538
Reserves		**45,309**	56,039
		83,301	90,577
Minority interest		**11,619**	12,142
		94,920	102,719

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2006

	Attributable to shareholders						
	Share capital HK$'000 (Unaudited)	Share premium HK$'000 (Unaudited)	Foreign exchange reserve HK$'000 (Unaudited)	Accumulated losses HK$'000 (Unaudited)	Total HK$'000 (Unaudited)	Minority Interest HK$'000 (Unaudited)	Total equity HK$'000 (Unaudited)
At 1 January 2006	34,538	69,667	2,124	(15,752)	90,577	12,142	102,719
Bonus issue of shares	3,454	(3,454)	–	–	–	–	–
Issuing expenses	–	(112)	–	–	(112)	–	(112)
Net loss for the period	–	–	–	(7,164)	(7,164)	(523)	(7,687)
At 30 June 2006	**37,992**	**66,101**	**2,124**	**(22,916)**	**83,301**	**11,619**	**94,920**
At 1 January 2005	22,106	28,801	–	(4,167)	46,740	38,022	84,762
Acquisition of additional interest in subsidiary	–	–	–	–	–	(24,667)	(24,667)
Net loss for the period	–	–	–	(3,350)	(3,350)	(832)	(4,182)
At 30 June 2005	**22,106**	**28,801**	**–**	**(7,517)**	**43,390**	**12,523**	**55,913**

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2006

	(Unaudited) Six months ended 30 June	
	30 June 2006 HK$'000	31 December 2005 HK$'000
Net cash used in operating activities	**(6,478)**	(1,394)
Net cash used in investing activities	**(36,437)**	(43,530)
Net cash from financing activities	**28,993**	58,832
Net (decrease) increase in cash and cash equivalents	**(13,922)**	13,908
Cash and cash equivalents at 1 January	**24,436**	5,084
Cash and cash equivalents at 30 June	**10,514**	18,992

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2006

1. BASIS OF PREPARATION

The unaudited consolidated results of the Group have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2005.

The Half Year Results are unaudited but have been reviewed by the Audit and Remuneration Committee of the Company.

2. TURNOVER

Turnover represents cargo handling service fee income earned.

3. SEGMENTAL INFORMATION

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

4. LOSS BEFORE TAXATION

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

	30 June 2006 HK$'000	30 June 2005 HK$'000
Depreciation and amortization	**2,485**	2,099

5. GENERAL AND ADMINISTRATIVE EXPENSES

Since the Company's listing in September 2005, general and administrative expenses increased as expenses such as head office expenses and listing related expenses begun to be incurred by the Group. Prior to the listing, such expenses were either absorbed by the Company's then holding company or not existed.

6. TAXATION

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

No provision for Hong Kong Profits Tax or for PRC Enterprise Income Tax was made as the Group did not have any profit subject to taxation.

The Group did not have any significant deferred taxation which was unprovided for in respect of each of the reporting periods.

7. DIVIDEND

The directors do not recommend payment of dividend in respect of the first half of 2006 (2005: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share for the three months and six months ended 30 June 2006 is based on the net loss for each of the periods and on the weighted average number of 362,838,501 shares (2005: 221,062,500 shares) and 354,157,353 shares (2005: 221,062,500 shares) in issue for the period respectively.

No diluted earnings per share has been presented because no dilutive events existed during or at the end of the period.

9. ACCOUNTS RECEIVABLE

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

An aging analysis of the accounts receivable at the balance sheet date, is as follows:

	30 June 2006 HK$'000	31 December 2005 HK$'000
Within 30 days	**899**	741
31 – 60 days	**704**	579
61 – 90 days	**1,351**	419
Over 90 days	**1,488**	214
	4,442	1,953

10. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2006 HK$'000	31 December 2005 HK$'000
Payables to contractors and equipment suppliers	**6,948**	20,331
Accrued expenses and other payables	**4,472**	2,586
	11,420	22,917

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

	30 June 2006 HK$'000	31 December 2005 HK$'000
Within 30 days	**6,947**	9,614
31 – 60 days	**156**	7,475
61 – 90 days	**–**	327
91 – 180 days	**171**	17
Over 180 days	**4,146**	5,484
	11,420	22,917

Included in the over 180 days balance of HK$4.15 million is an amount of HK$3.57 million relating to retentions on the construction of Phase I Stage 2 of the WIT Port.

11. SHARE CAPITAL

	30 June 2006		31 December 2005	
	Number of shares	**HK$'000**	Number of shares	HK$'000
Authorised:				
Ordinary shares of HK$0.10 each	**2,000,000,000**	**200,000**	2,000,000,000	200,000
Issued and fully paid:				
At beginning of year	**345,379,747**	**34,538**	221,062,500	22,106
Issue of shares to the public	**–**	**–**	124,317,247	12,432
Bonus issue of shares	**34,537,970**	**3,454**	–	–
At balance sheet date	**379,917,717**	**37,992**	345,379,747	34,538

At the annual general meeting of the shareholders ("Shareholders") of the Company held on 8 May 2006, Shareholders approved the resolution for a one for ten bonus issue of shares (the "Bonus Share Issue") in lieu of cash dividend. Following approval for listing of the new shares under the Bonus Share Issue, a total of 34,537,970 shares were issued at par to Shareholders, taking the total number of shares of the Company in issue to 379,917,717 shares. These shares rank pari passu with the existing shares in all respects.

BUSINESS REVIEW AND PROSPECTS

Review of Operation

The Group's principal activities are investment in and the development, operation and management of container ports which are conducted through the WIT Port, which is 85% owned by the Group. As a deep water regional container hub port at the mid-stream of Yangtze River and a feeder port to the ports in Shanghai, the WIT Port plays an increasingly important role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor. This role is particularly important with the anticipated increase in container throughput brought about by the rapid economic growth in Central China region (中部崛起) which is a key theme of China's 11th 5-year plan for China. During the first half of 2006, GDP of Wuhan and Hubei Province grew by 15.2% and 12.4% respectively.

The success of the WIT management team in the marketing and business development drive has continued to cause throughput to grow, both domestic cargo and international cargo. The throughput achieved for the six months ended 30 June 2006 was 50,898 TEUs, an increase of 84% over the same period in 2005. Principal customers of the Group are major shipping companies/groups. Of the 50,898 TEUs handled in the first half of 2006, 18,656 TEUs or 37% and 32,242 TEUs or 63% were Wuhan sourced and transshipment cargo respectively.

On 16 May 2006, as an initiative of the Wuhan Municipal and Hubei Provincial Governments to provide more cost and time efficient transportation of container cargo from Wuhan to Yangshan Deepwater Port (洋山深水港) in Shanghai for transshipment overseas, the first direct sailing (江海直達) of bigger river and ocean going ship capable of carrying more containers with fixed sailing schedule was launched from the WIT Port to the Yangshan Deepwater Port.

Signing of Letter of Intent

To capitalize on the launching of the direct sailing and to further develop other port related businesses at the WIT Port, on 7 June 2006, during the Hubei Provincial and the Wuhan Municipal Government's business development activities (Hubei Week) in Hong Kong, the Company signed a letter of intent with MOL (Asia) Limited ("MOL Asia") and Changjiang National Shipping (Group) ("Changjiang Shipping") for the joint development of container transportation business along the Yangtze River Corridor. This co-operation

includes the development of new shipping/container business along the Yangtze River Corridor, particularly in the development of container feeder services, river-ocean shipping services by hubbing at the Yangshan Deepwater Port and other sea ports as well as strengthening existing co-operation in container terminal operation, depots, warehouses and logistics services. MOL Asia is a strategic shareholder holding a 9.9% interest in the shares of the Company and Changjiang Shipping is a state owned enterprise and China's largest inner river shipping group principally operating along the Yangtze River Corridor providing shipping, logistics, ship construction and port equipment services.

Right of First Refusal to participate or invest in the Logistics Project

On the logistics business front, on 7 June 2006, the Company was granted a right of first refusal (the "Right of First Refusal") to invest in or participate in the development of a logistics project (the "Logistics Project") in Yangluo Township (where the WIT Port is situated), Xinzhou District, Wuhan. The Right of First Refusal was granted to the Company by CIG Central China Investments Limited ("CIG Central China"), following the signing of a heads of agreement between CIG Central China and the Xinzhou District Government, for the development of, inter alia, the Logistics Project. CIG Central China is a company beneficially owned by Mr. Chow Kwong Fai, Edward, the Chairman of the Company. The Logistics Project, if undertaken by the Group, will principally comprise of bonded logistics services, warehousing and other logistics services which will complement the Group's existing container port, bonded warehouse and freight forwarding businesses at the WIT Port in Wuhan. Details of the Right of First Refusal are set out in the announcement of the Company to its shareholders dated 7 June 2006.

Expanding Port Construction Activities

The development and construction of Stage 2 of the WIT Port, comprising the second berth and related stacking yard and cranes has been progressing in accordance with plan. Based on present progress, full completion of the entire Stage 2 construction is expected before the end of 2006. Upon completion, WIT Port's designed annual container handling capacity will be increased to 250,000 TEUs from the present 150,000 TEUs.

Planning and discussions with the Group's PRC JV partners are continuing on taking the Phase II development of the WIT Port to an approval (立項) stage following the signing of the Heads of Agreement in October last year. The combined Phase I and Phase II development of the WIT Port, upon completion, will increase the Group's designed annual container handling capacity to 1,200,000 TEUs.

Operating Results

Turnover

For the six months ended 30 June 2006, the Group's turnover amounted to HK$6.69 million, representing an increase of HK$2.44 million or 57% over that of HK$4.25 million for the corresponding period of 2005. The increase in turnover was mainly attributable to the additional revenue from additional containers handled for the period under review which has been partially offset by a drop in average tariff charged for the period.

Volume and Throughput

The container throughput achieved for the six months ended 30 June 2006 was 50,898 TEUs, an increase of 23,307 TEUs or 84% over that of 27,591 TEUs for the corresponding period in 2005, reflecting the combined achievements in marketing and business development of the management team of WIT in opening up the new domestic cargo market and WIT's ability to handle transshipment cargo from provinces neighbouring Wuhan.

In terms of market share, the period under review saw the Group's share increased to 33% against an aggregate of 155,126 TEUs (2005: 25% or 110,310 TEUs) handled for the period for the whole of Wuhan.

Gross Profit and Gross Profit Margin

The gross profit for the six months ended 30 June 2006 was HK$3.93 million, representing a gross profit margin of 59% on turnover and a significant improvement on the gross profit of HK$2.35 million and gross profit margin of 55% in the corresponding period of 2005. These reflected the increase in the volume of containers handled and the economies of scale achieved.

General and Administrative Expenses

The increase was mainly attributable to head office and listing related expenses begun to be incurred by the Group since the Group's listing in September 2005. Prior to the listing, such expenses were either absorbed by the Company's then holding company or not existed.

Loss for the Period

Loss for the six months ended 30 June 2006 amounted to HK$7.69 million, compared with HK$4.18 million in 2005.

Loss per share for the six months ended 30 June 2006 was HK2.02 cents (2005: HK1.52 cents).

Prospects

With the focus on developing the Central China Region (中部崛起) a main feature of China's, Hubei Province's and the Wuhan Municipal Government's 11th Five-year Plan, the Group continues to be optimistic about the future economic prospects of Wuhan and the Yangtze River Region and believes that the Group will continue to benefit from its current and future investments in that region.

GDP growth of Wuhan has continued to out-pace that of the whole of China with the latest released data showing that the GDP growth of Wuhan for the first half of 2006 at 15.2% compared with 10.9% for the whole of China.

The Yangshan Deepwater Port (洋山深水港) in Shanghai with a designed annual container handling capacity of 2,200,000 TEUs and commenced operation in December 2005, should strengthen WIT's role as a transshipment and feeder port to service bigger river and ocean going ships capable of carrying more containers to sail directly (江海直達) between Wuhan and the Yangshan Deepwater Port. Under the initiative of the Wuhan Municipal and the Hubei Provincial Governments, the first sailing of such purpose-built vessel (5,000 tons) with fixed sailing schedules was launched from the WIT Port to the Yangshan Deepwater Port on 16 May 2006. Direct international routes are currently being considered by both domestic and international shipping companies and are expected to be launched later this year. Similar to the direct sailing from Wuhan to the Yangshan Deepwater Port, the direct international routes when launched are expected to bring savings both in terms of cost and time in the shipping transportation chain.

Following approval by the Wuhan Municipal and Hubei Provincial Governments, WIT is in the process of applying for a license to operate a Bonded Logistics Zone at WIT Port.

REVIEW OF BUSINESS PLAN

COMPARISON OF BUSINESS PLAN WITH ACTUAL BUSINESS PROGRESS

The following is a summary of the actual business progress and the business objectives for the period from the 1 January 2006 to 30 June 2006 (the "Comparison Period") as set out in the "Future Plans" of the Group on pages 121 to 122 of the prospectus of the Company dated 6 September 2005. To attain its long-term business goals, the Group reviews its business objectives and strategies on an ongoing basis and makes appropriate adjustments as necessary.

Business objectives for the Comparison Period as set out in the Prospectus	Actual business progress for the Comparison Period
Business Development and Throughput	
• To continue to promote the services of WIT to shipping companies, cargo forwarders, importers and exporters. Target throughput for the period is: • Container 54,000 TEUs • General Cargo 35,000 Tonnes	The Group has continued to promote the services of WIT to shipping companies, cargo forwarders, importers and exporters as planned. Actual throughput achieved for the period are: • Container 50,898TEUs • General Cargo 16,503Tonnes The difference between planned and actual throughput for container cargo is attributable to the lower than expected Wuhan sourced containers as major automobile companies and electronics manufacturer which used the WIT Port reduced their import of parts in accordance with their expected production requirements. The difference in general cargo throughput is mainly attributable to the drop in demand for the handling of the construction materials needed for the construction of the Yanglou Bridge close to the WIT Port.

Business objectives for the Comparison Period as set out in the Prospectus	Actual business progress for the Comparison Period
Corporate	
• To implement the 2006 year business plan and budget	• The initial 2006 budget and business plan were prepared and reviewed by management and the WIT board. Formal approval and adoption of the budget and business plan were approved by the Board of Directors in March 2006. • The Group implemented the 2006 year business plans and budget as planned.
Design and Construction	
• To commence the construction of the new CFS building/warehouse	• The construction of the CFS building has been delayed till the 2nd half of 2006 to match with existing and projected future utilization of the existing warehouse/CFS.
• To continue the construction of the second berth	• The construction of the second berth progressed as planned.
• To take delivery of and the installation of the 2 RTGs	• Contract for the construction for the manufacturing of the 2 RTGs was awarded and signed during this period with delivery expected by the end of 2006.
• To sign contract for the acquisition of empty container stacker	• With the delivery of 2 RTGs by the end of 2006, WIT management considered it not yet necessary to acquire an additional empty container stacker.

Business objectives for the Comparison Period as set out in the Prospectus

Financing

- Through internal resources and;
- Through utilization of loan facilities from SPDB

Human Resources

	HK	Wuhan	Total
Operation	–	115	115
Project Planning and Management	2	7	9
Corporate and Business Development	–	9	9
Finance	2	8	10
Engineering	–	23	23
Administration and Personnel	4	18	22
Total	8	180	188

Estimated use of net proceeds from the New Issue

- Approximately HK$3 million for general working capital of the Group

Actual business progress for the Comparison Period

- The Group continued to finance its operations by way of internal resources and loan facilities from SPDB

	HK	Wuhan	Total
Operation	–	84	84
Project Planning and Management	2	6	8
Corporate and Business Development	–	11	11
Finance	2	8	10
Engineering	–	23	23
Administration and Personnel	4	14	18
Total	8	146	154

Due to the slower achievement of budgeted growth in throughput, the number of operating and supporting personnel at the WIT level was kept at 146, a marginal increase on that of 131 as at 31 December 2005 to match with the projected throughput volume for 2006.

- HK$4.07 million from the IPO proceeds was applied for the general working capital of the Group

DISCLOSURE OF INTERESTS

Directors', Chief Executives' Interests in Shares and Short Positions in the Shares of the Company

The interests or short positions of the Directors and chief 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 the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules, are as follows:

Long positions in Shares

		As at 30 June 2006	
Name of Director	**Capacity**	**Number of Shares**	**Approximate percentage of total number of Shares in issue**
Chow Kwong Fai, Edward	Interest by attribution *(note 1)*	134,251,266	35.34%
Lee Jor Hung, Dannis	Interest by attribution *(note 2)*	4,568,232	1.20%

Notes:

1. 101,787,450 of these Shares are registered in the name of Unbeatable Holdings Limited and 32,463,816 of these Shares are registered in the name of Chow Holdings Limited, each being a company in respect of which Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company.

2. These Shares are registered in the name of Ramwealth Company Limited, a company in respect of which Mr. Lee Jor Hung, Dannis is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company.

Substantial Shareholders and Other Persons

So far as was known to the Directors, as at 30 June 2006, 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 positions in Shares

Substantial shareholders

Name	Capacity	Number of Shares	Approximate percentage of holding
Unbeatable Holdings Limited *(note 1)*	Beneficial owner	101,787,450	26.80%
Harbour Master Limited	Beneficial owner	72,141,985	18.99%
The Yangtze Ventures II Limited *(note 2)*	Interest by attribution	72,141,985	18.99%
Goldcrest Development Limited *(note 3)*	Interest by attribution	72,141,985	18.99%
Shui On Construction and Materials Limited *(note 4)*	Interest by attribution	72,141,985	18.99%
Shui On Company Limited *(note 5)*	Interest by attribution	72,141,985	18.99%
Bosrich Holdings Inc. *(note 6)*	Interest by attribution	72,141,985	18.99%
HSBC International Trustee Limited *(note 7)*	Interest by attribution	72,141,985	18.99%
Lo Hong Sui, Vincent *(note 8)*	Interest by attribution	72,141,985	18.99%
Mitsui O.S.K. Lines, Ltd. *(note 9)*	Interest by attribution	37,620,000	9.90%
MOL (Asia) Limited *(note 9)*	Beneficial owner	37,620,000	9.90%
Chow Holdings Limited *(note 1)*	Beneficial owner	32,463,816	8.54%
Spinnaker Capital Limited *(note 10)*	Investment manager	28,608,085	7.53%
Spinnaker Asset Management – SAM Limited *(note 10)*	Investment manager	28,608,085	7.53%

Notes:

1. Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of each of Unbeatable Holdings Limited and Chow Holdings Limited.

2. The Yangtze Ventures II Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Harbour Master Limited.

3. Goldcrest Development Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of The Yangtze Ventures II Limited.

4. Shui On Construction and Materials Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Goldcrest Development Limited.

5. Shui On Company Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Construction and Materials Limited.

6. Bosrich Holdings Inc. is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Company Limited.

7. HSBC International Trustee Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Bosrich Holdings Inc.

8. Mr. Lo Hong Sui, Vincent is interested in the shares of Bosrich Holdings Inc. held by HSBC International Trustee Limited.

9. Mitsui O.S.K. Lines, Ltd. is entitled to exercise or control the exercise of one-third or more of the voting power at general meeting of MOL (Asia) Ltd.

10. Spinnaker Capital Limited and Spinnaker Asset Management – SAM Limited are investment managers and each of them is deemed to be interested in the Shares held by Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited, which holds 4.37%, 1.96% and 1.20% of the share capital of the Company respectively.

DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the options granted under the Pre-IPO Share Option Scheme which are no longer exercisable and lapsed, during the six months ended and as at 30 June 2006, 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 on 2 September 2005, a share option scheme (the "Share Option Scheme") which provided for the granting of a maximum of 34,537,974 Shares ("Share Options"), representing 10% of the total number of Shares in issue of 345,379,747 as of the Listing Date exists. Save as disclosed above, no share option has been granted under the Share Option Scheme during the six months ended 30 June 2006.

FINANCIAL POSITION

As at 30 June 2006, the Group had total outstanding bank borrowings of HK$144.5 million (RMB150 million) (as at 31 December 2005: HK$115.4 million) against total facilities available of HK$144.5 million (RMB150 million), all of which are long-term bank project finance provided by two PRC banks.

Except for the bank borrowings disclosed above, as at 30 June 2006, the Group did not have any other committed borrowing facilities.

As at 30 June 2006, the Group had bank balances and cash of HK$10.5 million (as at 31 December 2005: HK$19.6 million).

EXCHANGE RATE RISKS

The Group's reporting currency is the Hong Kong dollar. The Group's exposure to foreign currency exchange rates relate primarily to the Group's operation in Wuhan which is conducted in Renminbi ("RMB").

For the six months ended 30 June 2006, the Group generated revenue solely in RMB, its loans are in RMB and incurred costs mainly in RMB and Hong Kong dollars. The Directors consider that the impact on foreign exchange exposure of the Group to be minimal.

GEARING RATIO

As at 30 June 2006, the Group had a gearing ratio of approximately 53% (as at 31 December 2005: 38%). The calculation of the gearing ratio was based on net bank borrowings and total assets as at 30 June 2006 and 31 December 2005 respectively. The higher gearing in 2006 reflected the drawdown on the loan facilities for the financing of the construction of Phase I Stage 2 of the WIT Port in 2006.

EMPLOYEE INFORMATION

As at 30 June 2006, the Group had 154 (as at 31 December 2005: 131) employees. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerates its employees in accordance with their work performance and experience.

SIGNIFICANT INVESTMENTS

Save as those disclosed in the "BUSINESS REVIEW AND PROSPECTS", the Group did not hold any significant investment as at 30 June 2006.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed in the "BUSINESS REVIEW AND PROSPECTS", the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during the six months ended 30 June 2006.

CONTINGENT LIABILITIES

As of the date of this report and as at 30 June 2006, 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 a net book value of approximately HK$152.7 million (as at 31 December 2005: HK$154.7 million) and HK$3.2 million (as at 31 December 2005: HK$3.2 million) respectively to secure a bank loan granted to WIT, the same operating subsidiary.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the period from 1 January 2006 to 30 June 2006, 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 six months ended and as at 30 June 2006, save as disclosed in the "BUSINESS REVIEW AND PROSPECTS" of Mr. Chow Kwong Fai, Edward's interest in the Logistics Project, none of the other Directors, the management shareholders, the significant shareholders or the substantial shareholders as defined in the GEM Listing Rules of the Company had any interest in a business which competes or may compete with the business of the Group.

COMPLIANCE ADVISER'S INTERESTS

The Company has been advised by Oriental Patron Asia Limited ("Oriental Patron"), the Compliance Adviser of the Company, that through its fellow subsidiary, Pacific Top Holding Limited, it had an interest in 16,879,771 Shares of the Company as at 30 June 2006.

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

COMPLIANCE WITH THE BOARD PRACTICES AND PROCEDURES OF THE GEM LISTING RULES

The Company has complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules at any time during the period from 1 January 2006 to 30 June 2006.

CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices.

As at the date of this report, 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 throughput the period from 1 January 2006 to 30 June 2006.

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

AUDIT AND REMUNERATION COMMITTEE

The Company has established an audit and remuneration committee (the "Audit and Remuneration Committee") with written terms of reference modeled on the Guide to the Establishment of an Audit Committee published by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) and in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The Audit and Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Mr. Wong Tin Yau, Kelvin, Mr. Leung Kwong Ho, Edmund 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 six months ended 30 June 2006 and its members visited the WIT Port in Wuhan to review the operations and meet with the management of WIT.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the period from 1 January 2006 to 30 June 2006, 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
Edward K. F. Chow
Chairman

Hong Kong, 14 August 2006