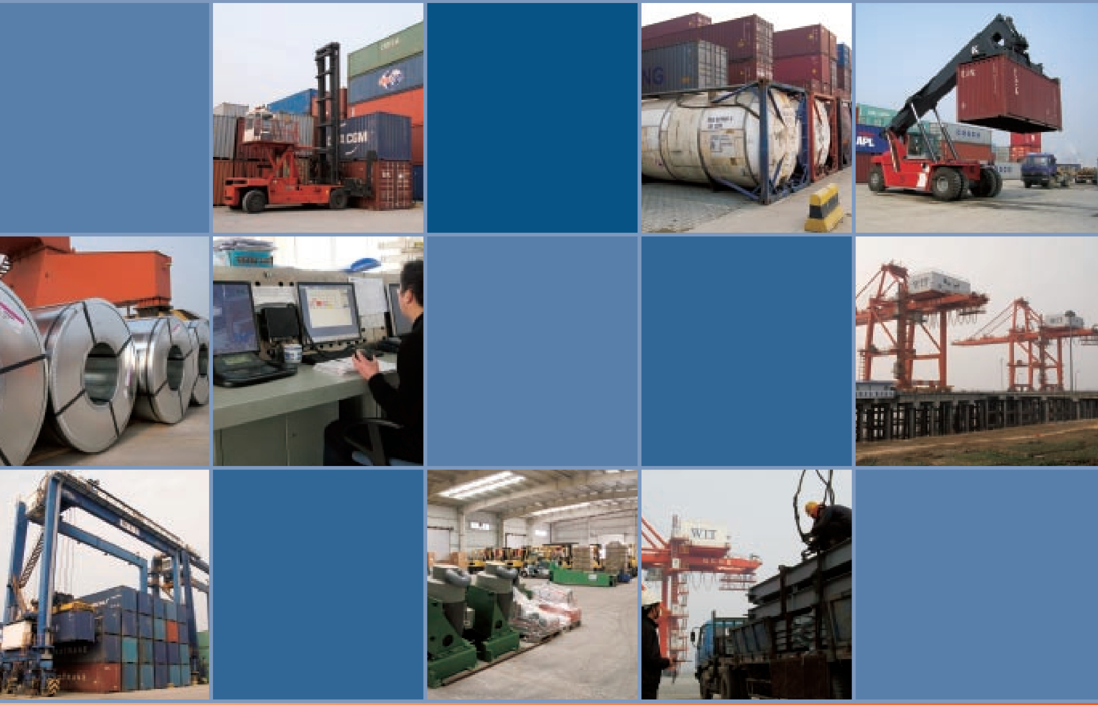
中國基建港口有限公司*

CIG Yangtze Ports PLC

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

1H 2008

UTILIZE THE GOLDEN WATERWAY ALONG YANGTZE RIVER TO DEVELOP THE BIGGEST HUB-PORT AND LOGISTICS BASE IN CENTRAL CHINA



Interim Report 2008

* For identification only

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.

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.

CONTENTS

RESULTS HIGHLIGHTS

For the six months ended 30 June 2008

Comparing to corresponding six months in 2007:

- Container throughput increased by 21% to 86,963 TEUs
- Container throughput reached all time high over two consecutive months of April and May 2008 as throughput rose by 29% to 16,710 TEUs (April 2007: 12,908 TEUs) and by 51% to 18,147 TEUs (May 2007: 11,992 TEUs) respectively
- Market share of container throughput in Wuhan was at 35% (2007: 38%)
- Turnover increased by 22% to HK$21.6 million
- Revenue per TEU increased by 25% to HK$171
- Gross profit increased by 38% to HK$12.1 million. Gross profit margin increased from 50% to 56%
- EBITDA improved by 93% to HK$3.4 million
- Net loss attributable to shareholders was HK$8.7 million (2007: HK$6.4 million)

For the three months ended 30 June 2008

Comparing to corresponding three months in 2007:

- Container throughput increased by 39% to 50,329 TEUs
- Market share of container throughput in Wuhan was at 36% (2007: 35%)
- Turnover increased by 32% to HK$13.0 million
- Revenue per TEU increased by 32% to HK$181
- Gross profit increased by 60% to HK$7.8 million
- EBITDA improved by 141% to HK$3.1 million
- Net loss attributable to shareholders was HK$3.3 million (2007: HK$3.0 million)
- The second quarter results show much improvement over the first quarter which were affected by adverse weather conditions

MANAGEMENT COMMENTARY

RESULTS HIGHLIGHTS

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Turnover	**21,560**	17,616
Cost of services rendered	**(9,445)**	(8,862)
Gross profit	**12,115**	8,754
Other income	**139**	78
General and administrative expenses	**(8,893)**	(7,094)
EBITDA	**3,361**	1,738
Finance costs	**(8,014)**	(5,131)
EBTDA	**(4,653)**	(3,393)
Depreciation and amortization	**(4,719)**	(3,395)
Loss for the period	**(9,372)**	(6,788)
Minority interest	**665**	370
Loss attributable to Shareholders	**(8,707)**	(6,418)

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 key role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor. This role is particularly important with the increase in container throughput brought about by the double digit economic growth in Central China region (中部崛起), a key theme of China's 11th 5-year Plan (2006-2010). The pivotal role which Wuhan and WIT Port plays is a major feature of Wuhan Municipal Government's and the Hubei Provincial Government's 11th 5-year Plan and is receiving increasing attention. Under the 11th 5-year Plan, Wuhan will have constructed container cargo handling capacity of 1.5 million TEUs, of which the WIT Port will account for 1.2 million. Wuhan will also become one of the four major regional logistics hubs in the whole of China. Commencing 2006, the Group has begun developing port related agency and integrated logistics businesses to expand its revenue sources.

Despite adverse economic conditions, high material costs, inflation and tough fiscal measures, during the first six months of 2008, GDP of Wuhan and Hubei Province grew by 15.6% and 13.9% respectively while that of the whole of China grew by 10.4%.

Container Throughput

The throughput achieved for the six months ended 30 June 2008 was 86,963 TEUs, an increase of 15,089 TEUs or 21% over that of 71,874 TEUs for the same period in 2007. For the three months ended 30 June 2008, throughput was 50,329 TEUs, an increase of 14,180 TEUs or 39% over that of 36,149 TEUs for the same period in 2007.

The consecutive months of April and May 2008 saw respective throughput reaching all time highs at 16,710 TEUs, an increase of 29% and 18,147 TEUs, an increase of 51% respectively over the corresponding months in 2007.

Of the 86,963 TEUs handled in the first six months of 2008, 20,202 TEUs or 23% (2007: 41%) and 66,761 TEUs or 77% (2007: 59%) were attributed to Wuhan sourced and transshipment cargos respectively. High ground transportation cost including toll charges for cargo to the port and the lack of government policy incentive to encourage cargo calling at our port have continued to affect the volume of Wuhan sourced/destined cargo for our port.

Of the 66,761 TEUs of transshipment cargo handled, 23,992 TEUs or 36% (2007: 22%) and 42,769 TEUs or 64% (2007: 78%) were attributable to Road-River (水陸中轉) and River-River (水水中轉) modes of transshipments respectively. Principal customers of the Group are the major shipping companies which serve the Yangtze River corridor.

General and Bulk Cargo

Throughput of general and bulk cargo for the six months and three months ended 30 June 2008 were 50,799 tons and 37,388 tons respectively, an increase of 98% and 162% over the same period of 2007 respectively.

Agency and Logistics

The agency business and the integrated logistics business continue to make important contributions to the revenue of the Group during the first six months of 2008. Revenue from these sources accounted for 27% and 25% of turnover for the six months and three months ended 30 June 2008 respectively.

Developing New Ports and 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 constructing new facilities to cater for growth concurrently.

The implementation of this strategy, while creating enterprise and shareholder value, is at the cost of short term profit due to higher depreciation and interest charges. During the past months, the Group has pressed ahead to negotiate future port expansion concessions and construct new container storage, logistics and bonded warehousing facilities at the WIT Port to cater for future growth. These are further reported below.

Construction of Phase I Stage 3 of WIT Port

Following the completion of the construction of Phase I Stage 2 in 2006 which increased WIT Port's annual container handling capacity to beyond 250,000 TEUs, the Phase I Stage 3 development works have commenced progressively to focus on additional break-bulk, general warehousing and bonded warehousing facilities to cater for the growing integrated and bonded logistics business requirements of customers. So far, the fertilizer break-bulk and warehousing facilities are in service while the detailed design of the new bonded warehouse is being finalized with the tendering process to commence presently. Upon completion, aggregate annual container handling capacity of the WIT Port will be increased to more than 400,000 TEUs and revenue from logistics and warehousing facilities are also expected to grow significantly.

Post WIT Phase I Developments

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 and the importance given to the development of Wuhan into a major hub port and logistics base for the Central China region under the 11th 5-year Plan, the Group and its joint venture partners have been in discussions to plan for the development of Phase II of the WIT Port. Such discussions have led to a Heads of Agreement having been signed in the last quarter of 2005 and a supplemental agreement signed in April 2007 to progress to a development plan which is currently awaiting final government approval.

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. Preliminary estimated total cost of the Phase II development is RMB800 million. Such cost is expected to be incurred progressively over the planned five year development horizon after the project has been approved by the Central Government. In tandem with the 11th 5-year Plan, the Phase II development will increase capacity by 800,000 TEUs, taking the overall annual container handling capacity of the WIT Port to 1,200,000 TEUs. Shareholders' approval to the Phase II development will be sought once the related joint venture agreement and the articles of the Phase II joint venture company have been negotiated to an advance stage or signed subject to shareholders' approval.

Heavy Item Port

Following the signing of the non-legally binding heads of agreement with the Wuhan Xinzhou District Government on 1 August 2007 to construct and operate a heavy item port (重特大件碼頭) ("Heavy Item Port"), the Group has since submitted an application to government for approval (立項), entered into a land procurement agreement with the government for the granting of land for the port development and agreements for certain preliminary development works to be carried out. The Heavy Item Port is to be built adjacent to the WIT Port and designed to handle very large and heavy cargo (up to 600 tonnes in weight per piece) shipments to cater for the transportation needs of 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). Shareholders' approval to the Project will be sought in accordance with the relevant GEM Listing Rules once the legal status of the project has been established.

OPERATING RESULTS

Turnover

	Six months ended 30 June					
	2008		2007		Increase/(Decrease)	
	HK$'000	**%**	*HK$'000*	%	*HK$'000*	%
Container handling service	**14,882**	**69**	9,869	56	5,013	51
General and bulk cargo handling service	**862**	**4**	413	2	449	109
Agency income	**2,646**	**12**	3,613	21	(967)	(27)
Integrated logistics services	**3,170**	**15**	3,721	21	(551)	(15)
	21,560	**100**	17,616	100	3,944	

For the six months ended 30 June 2008, the Group's turnover amounted to HK$21.6 million, representing an increase of HK$4.0 million or 22% over that of HK$17.6 million for the corresponding period of 2007. For the three months ended 30 June 2008, the Group's turnover amounted to HK$13.0 million, representing an increase of HK$3.2 million or 32% over that of HK$9.8 million for the corresponding period of 2007. The increase in turnover was mainly attributable to additional revenue from additional containers handled and higher average tariff rates achieved for the period under review. The reduction in revenue for agency and integrated logistics services income was due to reduced import of fertilizers by the customers due to unstable supply and price problems.

In respect of revenue contributions for the six months ended 30 June 2008, container handling service accounted for 69% (2007: 56%), general and bulk cargo handling service accounted for 4% (2007: 2%), agency income accounted for 12% (2007: 21%) and integrated logistics services accounted for 15% (2007: 21%) of turnover for the six months ended 30 June 2008.

Container Throughput

	Six months ended 30 June					
	2008		2007		Increase/(Decrease)	
	TEUs	**%**	***TEUs***	**%**	***TEUs***	**%**
Wuhan sourced	**20,202**	**23**	29,628	41	(9,426)	(32)
Transshipment	**66,761**	**77**	42,246	59	24,515	58
	86,963	**100**	71,874	100	15,089	

The volume of throughput achieved for the six months ended 30 June 2008 was 86,963 TEUs, an increase of 15,089 TEUs or 21% over that of 71,874 TEUs for the same period in 2007. The TEUs achieved for the three months ended 30 June 2008 was 50,329 TEUs, an increase of 14,180 TEUs or 39% over that of 36,149 TEUs for the same period in 2007.

In terms of market share, for the six months ended 30 June 2008, the market share of the Group was maintained at 35% with a total of 247,910 TEUs (2007: 189,351 TEUs) handled for the whole of Wuhan.

Tariff

Tariff scale for Wuhan sourced containers handled for the three months and six months ended 30 June 2008 had been adjusted upward by approximately 9% over that of 2007. However, overall scale remains below the recommended rates of the Ministry of Communication (MOC) and rates charged by other major ports in the PRC. The average tariff per TEU achieved in the first six months of 2008 was HK$171 compared with HK$137 achieved in the corresponding period in 2007 and for the three months ended 30 June 2008 was HK$181 compared with HK$137 achieved in the corresponding period in 2007.

Gross Profit and Gross Profit Margin

Gross profit for the six months ended 30 June 2008 was HK$12.1 million, a significant improvement on the gross profit of HK$8.8 million in the corresponding period of 2007. Gross profit for the three months ended 30 June 2008 was HK$7.8 million, a significant improvement on the gross profit of HK$4.9 million in the corresponding period of 2007. Gross profit margins for the six months and three months ended 30 June 2008 are 56% and 60% of turnover respectively compared with a gross profit margin of 50% in the respective corresponding periods in 2007. These mainly reflected the increased contribution from the increase in volume of containers handled, higher average tariff rates achieved and the continuing contributions from general and bulk cargo, the agency and integrated logistics services business segments.

Loss for the Period

Loss for the six months ended 30 June 2008 amounted to HK$9.4 million, representing an increase of HK$2.6 million or 38% over that of HK$6.8 million for the same period in 2007.

Loss for the three months ended 30 June 2008 amounted to HK$3.5 million, an increase of HK$0.4 million over that of HK$3.1 million for the same period in 2007. This loss was substantially lower than the loss of HK$5.9 million for the first three months of the year and was mainly attributable to the increase in gross profit contributions which were offset by (i) the increase in finance costs as a result of increased capital expenditure and the increase in interest rates; and (ii) the increase in amortization charge.

Loss per share for the six months ended 30 June 2008 was HK1.74 cents compared with that of HK1.53 cents for the same period in 2007. Loss per share for the three months ended 30 June 2008 was HK0.66 cent compared with that of HK0.71 cent for the same period in 2007 and HK1.07 cents for the first three months of 2008.

FORWARD LOOKING OBSERVATIONS

The Directors are pleased that the Group has continued to improve its EBITDA position which was reflected in the EBITDA of HK$3.4 million (2007: HK$1.7 million) achieved for the six months ended 30 June 2008 and are optimistic about the future economic prospects of Wuhan and along the Yangtze River Region and believe that the Group will continue to benefit from its expanded revenue sources and future investments in the region.

Despite the existence of unfavourable economic conditions both within and outside China, GDP growth of Wuhan has continued to out-pace that of the whole of China with the latest government released data showing GDP growth of Wuhan for the first half of 2008 of 15.6% compared with 10.4% for the whole of China. However, given the worldwide economic slowdown which might have a negative impact on the economic growth of China for the latter part of 2008, the Group will continue to strive to gear itself up to face such challenges and monitor them closely.

High ground transportation cost, particularly toll charges for the Yanglou Bridge, and the lack of government policy incentive to encourage cargo calling at our port have slowed down WIT's growth of Wuhan sourced/destined cargo. The Group has approached both the Hubei and Wuhan governments to consider adopting a policy to abolish or subsidize toll charges for container trucks.

To capitalize on the future development potential of Wuhan and Central China, the Group will continue with its marketing and business development initiatives to increase its market share of container throughput in the region, to pursue the development plan for Phase I Stage 3 and other aforementioned projects and to continue to develop the logistics business to complement its existing port operations in Wuhan.

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 2008, together with the comparative figures for the corresponding period in 2007 (the "Half Year Results") 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 2008

		Six months ended 30 June		Three months ended 30 June	
	Notes	**2008** ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)	**2008** ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)
Turnover	*2*	**21,560**	17,616	**12,950**	9,788
Cost of services rendered		**(9,445)**	(8,862)	**(5,150)**	(4,921)
Gross profit		**12,115**	8,754	**7,800**	4,867
Other income		**139**	78	**57**	55
Other operating expenses		**(2,764)**	(2,895)	**(1,395)**	(1,452)
General and administrative expenses		**(10,848)**	(7,594)	**(5,772)**	(3,935)
Finance costs		**(8,014)**	(5,131)	**(4,169)**	(2,653)
Loss before taxation	*4*	**(9,372)**	(6,788)	**(3,479)**	(3,118)
Taxation	*5*	**–**	–	**–**	–
Loss for the period		**(9,372)**	(6,788)	**(3,479)**	(3,118)
Attributable to:					
Shareholders		**(8,707)**	(6,418)	**(3,322)**	(3,001)
Minority interest		**(665)**	(370)	**(157)**	(117)
		(9,372)	(6,788)	**(3,479)**	(3,118)
Dividend	*6*	**–**	–	**–**	–
Loss per share – basic (HK cent)	*7*	**1.74**	1.53	**0.66**	0.71

Condensed Consolidated Balance Sheet

As at 30 June 2008 and 31 December 2007

	Note	**30 June 2008** *HK$'000* (Unaudited)	31 December 2007 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**282,751**	263,581
Land use rights		**8,788**	8,424
Construction in progress		**5,804**	7,271
		297,343	279,276
CURRENT ASSETS			
Inventories		**815**	779
Account receivables	*8*	**11,806**	7,393
Prepayments, deposits and other receivables		**5,478**	2,438
Cash and cash equivalents		**20,451**	42,795
		38,550	53,405
CURRENT LIABILITIES			
Accrued expenses and other payables	*9*	**7,362**	13,711
Current portion of interest-bearing borrowings		**22,833**	107,066
		30,195	120,777
NET CURRENT ASSETS (LIABILITIES)		**8,355**	(67,372)
TOTAL ASSETS LESS CURRENT LIABILITIES		**305,698**	211,904
NON-CURRENT LIABILITIES			
Long-term interest-bearing borrowings		**(182,494)**	(85,694)
NET ASSETS		**123,204**	126,210
CAPITAL AND RESERVES			
Share capital	*10*	**50,149**	45,590
Reserves		**58,120**	65,972
		108,269	111,562
Minority interest		**14,935**	14,648
TOTAL EQUITY		**123,204**	126,210

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2008

	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 2008	45,590	103,189	9,803	(47,020)	111,562	14,648	126,210
Bonus issue of shares	4,559	(4,559)	–	–	–	–	–
Issuing expenses	–	(25)	–	–	(25)	–	(25)
Net income recognized directly to equity							
– Exchange difference on consolidation	–	–	5,439	–	5,439	952	6,391
Loss for the period	–	–	–	(8,707)	(8,707)	(665)	(9,372)
At 30 June 2008	**50,149**	**98,605**	**15,242**	**(55,727)**	**108,269**	**14,935**	**123,204**
At 1 January 2007	37,992	66,101	4,876	(30,737)	78,232	11,584	89,816
Bonus issue of shares	7,598	37,232	–	–	44,830	–	44,830
Issuing expenses	–	(25)	–	–	(25)	–	(25)
Loss for the period	–	–	–	(6,418)	(6,418)	(370)	(6,788)
At 30 June 2007	45,590	103,308	4,876	(37,155)	116,619	11,214	127,833

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(18,961)**	(13,311)
Net cash used in investing activities	**(3,195)**	(5,472)
Net cash used in financing activities	**(188)**	77,290
Net (decrease) increase in cash and cash equivalents	**(22,344)**	58,507
Cash and cash equivalents at 1 January	**42,795**	886
Cash and cash equivalents at 30 June	**20,451**	59,393

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2008

1. BASIS OF PREPARATION

The unaudited consolidated 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. The accounting policies adopted are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2007.

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

2. TURNOVER

Turnover represents container cargo handling service fee income, general and bulk cargo handling service fee income, agency income and integrated logistics services income earned.

Analysis of turnover is as follows:

	Six months ended 30 June		**Three months ended 30 June**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Container handling service	**14,882**	9,869	**9,101**	4,946
General and bulk cargo handling service	**862**	413	**578**	195
Agency income	**2,646**	3,613	**1,412**	2,122
Integrated logistics services	**3,170**	3,721	**1,859**	2,525
	21,560	17,616	**12,950**	9,788

3. SEGMENTAL INFORMATION

All of the Group's turnover and contribution to loss from operating activities were derived from its principal activities of port operations 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:

	Six months ended 30 June		Three months ended 30 June	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Share-based payment expense	**257**	–	**–**	–
Depreciation and amortization	**4,719**	3,395	**2,432**	1,760

5. TAXATION

Prior to 1 January 2008, in accordance with the relevant income tax laws applicable to Sino-foreign joint ventures in the PRC engaging in port and dock construction with year which exceeds 15 years, upon approval by the tax bureau, WIT would be subject to a reduced PRC enterprise income tax of 15% and exempted from PRC enterprise income tax for five years (the "5-Year Exemption Entitlement") starting from its first profit-making year, after offsetting losses brought forward from the previous five years, if any, and followed by a 50% reduction (7.5%) for the next five years (the "5-Year 50% Tax Reduction Entitlement").

With the amendments to the relevant income tax laws which became effective on 1 January 2008, WIT's 5-Year Exemption Entitlement has commenced on 1 January 2008 and 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%.

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 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 reporting period.

The Group did not have any significant unprovided for deferred taxation in respect of the reporting period.

6. DIVIDEND

The directors do not recommend payment of a dividend in respect of the first half of 2008 (2007: Nil).

7. LOSS PER SHARE

The calculation of basic loss per share for the six months and three months ended 30 June 2008 is based on the net loss for each of the periods and on the weighted average number of 501,409,386 shares (2007: 420,680,159 shares) and 501,409,386 shares (2007: 423,420,382 shares) in issue for the period respectively.

No diluted earnings 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 period. Details of the Share Options and the Share Option Scheme are set out in the Section headed "Share Option Scheme" of this report.

8. ACCOUNT RECEIVABLES

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

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

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
Within 30 days	**4,179**	2,726
31 – 60 days	**3,766**	2,110
61 – 90 days	**3,017**	1,517
Over 90 days	**844**	1,040
	11,806	7,393

9. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
Payables to contractors and equipment suppliers	**4,344**	8,052
Accrued expenses and other payables	**3,018**	5,659
	7,362	13,711

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

	30 June 2008 *HK$'000*	**31 December 2007** *HK$'000*
Within 30 days	**3,978**	5,106
31 – 60 days	**910**	1,253
61 – 90 days	**9**	508
91 – 180 days	**97**	436
Over 180 days	**2,368**	6,408
	7,362	13,711

Included in the over 180 days balance of HK$2.4 million is an amount of HK$2.1 million relating to retentions on the constructions of Phase I Stage 2 of the WIT Port.

10. SHARE CAPITAL

	30 June 2008		31 December 2007	
	No. of shares	***HK$'000***	*No. of shares*	*HK$'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	**455,901,260**	**45,590**	379,917,717	37,992
Issue of new shares	**–**	**–**	75,983,543	7,598
Bonus issue of shares	**45,590,126**	**4,559**	–	–
At balance sheet date	**501,491,386**	**50,149**	455,901,260	45,590

At the annual general meeting of the shareholders ("Shareholders") of the Company held on 5 May 2008, 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 45,590,126 shares were issued at par to Shareholders, increasing the total number of shares of the Company in issue to 501,491,386 shares. These shares rank pari passu with the existing shares in all respects.

DISCLOSURE OF INTERESTS

DIRECTORS', CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITIONS IN THE SHARES OF THE COMPANY (THE "SHARE")

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 2008	
Name of Director	**Capacity**	**No. of Shares** *(note 1)*	**Approximate percentage of total no. of Shares in issue**
Chow Kwong Fai, Edward	Interest by attribution *(note 2)*	169,017,592 (L) 61,000,000 (S)	33.70% 12.16%
Lee Jor Hung, Dannis	Interest by attribution *(note 3)*	5,025,055 (L)	1.00%

Notes:

1. The letter "L" denotes a long position whilst the letter "S" denotes a short position.

2. The 169,017,592 (L) Shares are held as to 111,966,195 Shares by Unbeatable Holdings Limited, 35,710,197 Shares by Chow Holdings Limited and 21,341,200 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 61,000,000 (S) Shares are held by Unbeatable Holdings Limited.

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

Long positions in underlying shares of equity derivatives

On 27 March 2008 (the "Grant Date"), the Board resolved to grant share options to subscribe for Shares (the "Share Options") to all Directors and certain employees of the Group under the Company's share option scheme which was adopted by the Company upon listing of the Company's shares on 16 September 2005 (the "Share Option Scheme"). Details of the Share Option Scheme and terms and conditions of the Share Options granted are set out in the Section headed "Share Option Scheme" of this report.

Below sets out the Share Options which were granted to the Directors under the Share Option Scheme on the Grant Date and accepted by the Directors on 24 April 2008:

Name of Director	Exercise Price *(HK$)*	Number of underlying Shares	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	0.57	450,000	0.09%
Wong Yuet Leung, Frankie	0.57	450,000	0.09%
Lee Jor Hung, Dannis	0.57	450,000	0.09%
Goh Pek Yang, Michael	0.57	450,000	0.09%
Lee Kang Bor, Thomas	0.57	450,000	0.09%
Wong Tin Yau, Kelvin	0.57	450,000	0.09%
Leung Kwong Ho, Edmund	0.57	450,000	0.09%

Save as disclosed above, none of the Share Options granted to the Directors had been exercised or lapsed since the Grant Date to 30 June 2008 or the date of this report.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 30 June 2008, 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 2)*	Beneficial owner	111,966,195 (L) 61,000,000 (S)	22.33% 12.16%
Harbour Master Limited *(note 3)*	Beneficial owner	140,356,183 (L)	27.98%
The Yangtze Ventures II Limited *(note 3)*	Interest by attribution	140,356,183 (L)	27.98%
Goldcrest Development Limited *(note 4)*	Interest by attribution	140,356,183 (L)	27.98%
Shui On Construction and Materials Limited *(note 5)*	Interest by attribution	140,356,183 (L)	27.98%
Shui On Company Limited *(note 6)*	Interest by attribution	140,356,183 (L)	27.98%
Bosrich Holdings Inc. *(note 7)*	Interest by attribution	140,356,183 (L)	27.98%

Name	Capacity	Number of Shares	Approximate percentage of holding
HSBC International Trustee Limited *(note 8)*	Interest by attribution	140,356,183 (L)	27.98%
Lo Hong Sui, Vincent *(note 9)*	Interest by attribution	140,356,183 (L)	27.98%
Mitsui O.S.K. Lines, Ltd. *(note 10)*	Interest by attribution	41,382,000 (L)	8.25%
MOL (Asia) Limited *(note 10)*	Beneficial owner	41,382,000 (L)	8.25%
Chow Holdings Limited *(note 2)*	Beneficial owner	35,710,197 (L)	7.12%
Spinnaker Capital Limited *(note 11)*	Investment manager	30,368,893 (L)	6.06%
Spinnaker Asset Management – SAM Limited *(note 11)*	Investment manager	30,368,893 (L)	6.06%
CIG China Holdings Limited *(note 2)*	Beneficial owner	21,341,200 (L)	4.25%
Value Partners China Hedge Fund Master Fund Limited *(note 12)*	Beneficial owner	31,204,800 (L)	6.22%
Value Partners Asia Fund, LLC *(note 12)*	Beneficial owner	32,889,497 (L)	6.55%

Name	Capacity	Number of Shares	Approximate percentage of holding
Value Partners Limited *(note 12)*	Investment manager	83,581,897 (L)	16.66%
Value Partners Group Limited *(note 13)*	Interest by attribution	83,581,897 (L)	16.66%
Cheah Capital Management Limited *(note 14)*	Interest by attribution	83,581,897 (L)	16.66%
Cheah Company Limited *(note 15)*	Interest by attribution	83,581,897 (L)	16.66%
Hang Seng Bank Trustee International Limited *(note 16)*	Interest by attribution	83,581,897 (L)	16.66%
Cheah Cheng Hye *(note 16)*	Interest by attribution	83,581,897 (L)	16.66%
To Hau Yin *(note 16)*	Interest by attribution	83,581,897 (L)	16.66%

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.

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

11. 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 3.52%, 1.57% and 0.97% of the share capital of the Company respectively.

12. Value Partners Limited is an investment manager and it is deemed to be interested in the Shares held by Value Partners Asia Fund, LLC, Value Partners China Hedge Fund Master Fund Limited and Value Partners China Greenchip Fund Limited, which respectively holds 6.55%, 6.22% and 3.89% of the share capital of the Company.

13. 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.

14. 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.

15. 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.

16. 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 six months ended 30 June 2008, 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.

On 27 March 2008, the Board resolved to grant share options (the "Share Options") to subscribe for an aggregate of 10,550,000 Shares to all Directors and certain employees of the Group under the Share Option Scheme. 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 is at HK$0.63 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$0.57 per Share as a result of a bonus issue of shares by the Company, details of which are set out below;

2. No options may be exercised for the period of twelve months from the date of grant of 27 March 2008 (the "Grant Date") and that not more than 50% of the options may be exercised for the period of twelve months immediately thereafter and that all options shall lapse on the third anniversary of the 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 2008.

As a result of the issuance of the bonus shares (the "Bonus Share Issue") pursuant to the approval by the Shareholders at the annual general meeting of the Company on 5 May 2008, the original Subscription Price of HK$0.63 was adjusted to HK$0.57 per share accordingly as stipulated under the terms of the Share Option Scheme. Details of the Bonus Share Issue are set out in note 10 to the Condensed Consolidated Financial Statements of this report.

Save as disclosed above, none of the Share Options granted had been exercised or lapsed since the Grant Date to 30 June 2008 or the date of this report.

FINANCIAL POSITION AND GEARING RATIO

As at 30 June 2008, the Group had total outstanding bank borrowings of HK$205.2 million (RMB180 million) (as at 31 December 2007: HK$192.6 million) against total facilities available of HK$205.2 million (RMB180 million) granted by three PRC banks.

Except for the bank borrowings disclosed above, as at 30 June 2008, the Group did not have any other committed borrowing facilities.

As at 30 June 2008, the Group had cash and cash equivalents of HK$20.5 million (31 December 2007: HK$42.8 million).

During the first half of 2008, the Group successfully re-negotiated short term due for repayment banking facilities converting them into longer term borrowings thereby resulting in a significant reduction in current portion of interest-bearing borrowings from HK$107.1 million as at 31 December 2007 to HK$22.8 million as at 30 June 2008. This has also resulted in the current ratio improving from 0.44 as at 31 December 2007 to 1.28 as at 30 June 2008.

As at 30 June 2008, the Group had a gearing ratio of approximately 1.9 (31 December 2007: 1.7). The calculation of the gearing ratio was based on total bank borrowings over total shareholders' equity as at 30 June 2008 and 31 December 2007 respectively.

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.

For the six months ended 30 June 2008, 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.

EMPLOYEE INFORMATION

As at 30 June 2008, the Group had 199 (as at 31 December 2007: 181) 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 elsewhere in this report, the Group did not hold any significant investment as at 30 June 2008.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed elsewhere in this report, the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during six months ended 30 June 2008.

CONTINGENT LIABILITIES

As of the date of this report and as at 30 June 2008, the Board is not aware of any material contingent liabilities.

PLEDGE OF ASSETS

The Group has pledged certain port facilities, land use rights and bank deposits owned by WIT with a net book value of approximately HK$139.7 million (2007: HK$ 148.1 million), HK$8.8 million (2007: HK$8.4 million) and HK$ Nil (2007: HK$3.9 million) respectively to secure bank loans granted to WIT.

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 2008 to 30 June 2008, 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 2008, save as disclosed in the 2006 half year results announcement of the Company and an announcement of the Company to its shareholders dated 7 June 2006 in relation to Mr. Chow Kwong Fai, Edward's interest in the Logistics Project, none of the Directors, the management shareholders, the significant shareholders or the substantial shareholders as defined in the GEM Listing Rules of the Company had any interest in a business which competes or may compete with the business of the Group.

COMPLIANCE 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 2008 to 30 June 2008.

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 throughout the six months ended 30 June 2008.

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 straightforward 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 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. The Audit and Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Dr. 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 and the determination of the remunerations of the 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 2008 and had made an on-site visit to the WIT Port in Wuhan this year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the period from 1 January 2008 to 30 June 2008, 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, 13 August 2008

As at the date of this report, 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. Leung Kwong Ho, Edmund.