

CIG

中國基建

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)

1Q 2009

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

First Quarterly Report 2009



* 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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (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; (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.

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HIGHLIGHTS OF THE THREE MONTHS ENDED 31 MARCH 2009

Comparing to corresponding quarter in 2008:

- Container throughput increased by 16% to 42,493 TEUs
- Market share of container throughput in Wuhan increased from 34% to 39%
- Turnover increased by 39% to HK\$12.0 million
- Gross profit increased by 38% to HK\$5.9 million. Gross profit margin maintained at 50%
- Net loss attributable to shareholders reduced from HK\$5.4 million to HK\$3.6 million

PROSPECTS

- Container throughput of April 2009 rose by 28% to an all time high at 21,436 TEUs (April 2008: 16,710 TEUs)
- Road toll of three highways (major access roads to WIT Port) removed from 1 May 2009 which is expected to divert more containers to our port
- Measures have been implemented to reduce Group's overhead expenses

MANAGEMENT COMMENTARY

RESULTS HIGHLIGHTS

	Three months ended 31 March	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	11,989	8,610
Cost of services rendered	(6,040)	(4,295)
Gross profit	5,949	4,315
Other income	94	82
General and administrative expenses	(3,978)	(4,158)
EBITDA	2,065	239
Finance costs	(3,084)	(3,845)
EBTDA	(1,019)	(3,606)
Depreciation and amortization	(2,880)	(2,287)
Loss for the period	(3,899)	(5,893)
Minority interest	(285)	(508)
Loss attributable to Shareholders	(3,614)	(5,385)

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.

GDP of Wuhan and Hubei Province for the first three months of 2009 grew by 9.5% and 10.2% respectively against adverse global economic conditions, while that of the whole of China grew by 6.1%.

Container throughput

Throughput achieved for the three months ended 31 March 2009 was 42,493 TEUs, an increase of 5,859 TEUs or 16% over that of 36,634 TEUs for the same period in 2008.

Of the 42,493 TEUs handled, 13,440 TEUs or 32% (2008: 9,940 TEUs or 27%) and 29,053 TEUs or 68% (2008: 26,694 TEUs or 73%) were attributed to Wuhan sourced and transshipment cargo respectively. The increase is attributable to the successful opening of new sources of domestic container cargo to the port. Notwithstanding this, high ground transportation cost including toll charges for cargo to the port have continued to affect the volume growth of Wuhan sourced/destined cargo for our port.

Of the 29,053 TEUs of transshipment cargo handled, 2,774 TEUs or 10% (2008: 24%) and 26,279 TEUs or 90% (2008: 76%) were attributable to Road-River (水陸中轉) and River-River (水水中轉) modes of transshipments respectively. The drop in Road-River transshipment TEUs is attributable to the drop in dangerous goods containers calling at our port. The increase in River-River transshipment TEUs is attributable to:

- (i) the new transshipment business from Chongqing for transshipment at the WIT Port; and
- (ii) the resumption of direct sailing (江海直達) from our port to Yangshan since February 2009. The resumption of direct sailing to Yangshan is the direct result of government policy to fully back the development of Wuhan into a transshipment hub of the Yangtze River.

General and Bulk Cargo

Throughput of general and bulk cargo for the three months ended 31 March 2009 was 58,235 tons, an increase of 195% over the same period of 2008.

Agency & Logistics

The agency and the integrated logistics businesses have continued to make significant contributions to the revenue of the Group during the first three months of 2009. Revenue from these sources accounted for 40% of turnover compared with 30% for the corresponding period in 2008 as more fertilizers were imported requiring break-bulk and storage services.

OPERATING RESULTS

Turnover

	Three months ended 31 March					
	2009		2008		Increase	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Container handling service	6,241	52	5,781	67	460	8
General and bulk cargo handling service	951	8	284	3	667	235
Agency income	2,084	17	1,234	15	850	69
Integrated logistics services	2,713	23	1,311	15	1,402	107
	11,989	100	8,610	100	3,379	

For the three months ended 31 March 2009, the Group's turnover amounted to HK\$12.0 million, representing an increase of HK\$3.4 million or 39% over that of HK\$8.6 million for the corresponding period of 2008. The increase in turnover was mainly attributable to revenue from additional containers handled and increase in integrated logistics income as more fertilizers were imported for break-bulk and storage.

Container Volume and Throughput

	Three months ended 31 March					
	2009		2008		Increase	
	TEUs	%	TEUs	%	TEUs	%
Wuhan sourced	13,440	32	9,940	27	3,500	35
Transshipment	29,053	68	26,694	73	2,359	9
	42,493	100	36,634	100	5,859	

The volume of throughput achieved for the three months ended 31 March 2009 was 42,493 TEUs, an increase of 5,859 TEUs or 16% over that of 36,634 TEUs for the same period in 2008.

In terms of market share, for the three months ended 31 March 2009, the Group achieved a 39% share of the 108,897 TEUs handled for the whole of Wuhan.

Gross Profit and Gross Profit Margin

Gross profit for the three months ended 31 March 2009 was HK\$5.9 million, an improvement of HK\$1.6 million on the gross profit of HK\$4.3 million for the corresponding period of 2008. Gross profit margin for the three months was maintained at 50%, same as that achieved in the corresponding period in 2008.

Loss for the Period

Loss for the three months ended 31 March 2009 amounted to HK\$3.9 million, representing a reduction of HK\$2.0 million or 34% on that of HK\$5.9 million for the same period in 2008. This was attributable to a combination of factors, including the increase in gross profit contributions and the decrease in general and administrative expenses and finance costs which were partly offset by the increase in depreciation and amortization charges.

Loss per share for the three months ended 31 March 2009 was HK0.72 cents, a 33% reduction compared with HK1.07 cents for the same period in 2008.

As the economy is going through a downward phase, both the Board and management are conscious of the need to cut costs and conserve cashflow. Accordingly, appropriate measures are being implemented to cut cost, particularly at the head office.

New Ports & Logistics Facilities

Other than the progress reported in the 2008 Annual Report which was circulated to shareholders on 30 March 2009, very little progress has been made on the new projects during the quarter under review.

FORWARD LOOKING OBSERVATIONS

The Directors are pleased that, for the period under review, the Group has continued to improve and increase its container throughput from 36,634 TEUs in first quarter of 2008 to 42,493 TEUs and EBITDA from HK\$0.2 million in 2008 to HK\$2.1 million.

Growth of WIT's business has been hindered by the lack of government's policy support to encourage direct sailings between Wuhan and Yangshan Port in Shanghai and the reduction of highway and bridge tolls to enable container trucks to reach our port economically. Recent new government policies have encouraged the recommencement of direct sailings to Yangshan on the one hand and the abolishment of toll charges for highways in Hubei Province effective from 1 May 2009 shall also induce more cargo to use our WIT Port as ground transportation cost is reduced. Since late March 2009, we have also successfully encouraged a major shipping company to use WIT Port as its transshipment hub at mid-stream to serve its cargo movements along the Yangtze River.

Despite tough prevailing economic conditions, counting on continuing local government support to promote marine cargo traffic along the Yangtze River corridor and the central government's policies to stimulate the economy and domestic trade in China together with management's efforts to open new routes and new cargo sources as well as the implementation of cost cutting measures, the Group expects to continue to improve its performance and maintain business growth in the remaining months of 2009.

THE FINANCIAL STATEMENTS

First Quarterly Results

The Directors are pleased to announce the unaudited consolidated first quarterly results of the Group for the three months ended 31 March 2009, together with the comparative figures for the corresponding period in 2008 (the “Quarterly Results”) which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Condensed Consolidated Income Statement

	Notes	Three months ended 31 March	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)
Turnover	2	11,989	8,610
Cost of services rendered		(6,040)	(4,295)
Gross profit		5,949	4,315
Other income		94	82
Other operating expenses		(1,802)	(1,369)
General and administrative expenses		(5,056)	(5,076)
Finance costs		(3,084)	(3,845)
Loss before taxation	3	(3,899)	(5,893)
Taxation	4	–	–
Loss for the period		(3,899)	(5,893)
Attributable to:			
Shareholders		(3,614)	(5,385)
Minority interest		(285)	(508)
		(3,899)	(5,893)
Dividend	5	–	–
Loss per share – basic (HK cent)	6	0.72	1.07

Consolidated Statement of Changes in Equity*For the period ended 31 March 2009*

	Attributable to shareholders of the Company							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	Total HK\$'000	Minority Interest HK\$'000	
At 1 January 2008	45,590	103,189	-	9,803	(47,020)	111,562	14,648	126,210
Net income recognized directly to equity								
– Exchange difference on consolidation	-	-	-	2,327	-	2,327	411	2,738
Loss for the period	-	-	-	-	(5,385)	(5,385)	(508)	(5,893)
At 31 March 2008	45,590	103,189	-	12,130	(52,405)	108,504	14,551	123,055
At 1 January 2009	50,149	98,601	234	15,245	(57,536)	106,693	15,652	122,345
Loss for the period	-	-	-	-	(3,614)	(3,614)	(285)	(3,899)
At 31 March 2009	50,149	98,601	234	15,245	(61,150)	103,079	15,367	118,446

Notes to the Condensed Consolidated Income Statement

For the period ended 31 March 2009

1. BASIS OF PREPARATION

The unaudited consolidated results of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), 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 2008.

The First Quarterly 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:

	Three months ended 31 March	
	2009 HK\$'000	2008 HK\$'000
Container handling service	6,241	5,781
General and bulk cargo handling service	951	284
Agency income	2,084	1,234
Integrated logistics services	2,713	1,311
	11,989	8,610

3. LOSS BEFORE TAXATION

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

	Three months ended 31 March	
	2009 HK\$'000	2008 HK\$'000
Depreciation and amortization	2,880	2,287

4. 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, 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 period.

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

5. DIVIDEND

The directors do not recommend payment of a dividend in respect of the first three months of 2009 (2008: Nil).

6. LOSS PER SHARE

The calculation of basic loss per share for the three months ended 31 March 2009 is based on the net loss for the period attributable to shareholders of the Company and on the weighted average number of 501,491,386 shares (2008: 501,491,386 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 under review. Details of the share options granted and the Share Option Scheme are set out in the Section headed “Share Option Scheme” of this Report.

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 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 and short positions in Shares

Name of Director	Capacity	As at 31 March 2009	
		No. of Shares (Note 1)	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	Interest by attribution (note 2)	174,977,592 (L)	34.89%
		61,000,000 (S)	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 174,977,592 (L) Shares are held as to 111,966,195 Shares by Unbeatable Holdings Limited, 35,710,197 Shares by Chow Holdings Limited and 27,301,200 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.

Share 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” of this Report.

Save as disclosed above, as at 31 March 2009, none of the Directors had any other interests or short positions in the Shares, underlying shares and derivatives of the Company 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 V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or the Model Code or which were required to be entered into the register required to be kept under section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 31 March 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

Substantial shareholders

Name	Capacity	Number of Shares	Approximate percentage of holding
Unbeatable Holdings Limited <i>(note 2)</i>	Beneficial owner	111,966,195 (L) 61,000,000 (S)	22.33% 12.16%
Harbour Master Limited <i>(note 3)</i>	Beneficial owner	140,356,183 (L)	27.98%
The Yangtze Ventures II Limited <i>(note 3)</i>	Interest by attribution	140,356,183 (L)	27.98%
Goldcrest Development Limited <i>(note 4)</i>	Interest by attribution	140,356,183 (L)	27.98%
Shui On Construction and Materials Limited <i>(note 5)</i>	Interest by attribution	140,356,183 (L)	27.98%
Shui On Company Limited <i>(note 6)</i>	Interest by attribution	140,356,183 (L)	27.98%
Bosrich Holdings Inc. <i>(note 7)</i>	Interest by attribution	140,356,183 (L)	27.98%

Name	Capacity	Number of Shares	Approximate percentage of holding
HSBC International Trustee Limited (<i>note 8</i>)	Interest by attribution	140,356,183 (L)	27.98%
Lo Hong Sui, Vincent (<i>note 9</i>)	Interest by attribution	140,356,183 (L)	27.98%
Chu, Loletta (<i>note 9</i>)	Interest by attribution	140,356,183 (L)	27.98%
Mitsui O.S.K. Lines, Ltd. (<i>note 10</i>)	Interest by attribution	41,382,000 (L)	8.25%
MOL (Asia) Limited (<i>note 10</i>)	Beneficial owner	41,382,000 (L)	8.25%
Chow Holdings Limited (<i>note 2</i>)	Beneficial owner	35,710,197 (L)	7.12%
Spinnaker Capital Limited (<i>note 11</i>)	Investment manager	30,368,893 (L)	6.06%
Spinnaker Asset Management – SAM Limited (<i>note 11</i>)	Investment manager	30,368,893 (L)	6.06%
Deutsche Bank Aktiengesellschaft	Security interest	28,948,893 (L)	5.77%
CIG China Holdings Limited (<i>note 2</i>)	Beneficial owner	27,301,200 (L)	5.44%
Value Partners China Hedge Fund Master Fund Limited (<i>note 12</i>)	Beneficial owner	31,204,800 (L)	6.22%
Value Partners Asia Fund, LLC (<i>note 12</i>)	Beneficial owner	32,889,497 (L)	6.55%
Value Partners Limited (<i>note 12</i>)	Investment manager	83,581,897 (L)	15.82%
Value Partners Group Limited (<i>note 13</i>)	Interest by attribution	79,722,297 (L)	15.82%

Name	Capacity	Number of Shares	Approximate percentage of holding
Cheah Capital Management Limited (<i>note 14</i>)	Interest by attribution	79,722,297 (L)	15.82%
Cheah Company Limited (<i>note 15</i>)	Interest by attribution	79,722,297 (L)	15.82%
Hang Seng Bank Trustee International Limited (<i>note 16</i>)	Interest by attribution	79,722,297 (L)	15.82%
Cheah Cheng Hye (<i>note 16</i>)	Interest by attribution	79,722,297 (L)	15.82%
To Hau Yin (<i>note 16</i>)	Interest by attribution	79,722,297 (L)	15.82%

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. 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.
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

During the three months ended 31 March 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 three months ended 31 March 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. Principal terms and conditions on the exercise of the options granted were 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\$0.13 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 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.

The movements in the share options of the Company during the three months ended 31 March 2009 are set out as follows:

Name or category of eligible participants	Date of grant	Exercise price per share HK\$	As at 1.1.2009	Granted during the period	Exercised during the period	Number of options		As at 31.03.2009	Period during which option outstanding as at 31.03.2009 are exercisable
						Lapsed or cancelled during the period			
Directors									
Mr. Chow Kwong Fai, Edward	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Wong Yuet Leung, Frankie	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Lee Jor Hung, Dannis	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Goh Pek Yang, Michael	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Lee Kang Bor, Thomas	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Wong Tin Yau, Kelvin	10.11.2008	0.13	450,000	-	-	-	-	450,000	(b)
Leung Kwong Ho, Edmund (Note a)	10.11.2008	0.13	450,000	-	-	(450,000)	-	-	(b)
Sub-total			3,150,000	-	-	(450,000)		2,700,000	
Employees (in aggregate)	10.11.2008	0.13	7,400,000	-	-	-	-	7,400,000	(b)
Sub-total			7,400,000	-	-	-		7,400,000	
Total			10,550,000	-	-	(450,000)		10,100,000	

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) 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 period from 1 January 2009 to 31 March 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 three months ended and as at 31 March 2009, 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 2009 to 31 March 2009.

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 three months ended 31 March 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 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 currently 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. During the three months ended 31 March 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 three months ended 31 March 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the period from 1 January 2009 to 31 March 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

SUBSEQUENT EVENT

At the 2009 annual general meeting of the shareholders, Mr. Goh Pek Yang, Michael, Mr. Lee Jor Hung, Dannis and Mr. Fan Chun Wah, Andrew, Directors of the Company, retired by rotation in accordance with article 130 of the articles of association of the Company, were duly re-elected.

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

Hong Kong, 14 May 2009

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. Fan Chun Wah, Andrew.