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)

3Q 2011

2011 Third Quarterly Report

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

* 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.

Contents

HIGHLIGHTS

For the three months ended 30 September 2011

Comparing to corresponding three months in 2010:

- Container throughput increased by 18% to 80,675 TEUs
- Market share of container throughput in Wuhan increased from 41% to 45%
- Revenue increased by 92% to HK$27.01 million
- Gross profit increased by 162% to HK$14.99 million.
- EBITDA increased by 507% to HK$7.56 million
- Net loss attributable to shareholders decreased from HK$4.54 million to HK$0.14 million

For the nine months ended 30 September 2011

Comparing to corresponding nine months in 2010:

- Container throughput increased by 26% to 237,050 TEUs
- Market share of container throughput in Wuhan increased from 40% to 44%
- Revenue increase by 69% to HK$68.93 million
- Gross profit increased by 110% to HK$35.32 million
- EBITDA increased by 227% to HK$17.09 million
- Net loss attributable to shareholders decreased from HK$11.77 million to HK$4.18 million

The closure and relocation of the competitor Hanyang Port in June 2011, which is geographically closer to the traditional base of Wuhan sourced containers, to the Yanglou area, where the WIT Port is located, presented an opportunity for the WIT Port to compete on an equal footing with it for the first time and this has enabled WIT to attract more Wuhan sourced containers, which attract higher tariff rates, to its port thereby increasing the Group's Wuhan sourced cargo market share and revenue in 2011.

For the nine months ended 30 September 2010, the volume of Wuhan sourced cargo handled by WIT was 104% over that for the same period in 2010 while volume of transshipment cargo had been maintained at the same level. For the three months ended 30 September 2011, the volume of Wuhan sourced cargo was 229% over that for the same period in 2010.

MANAGEMENT COMMENTARY

Results

	Nine months ended 30 September		Three months ended 30 September	
	2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)	**2011 HK$'000 (Unaudited)**	2010 HK$'000 (Unaudited)
Revenue	**68,928**	40,862	**27,010**	14,104
Cost of services rendered	**(33,604)**	(24,068)	**(12,023)**	(8,378)
Gross profit	**35,324**	16,794	**14,987**	5,726
Other income	**371**	461	**63**	3
General and administrative and other operating expenses	**(18,609)**	(12,029)	**(7,487)**	(4,482)
Operating profit/EBITDA	**17,086**	5,226	**7,563**	1,247
Finance costs	**(11,586)**	(9,990)	**(4,064)**	(3,541)
EBTDA	**5,500**	(4,764)	**3,499**	(2,294)
Depreciation and amortisation	**(9,191)**	(8,108)	**(3,141)**	(2,682)
Profit/(loss) for the period	**(3,691)**	(12,872)	**358**	(4,976)
Non-controlling interests	**(492)**	1,107	**(498)**	432
Loss attributable to Shareholders	**(4,183)**	(11,765)	**(140)**	(4,544)

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.

Container throughput

Throughput achieved for the nine months ended 30 September 2011 was 237,050 TEUs, an increase of 49,266 TEUs or 26% over that of 187,784 TEUs for the same period in 2010. Of the 237,050 TEUs handled, 88,201 TEUs or 37% (2010: 43,308 TEUs or 23%) and 148,849 TEUs or 63% (2010: 144,476 TEUs or 77%) were attributed to Wuhan sourced and transshipment cargos respectively. Throughput for the three months ended 30 September 2011 was 80,675 TEUs, an increase of 12,135 TEUs or 18% on the 68,540 TEUs achieved for the same period in 2010. Of the 80,675 TEUs handled, 45,650 TEUs or 57% (2010: 13,887 TEUs or 20%) and 35,025 TEUs or 43% (2010: 54,653 TEUs or 80%) were attributable to Wuhan sourced and transshipment cargos respectively.

The closure and relocation of the competitor Hanyang Port to the Yanglou area in June 2011, where the WIT Port is located, presented an opportunity for the WIT Port to compete on an equal footing with the Hanyang Port for the first time and attracted more Wuhan sourced containers with higher tariff rates to the WIT port, thereby increasing the Group's Wuhan sourced cargo market share and revenue in 2011. Volume of transshipment container throughput has been maintained at similar level as the same period in 2010.

Agency & Logistics

The agency business and the integrated logistics business continue to make important contributions to the revenue of the Group during the first nine months of 2011. Revenue from these sources accounted for 44% and 38% of turnover for the nine months and three months ended 30 September 2011 respectively. This includes income from freight forwarding, customs clearance, transportation of containers, and the provision of bonded and general warehousing, stacking yard storage and repackaging. The increase in revenue in this segment is attributable to the increase in Wuhan sourced throughput, the increase in fertilizers being imported for break-bulk and storage, and the increase in hauling capacity as more trucks are added to the services.

General cargo

Throughput of general and bulk cargo for the nine months and three months ended 30 September 2011 was 43,589 tons (2010:39,206 tons) and 13,336 tons (2010:9,240 tons) respectively. With the growth in container throughput, revenue from general cargo business no longer constituted one of the mainstream incomes of the Group.

Operating Results

Revenue

	Nine months ended 30 September					
	2011		2010		Increase	
	HK$'000	**%**	HK$'000	%	HK$'000	%
Container handling	**37,566**	**54**	19,449	48	18,117	93
Agency income	**17,306**	**25**	14,414	35	2,892	20
Integrated logistics services	**12,960**	**19**	6,076	15	6,884	113
General cargo	**1,096**	**2**	923	2	173	19
	68,928	**100**	40,862	100	28,066	69

For the nine months ended 30 September 2011, the Group's revenue amounted to HK$68.93 million, representing an increase of HK$28.07 million or 69% from that of HK$40.86 million for the corresponding period of 2010. For the three months ended 30 September 2011, the Group's revenue amounted to HK$27.01 million, representing an increase of HK$12.91 million or 91% from that of HK$14.10 million for the corresponding period of 2010. Growth had been recorded in every segment of the Group's business. The increase in container handling service income was due both to the increase in throughput and in tariff. The increase in Wuhan sourced containers led to the substantial growth in integrated logistics services which included largely cargo consolidation and de-consolidation, storage and transportation. Transshipment containers required no such services. Also, more fertilizers were being imported for break-bulk and storage. The increase in agency service income was attributable to the increase in business volume in this segment.

In respect of revenue contributions for the nine months ended 30 September 2011, container handling service accounted for 54% (2010: 48%), agency income accounted for 25% (2010: 35%), integrated logistics services accounted for 19% (2010: 15%) and general cargo accounted for 2% (2010: 2%) of revenue for the nine months ended 30 September 2011.

Container Throughput

	Nine months ended 30 September					
	2011		2010		Increase	
	TEUs	**%**	TEUs	%	TEUs	%
Wuhan sourced	**88,201**	**37**	43,308	23	44,893	104
Transshipment	**148,849**	**63**	144,476	77	4,373	3
	237,050	**100**	187,784	100	49,266	26

The volume of throughput achieved for the nine months ended 30 September 2011 was 237,050 TEUs, an increase of 49,266 TEUs or 26% over that of 187,784 TEUs for the same period in 2010. The volume of throughput achieved for the three months ended 30 September 2011 was 80,675 TEUs, an increase of 12,135 TEUs or 18% over that of 68,540 TEUs for the same period in 2010.

In terms of market share, for the nine months ended 30 September 2011, the market share of the Group increased from 40% to 44% with a total of 540,012 TEUs (2010: 468,696 TEUs) handled for the whole of Wuhan.

Gross Profit and Gross Profit Margin

Gross profit for the nine months ended 30 September 2011 was HK$35.32 million, an increase of HK$18.53 million on the corresponding period of 2010. Gross profit for the three months ended 30 September 2011 was HK$14.99 million, an increase of HK$9.26 million on the corresponding period of 2010. Gross profit margin for the nine months and three months ended 30 September 2011 are 51% and 55% respectively compared with a gross profit margin of 41% and 41% in the respective corresponding periods in 2010. These mainly reflected the increase in Wuhan sourced cargo throughput and the increase in average tariff.

Loss for the Period (before Non-controlling Interests) and Net Loss Attributable to Shareholders

Loss for the nine months ended 30 September 2011 (before non-controlling interests) amounted to HK$3.69 million, representing a decrease of HK$9.18 million or 71% on that of HK$12.87 million for the same period in 2010. For the three months ended 30 September 2011, a profit (before non-controlling interests) in the amount of HK$0.36 million was recorded, a turnaround from the loss (before non-controlling interests) of HK$4.98 million for the same period in 2010.

Net loss attributable to shareholders for the nine months ended 30 September 2011 amounted to HK$4.18 million, representing a decrease of HK$7.59 million or 64% on that of HK$11.77 million for the same period in 2010. Net loss attributable to shareholders for the three months ended 30 September 2011 amounted to HK$0.14 million, a decrease of HK$4.40 million on the loss of HK$4.54 million for the same period in 2010. These were mainly attributable to the increase in gross profit contributions following the increase in Wuhan sourced cargo and increase in tariff while partially offset by the increase in general and administrative and other operating expenses.

Loss per share for the nine months ended 30 September 2010 was HK0.36 cents compared with HK1.01 cents for the same period in 2010. Loss per share for the three months ended 30 September 2011 was HK0.01 cents compared with HK0.39 cents for the same period in 2010.

New Ports & Logistics Facilities

In March 2011, a further down-payment of RMB4.95 million was made for the piece of land to be used by CIG Wuhan Multipurpose Port Limited (武漢中基通用港口發展有限公司) in the construction of the multipurpose port (“MPP”), adjacent to the WIT Port.

Possible Disposal of the Group's Port Assets

On 5 August 2011, the Board of Directors of the Company reviewed an indicative offer received from an independent third party for a possible disposal of the entire equity interests in CIG Port Holdings Limited, a wholly owned subsidiary of the Group incorporated in the British Virgin Islands which holds the entire port assets of the Group. The Company had been in the process of negotiation with the intended purchaser on the terms of a sale and purchase agreement. However, having regard to the change of controlling shareholders (mentioned below) and taking into account the implications under Rule 4 of the Hong Kong Code on Takeovers and Mergers and the fact that no legally binding agreement had been reached, the Board unanimously resolved to withhold the negotiation with regard to the proposed disposal until further determination by the Board.

FORWARD LOOKING OBSERVATIONS

As a result of the relocation of the competitor port, Hanyang Port, to the Yanglou area, WIT Port is able to compete on an equal footing with it for the first time for Wuhan sourced containers, which attract higher tariff rates, and thereby increase the Group's Wuhan sourced cargo market share and revenue from now on. As partly reflected in the throughput figures for the nine months ended 30 September 2011, WIT Port is already gaining ground on the competitor for Wuhan sourced containers. The Group expects its operating performance to continue to improve.

Change of Control of the Company and Mandatory General Offer

Reference is made to the joint announcements jointly issued by Zall Infrastructure Investments Limited ("Zall") and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011 respectively and the composite and response document (the "Composite Document") of Zall and the Company dated 21 October 2011 in relation to, among others, the acquisition of a 50.97 % of the entire share capital of the Company collectively held by Chow Holdings Limited, CIG China Holdings Limited, Unbeatables Holdings Limited and Harbour Masters Limited. Completion of the acquisition took place on 3 October 2011. Zall was required under the Takeovers Code to make mandatory general cash offer to acquire all the remaining issued shares and to cancel all the outstanding share options not already owned or agreed to be acquired by Zall or parties acting in concert with it. The offers were closed on 11 November 2011. At the close of the offers, all the share options were cancelled and Zall held in total 91.06% of the entire share capital of the Company.

It is noted from the Composite Document that it is the intention of Zall to continue with the existing principal activities of the Group and that it does not intend to introduce any major changes to the existing operations and business of the Group immediately following its acquisition of the Group.

Resignation and Appointment of Directors

According to the Composite Document, Mr. Chow Kwong Fai, Edward ("Mr. Chow") will resign from his office as Director, authorised representative, chairman and chief executive officer of the Company and Mr. Wong Yuet Leung will resign as Director and member of audit and remuneration committee of the Company and Zall intends to nominate Mr. Yan Zhi and Mr. Duan Yan to join the Board of the Company as a non-executive Director and executive Director respectively. The Company will keep the shareholders informed of these resignations and appointments in due course.

For the purpose of ensuring continuity of the Group's business, it was proposed that subject to compliance with the requirement under Rule 25 of the Hong Kong Code on Takeovers and Mergers with respect to the special deal, Mr. Chow will enter into a separate service agreement with the Company as a consultant of the Company with effect upon the resignation of Mr. Chow as an executive Director becoming effective. An Extraordinary General Meeting will be held on 15 November 2011 and the proposed entering of the service agreement with Mr. Chow will be voted on by the independent shareholders. The Company will issue an announcement on the result of the voting after the meeting.

THE FINANCIAL STATEMENTS

Quarterly Results

The Directors are pleased to announce the unaudited consolidated third quarterly results of the Group for the three months and nine months ended 30 September 2011, together with the comparative figures for the corresponding period in 2010 (the "Quarterly Results") which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 30 September 2011

	Notes	Nine months ended 30 September 2011 HK$'000 (Unaudited)	Nine months ended 30 September 2010 HK$'000 (Unaudited)	Three months ended 30 September 2011 HK$'000 (Unaudited)	Three months ended 30 September 2010 HK$'000 (Unaudited)
Revenue	*2*	68,928	40,862	27,010	14,104
Cost of services rendered		(33,604)	(24,068)	(12,023)	(8,378)
Gross profit		35,324	16,794	14,987	5,726
Other income		371	461	63	3
Other operating expenses		(5,221)	(4,876)	(1,742)	(1,570)
General and administrative expenses		(22,579)	(15,261)	(8,886)	(5,594)
Finance costs		(11,586)	(9,990)	(4,064)	(3,541)
Profit/(loss) before taxation	*3*	(3,691)	(12,872)	358	(4,976)
Taxation	*4*	—	—	—	—
Profit/(loss) for the period		(3,691)	(12,872)	358	(4,976)
Other comprehensive income					
Exchange gain on translation of foreign operations		1,194	—	—	—
Total comprehensive income/(loss) for the period		(2,497)	(12,872)	358	(4,976)
Loss for the period attributable to:					
Shareholders of the Company		(4,183)	(11,765)	(140)	(4,544)
Non-controlling interests		492	(1,107)	498	(432)
		(3,691)	(12,872)	358	(4,976)
Total comprehensive income/(loss) attributable to:					
Shareholders of the Company		(3,148)	(11,765)	(140)	(4,544)
Non-controlling interests		651	(1,107)	498	(432)
		(2,497)	(12,872)	358	(4,976)
Basic loss per share for the period attributable to shareholders of the Company	*6*	HK0.36 cents	HK1.01 cents	HK0.01 cents	HK0.39 cents

Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2011

	Attributable to owners of the Company							
	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	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2010	117,015	63,018	386	15,268	(63,517)	132,170	15,689	147,859
Total comprehensive loss for the period	–	–	–	–	(11,765)	(11,765)	(1,107)	(12,872)
Share-based payment transactions	–	–	175	–	–	175	–	175
Transaction with owners	–	–	–	–	–	–	–	–
At 30 September 2010	117,015	63,018	561	15,268	(75,282)	120,580	14,582	135,162
At 1 January 2011	117,015	63,018	619	18,461	(66,447)	132,666	17,030	149,696
Income/(loss) for the period	–	–	–	–	(4,183)	(4,183)	492	(3,691)
Other comprehensive income for the period	–	–	–	1,035	–	1,035	159	1,194
Total comprehensive income/(loss) for the period	–	–	–	1,035	(4,183)	(3,148)	651	(2,497)
Share-based payment transactions	–	–	46	–	–	46	–	46
Release on forfeiture of share options	–	–	(104)	–	–	(104)	–	(104)
Exercise of share options	691	–	–	–	–	691	–	691
Transaction with owners	691	–	(58)	–	–	633	–	633
At 30 September 2011	**117,706**	**63,018**	**561**	**19,496**	**(70,630)**	**130,151**	**17,681**	**147,832**

1. BASIS OF PREPARATION

The unaudited consolidated results of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The accounting policies adopted are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2010.

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

2. REVENUE

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

Analysis of revenue is as follows:

	Nine months ended 30 September		Three months ended 30 September	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Container handling	**37,566**	19,449	**16,441**	6,502
Agency service	**17,306**	14,414	**4,800**	5,523
Integrated logistics services	**12,960**	6,076	**5,408**	1,878
General cargo	**1,096**	923	**361**	201
	68,928	40,862	**27,010**	14,104

3. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging the following:

	Nine months ended 30 September		Three months ended 30 September	
	2011 **HK$'000**	2010 HK$'000	**2011** **HK$'000**	2010 HK$'000
Depreciation and amortisation	**9,191**	8,108	**3,141**	2,682

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 31December 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 reporting period.

5. DIVIDEND

The directors do not recommend payment of a dividend in respect of the first nine months of 2011 (2010: Nil).

6. LOSS PER SHARE

The calculation of basic loss per share for the three months and nine months ended 30 September 2011 is based on the net loss for each of the period attributable to shareholders of the Company and on the weighted average number of 1,177,056,180 shares (2010: 1,170,146,564 shares) and 1,172,973,834 shares (2010: 1,170,146,564 shares) in issue for the period respectively.

No diluted earnings per share has been presented because of the impact of the exercise of the options was anti-dilutive (2010:Nil).

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 XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by directors of listed issuers, were as follows:

Long and short positions in Shares

		As at 30 September 2011	
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)*	414,723,714 (L) 189,000,000 (S)	35.23% 16.05%
Lee Jor Hung, Dannis	Interest by attribution *(note 3)*	11,725,127 (L)	1.00%

Notes:

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

2. The 414,723,714 (L) Shares were held as to 278,678,455 Shares by Unbeatable Holdings Limited, as to 82,523,793 Shares by Chow Holdings Limited and as to 53,521,466 Shares by CIG China Holdings Limited, each being a company in respect of which Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company. The 189,000,000 (S) Shares were held as to

131,000,000 Shares by Unbeatable Holdings Limited, as to 46,000,000 Shares by Chow Holdings Limited and as to 12,000,000 Shares by CIG China Holdings Limited. As announced in the joint announcements jointly issued by Zall Infrastructure Investments Limited ('Zall") and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011 and the composite and response document (the "Composite Document") of Zall and the Company dated 21 October 2011, Zall has on 3 October 2011 completed the acquisition of the 82,523,793 shares held by Chow Holdings Limited, 53,521,466 shares held by CIG China Holdings Limited, and 278,678,455 shares held by Unbeatables Holdings Limited. Zall was required under the Takeovers Code to make mandatory general cash offer to acquire all the issued shares not already owned or agreed to be acquired by Zall or parties acting in concert with it. The offer was closed on 11 November 2011.

3. These Shares were registered in the name of Ramwealth Company Limited, a company in respect of which Mr. Lee Jor Hung, Dannis is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company. Ramwealth Company Limited has on 25 October 2011 accepted the general offer mentioned in Note 2 above and sold all of the 11,725,127 shares it held to Zall.

Shares options

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

Save as disclosed above, as at 30 September 2011, none of the Directors had any interest or short position in the Shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 30 September 2011, the persons (not being Directors or chief executives of the Company) whose interests in shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register to be kept under section 336 of the SFO, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

(i) Interests in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of existing issued share capital of the Company
Unbeatable Holdings Limited *(Note 2)*	Beneficial owner	278,678,455 (L) 131,000,000 (S)	23.67% 11.13%
Harbour Master Limited *(Note 3)*	Beneficial owner	246,164,427 (L)	20.91%
The Yangtze Ventures II Limited *(Note 3)*	Interest by attribution	246,164,427 (L)	20.91%
Goldcrest Development Limited *(Note 4)*	Interest by attribution	246,164,427 (L)	20.91%
Shui On Construction and Materials Limited *(Note 5)*	Interest by attribution	246,164,427 (L)	20.91%
Shui On Company Limited *(Note 6)*	Interest by attribution	246,164,427 (L)	20.91%

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of existing issued share capital of the Company
Bosrich Holdings (PTC) Inc. *(Note 7)*	Interest by attribution	246,164,427 (L)	20.91%
HSBC International Trustee Limited *(Note 8)*	Interest by attribution	246,164,427 (L)	20.91%
Lo Hong Sui, Vincent *(Note 9)*	Interest by attribution	246,164,427 (L)	20.91%
Chu, Loletta *(Note 9)*	Interest by attribution	246,164,427 (L)	20.91%
Chow Holdings Limited *(Note 2)*	Beneficial owner	82,523,793 (L) 46,000,000 (S)	7.01% 3.91%

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. As announced in the joint announcements jointly issued by Zall Infrastructure Investments Limited ("Zall") and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011 and the composite and response document (the "Composite Document") of Zall and the Company dated 21 October 2011, Zall has on 3 October 2011 completed the acquisition of the 278,678,455 shares held by Unbeatables Holdings Limited and the 82,523,793 shares held by Chow 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. As announced in the joint announcements jointly issued by Zall and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011 and the composite and response document (the "Composite Document") of Zall and the Company dated 21 October 2011. Zall has on 3 October 2011 completed the acquisition of the 246,164,427 shares held by 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 (PTC) 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.

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 nine months ended 30 September 2011, 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 period ended 30 September 2011 are set out below:

			Number of options					
Name or category of eligible participants	Date of grant	Exercise Price per share HK$	As at 1.1.2011	Granted during the period	Exercised during the period	Lapsed or cancelled during the period	As at 30.09.2011	Conditions and period during which option outstanding as at 30.9.2011 are exercisable
Directors								
Chow Kwong Fai, Edward	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Wong Yuet Leung, Frankie	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Lee Jor Hung, Dannis	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Goh Pek Yang, Michael	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Lee Kang Bor, Thomas	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Wong Tin Yau, Kelvin	10.11.2008	0.100	914,508	–	–	–	914,508	*(a)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(a)*
Fan Chun Wah, Andrew	16.11.2009	0.177	914,508	–	–	–	914,508	*(b)*
	13.04.2010	0.182	271,360	–	–	–	271,360	*(c)*
Sub-total			8,301,076	–	–	–	8,301,076	
Employees (in aggregate)	10.11.2008	0.100	11,990,216	–	(6,909,616)	(3,048,360)	2,032,240	*(a)*
	13.04.2010	0.182	3,557,839	–	–	(904,536)	2,653,303	*(a)*
Sub-total			15,548,055	–	(6,909,616)	(3,952,896)	4,685,543	
Total			**23,849,131**	**–**	**(6,909,616)**	**(3,952,896)**	**12,986,619**	

Notes:

(a) The right to exercise the options is conditional upon the option holder being 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 options. Subject to the afore- mentioned condition, for the options granted on 10 November 2008, no more than 50% of the options may be exercised between 10 April 2010 and 9 April 2011, both dates inclusive and that all options shall lapse on 11 November 2011 and for the options granted on 13 April 2010, no more than 50% of the options may be exercised between 13 April 2010 and 9 April 2011, both dates inclusive and that all options shall lapse on 11 November 2011.

The exercise price of the options granted on 10 November 2008, which was initially set at HK$0.13 per share, was subsequently adjusted to HK$0.064 per share in August 2009 and further adjusted to HK$0.10 per share in April 2010, details of which are set out in the announcements of the Company dated 7 August 2009 and 20 April 2010.

(b) The right to exercise the options is conditional upon the option holder being 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 options. No options may be exercised for the period of twelve months from the grant date and that not more than 50% of the options may be exercised for a period of twelve months immediately thereafter and that all options shall lapse on 16 November 2012.

(c) The right to exercise the options is conditional upon the option holder being 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 options. No options may be exercised between the grant date of the options and 16 April 2011, both dates inclusive, and that not more than 50% of the options may be exercised for a period of twelve months immediately thereafter and that all options shall lapse on 16 November 2012.

(d) Reference is made to the joint announcements jointly issued by Zall and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011 and the composite and response document (the "Composite Document") of Zall and the Company dated 21 October 2011. Zall was required under the Takeovers Code to make mandatory general cash offer to acquire all the remaining issued shares and to cancel all the outstanding share options not already owned or agreed to be acquired by Zall or parties acting in concert with it. All of the option holders accepted the offer before it was closed on 11 November 2011.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the period from 1 January 2011 to 30 September 2011, 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 nine months ended and as at 30 September 2011 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 2011 to 30 September 2011.

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 nine months ended 30 September 2011.

While the Board is aware that it is a recommended best practice to split the role of the Chairman and the Chief Executive, in view of the small size of the Group and the fact that the Group's core business is straight forward and is carried out singularly by its subsidiary, WIT, and the fact that the role of the general manager (de facto chief executive) of WIT is carried out and performed by another person, the Board does not see a need to appoint a person other than the Chairman as Chief Executive at the Company level or at 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 nine months ended 30 September 2011, 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. Fan Chun Wah, Andrew 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 nine months ended 30 September 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the period from 1 January 2011 to 30 September 2011, 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 November 2011

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.