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)

ANNUAL REPORT 2012

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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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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.

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Corporate Information

Directors

Chairman and Non-executive Director:
Mr. Yan Zhi

Executive Directors:
Ms. Liu Qin
Mr. Duan Yan

Non-executive Director:
Mr. Fang Yibing

Independent Non-Executive Directors:
Mr. Lee Kang Bor, Thomas, *FCCA, FCPA*
Dr. Wong Tin Yau, Kelvin, *FHKIoD*
Mr. Fan Chun Wah, Andrew

Audit Committee Members

Mr. Lee Kang Bor, Thomas, *FCCA, FCPA (Chairman)*
Dr. Wong Tin Yau, Kelvin, *FHKIoD*
Mr. Fan Chun Wah, Andrew
Mr. Fang Yibing

Remuneration Committee Members

Mr. Lee Kang Bor, Thomas, *FCCA, FCPA (Chairman)*
Dr. Wong Tin Yau, Kelvin, *FHKIoD*
Mr. Fan Chun Wah, Andrew
Mr. Fang Yibing

Nomination Committee Members

Dr. Wong Tin Yau, Kelvin, *FHKIoD (Chairman)*
Mr. Lee Kang Bor, Thomas, *FCCA, FCPA*
Mr. Fan Chun Wah, Andrew
Mr. Fang Yibing

Authorised Representatives

Mr. Duan Yan
Ms. Lai Pik Chi, Peggy

Company Secretary

Ms. Lai Pik Chi, Peggy

Auditors

Grant Thornton Hong Kong Limited
Certified Public Accountants

Legal Advisers

Sidley Austin
Maples and Calder
Jingtian & Gongcheng
Dewell & Partners

Company Website

www.cigyangtzeports.com

Stock Code

8233

Principal Bankers

Bank of Communications
Wuhan Branch, PRC

Shanghai Pudong Development Bank
Wuhan Branch, PRC

China Merchants Bank
Wuhan Branch, PRC

Agricultural Bank of China
Wuhan Branch, PRC

China CITIC Bank International Limited
Hong Kong

Head Office

2909A Bank of America Tower
12 Harcourt Road
Central, Hong Kong

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Registered Office

P.O. Box 309 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

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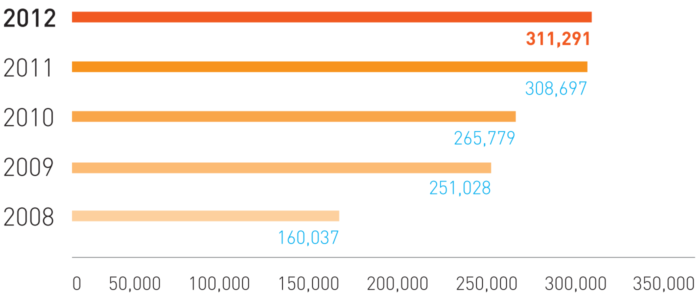
Financial Highlights

Review highlights

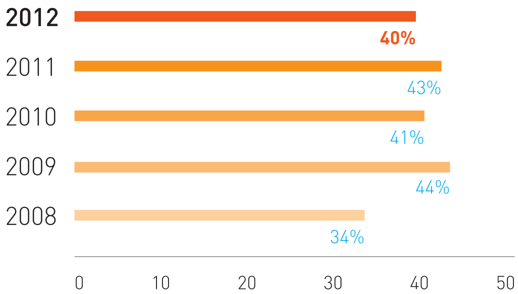
	Year ended 31 December	
	2012 HK$'000	2011 HK$'000
Revenue	**115,626**	98,086
Cost of services rendered	**(56,301)**	(48,042)
Gross profit	**59,325**	50,044
Other income	**1,743**	5,793
General, administrative and other operating expenses	**(26,119)**	(26,668)
Operating profit/EBITDA	**34,949**	29,169
Finance costs	**(15,719)**	(13,924)
EBTDA	**19,230**	15,245
Depreciation and amortisation	**(14,823)**	(12,256)
Profit before income tax	**4,407**	2,989
Income tax expense	**(161)**	—
Profit for the year	**4,246**	2,989
Non-controlling interests	**(2,135)**	(2,066)
Profit attributable to owners	**2,111**	923

Financial Highlights (Continued)

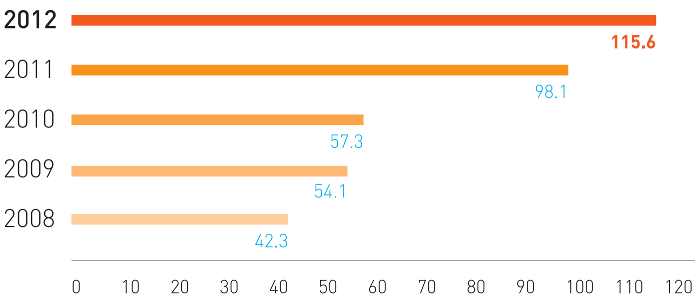
Throughput of Container (TEU)



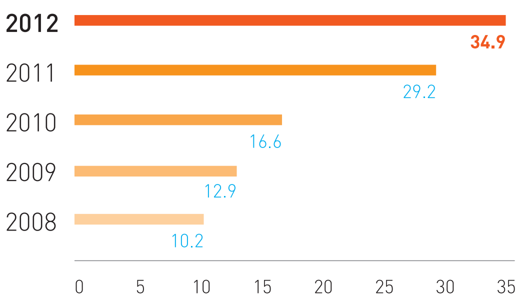
Market Share (%)



Revenue (HK$ million)



EBITDA (HK$ million)



Chairman's Statement

On behalf of the Board, I am pleased to present to our Shareholders the Company's annual results for the year ended 31 December 2012.

Review of operations and results

The year 2012 was a year of improvement for the Company and its subsidiaries (collectively, the "Group"). Through improving the operational efficiency and service standards, the Group successfully delivered encouraging results and generated appreciable returns for its shareholders in 2012.

During the year under review, the global economic trend remained unstable. The U.S Government was plagued by the financial cliff and the economy in the PRC was dragged by the slowdown in demand from the overseas markets. However, the PRC was able to maintain decent growth compared to the other countries. According to initial statistics released by the National Bureau of Statistics, GDP in the PRC for the year 2012 was recorded at RMB51.9 trillion, representing a year-on-year increase of 7.8%. The Group captured the tremendous business opportunities brought by the economic growth of the PRC during the year.

The Group's 85% owned WIT Port is located in Xinzhou District of Wuhan. As the largest city and the only sub-provincial city in Central of the PRC, Wuhan is a bustling city with ample opportunities for development. In accordance with Wuhan Academy of Social Sciences, the GDP of Wuhan amounted to RMB800 billion in 2012. As Wuhan has been the transfer spot for the "golden waterway" along Yangtze River, the Wuhan municipal government has always endeavored to give favorable policy to further the development of the port, enhancing the quality and efficiency of its services. In light of the economic development of Wuhan, the Yangtze River Region and the PRC as a whole, the Group has continued to improve and increase its gateway cargoes throughput, revenue and EBITDA.

Situated near the bonded area, WIT Port enjoys a great deal of geographical advantage. During the year 2012, WIT Port handled a throughput of 311,291 TEUs (2011: 308,697 TEUs), representing an increase of approximately 0.8% as compared to 2011. In terms of market share for container traffic in Wuhan, the Group dropped its share from 43% to 40% as the Group no longer enjoyed monopoly position and new competitor emerged in the second quarter of the year 2012.

Against the global economic uncertainty 2012, revenue of the Group grew by HK$17.54 million, or 17.9%, to HK$115.63 million. We substantially improved our financial metrics, including gross margin, steadily throughout the year while exercising control of our costs. As a result, EBITDA reached HK$34.95 million, representing an increase of 19.8% (2011: HK$29.17 million). Profit attributable to shareholders recorded a net profit of HK$2.11 million (2011: HK$0.92 million). Such encouraging results were attributable to the increase in the number of customers due to the high quality services provided by our diligent staff as well as overall improvement in operational efficiency.

Meanwhile, in line with the other container ports in the PRC, which is allowed to operate trans-shipment business, the WIT Port has raised its container handling tariff rates on gateway cargoes, resulting in an increase in gross profit margin.

In order to satisfy the overall increase in the number of cargo customers, we continued to enhance the productivity and competitiveness of the existing ports, especially strengthening and optimizing the management of equipment handling, port-related facilities, as well as work flow.

We continue to see significant growth opportunities and strong demand in port related services. We are very excited about our agreement with Wuhan Xinzhou District Government for the development of the Multipurpose Port to provide heavy and bulky cargo handling services adjacent to the existing berths of the WIT Port upon the completion of the project. At the beginning of the year 2012, the Group procured an addition of 65 mou of land, making an increase in the area of land reserved for the development of the Multipurpose Port to 90 mou in total. We will accelerate the development process to put the new Multipurpose Port into operation as soon as practicable.

Future outlooks

We hold an optimistic view towards the future prospects of the port business in the PRC. Although the global economic conditions is believed to be challenging in 2013, the Group still has strong confidence in China market, being one of the most promising markets in the globe with its stable and healthy economic growth.

Despite the fluctuated import and export volume due to the volatile external economies, we are benefited from the strong domestic demand and the steady and robust growth of the economy of the PRC. Furthermore, the Group has entered into a heads of agreement with Wuhan Xinzhou District Government for the development of the Multipurpose Port to provide heavy and bulky cargo handling services adjacent to the existing berths of the WIT Port. The Multipurpose Port is expected to come into operation by the end of 2013. The Group expects that there will be a new breakthrough in the business upon completion of the construction of the Multipurpose Port.

Looking forward, the Group will place more resources on gateway cargoes, which derives higher profit margin and rely less on the trans-shipment business that commands much lower tariff price. Moreover, the Group will continue to improve and increase its gateway cargoes throughput, profit and EBITDA, to generate a satisfactory return for its shareholders.

Hence, I am confident that the Group will continue to expand its existing businesses despite the tough business environment, and strive for new breakthroughs while maintaining sustainable development. In addition, the Group will seize every opportunity in the port businesses, and strive for even bigger progress to achieve excellent results with the joint efforts from our outstanding management team and all our staff.

Acknowledgement

Finally, I would like to extend my greatest gratitude to all our shareholders for their continuous support and to our clients, banks and investors for their trust, encouragement and recognition. Meanwhile, I would also like to thank all members of the board of Directors (the "Board") for their contributions and support, and all our staff and the management team for their hard work and devotion. We will continue our efforts to maximise the investment return for all our shareholders.

Yan Zhi
Chairman

Wuhan, the PRC, 25 March 2013

Vision, Mission, Strategy, Core Value

Vision

To become a leading multi-function port and logistics services provider.

Mission

To increase volume and market share of container throughput, general cargo, agency and integrated logistics services.

To enhance the value of the Group and returns to shareholders.

To play a key role as a container hub port and a feeder port in the transportation of container cargo to and from Wuhan and ports along the Yangtze River corridor.

Strategy

The Group believes that business growth lies in its four pillars of operating strategies, namely innovation, influence, contribution and responsibility. It boosts the growth momentum by bringing in innovative approaches. It empowers all people in and outside the Group via its influence. It contributes to the society and shares achievements with stakeholders of the Group. It cares for people, and promotes sustainable growth.

Core value

The senior management maintains valuable relationships with all levels of government officials in Wuhan and processes good and solid management experience in planning, construction and operation of international ports in the PRC.

Strong and experienced Board:

— in the ports and shipping business, both internationally and in the PRC.

— advocating strong corporate governance practices of transparency, accountability and timely reporting.

A business plan which mirrors the key themes of the PRC's economic plans to develop central part of the PRC (中部崛起).

Management Discussion and Analysis

Review of operations

Overall business environment

The Group's principal activities are investment in and the development, operation and management of container ports which are conducted through the WIT Port, which is 85% owned by the Group. As a deep water regional container hub port at the mid-stream of Yangtze River and a feeder port to the ports in Shanghai, the WIT Port plays a key role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor, including the upstream areas of Chongqing and neighbouring provinces.

The strong and well established industrial base of Wuhan featuring operators in major industries including vehicle and engine manufacturers, LCD and electronics manufacturers as well as those in the construction materials and farm products businesses have been and will continue to be the principal providers of gateway cargoes to the WIT Port. As many of the manufacturing/assembly plants of these international companies are new, their planned production expansion will contribute to the growth in throughput at the WIT Port.

Due to the inherent water-depth limitations along the upstream regions of the Yangtze River, it precludes bigger ships from navigating directly between those areas and Shanghai. The trans-shipment services provided by WIT offers a more economical alternative to ship container cargoes using bigger ships carrying more containers to and from Shanghai and overseas. Surrounding areas which are serviced by WIT include Hunan, Guizhou, Chongqing, Sichuan, Shanxi, Henan, Hubei and Shaanxi Provinces. Strategic initiatives by the government for shipping companies and WIT promote direct sailings to Yangshan Port in Shanghai (江海直達) have further strengthened the position of WIT Port as a trans-shipment port at the mid-stream of the Yangtze River.

With the development and growth of the container business on track, the Group has also developed port related services including agency and integrated logistics businesses to expand its revenue sources, including bonded warehousing, customs clearance, break bulk and distribution.

Below is a More Detailed Description of **THE GROUP'S REVENUE**

Container throughput

Total throughput achieved by WIT during the year 2012 was 311,291 TEUs, representing an increase of 2,594 TEUs or 0.8% over that of 308,697 TEUs for 2011. Of the 311,291 TEUs handled in 2012, 177,878 TEUs (2011: 132,325 TEUs) or 57.1% (2011: 42.9%) and 133,413 TEUs (2011: 176,372 TEUs) or 42.9% (2011: 57.1%) were attributed to gateway cargoes and trans-shipment cargoes, respectively.

Average tariff

The average tariff for gateway cargoes for the year was RMB233 per TEU (2011: RMB227 per TEU) an increase of 2.6% year on year and the average tariff for trans-shipment cargoes was RMB56 per TEU (2011: RMB74 per TEU) which saw a decrease of 24.3% from that of 2011.

The Group was the sole operator of the trans-shipment cargoes in Wuhan in the past. During the second quarter of 2012, the Customs Authority in Wuhan allowed the Group's competing ports to operate trans-shipment cargoes business, as a result of which the Group's market shares in Wuhan was eroded. The competition for the trans-shipment cargoes pushed down the average tariff price, hence the Group decided to streamline its resources to target at the higher tariff price gateway cargoes. Increases in turnover and net profit were achieved with this new arrangement.

Agency & logistics

For the year ended 31 December 2012, revenue generated from the Group's agency and logistics business amounted to HK$55.87 million (2011: HK$43.18 million) which accounted for 48.3% of the Group's total revenue (2011: 44.0%). The agency and logistics business 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 for year 2012 is mainly attributable to the increase in gateway cargoes, the general increase in throughput and the increase in hauling capacity as more trucks are added to services.

General cargoes

Throughput of general cargoes for 2012 was 50,066 tons (2011:52,685 tons), representing a decrease of 5.0% over 2011. The contribution of general cargoes throughput was minimal and only accounted for 0.7% of the revenue for the year under review.

Developing new port & logistics facilities

Being a port and logistics company operating in a high growth economy, the Group's strategy is twofold: with an objective of expanding the volume of business and constructing new facilities to cater for growth at the same time. The implementation of this strategy, which will create enterprise and shareholder value in the long term, could only be achieved at the expense of short term profit due to higher depreciation and interest charges.

New Multipurpose Port & logistics facilities

In March 2012, the Group made a final payment of RMB7.9 million for 65 mou of land for the development of the Multipurpose Port to provide heavy and bulky cargo handling services adjacent to the existing berths of the WIT Port. Upon completion of the project, the Group expects that there will be a new breakthrough in business upon completion of the Multipurpose Port construction.

Operating results

Revenue

	2012 HK$'000	2012 %	2011 HK$'000	2011 %	Increase (Decrease) HK$'000	Increase (Decrease) %
Container handling service	**58,991**	**51**	53,590	55	5,401	10
Agency income	**32,384**	**28**	22,388	23	9,996	45
Integrated logistics service	**23,487**	**20**	20,788	21	2,699	13
General and bulk cargo handling service	**764**	**1**	1,320	1	(556)	(42)
	115,626	**100**	98,086	100	17,540	18

For 2012, the Group's revenue amounted to HK$115.63 million (2011: HK$98.09 million), representing an increase of 17.9% as compared to the corresponding period in the year 2011. The increase in revenue was mainly attributable to the increase in throughput of the higher tariff price gateway cargoes. The gateway cargoes throughout amounted to 177,878 TEUs (2011: 132,325). Trans-shipment cargoes throughout however was affected by the emergence of new competitor in the second quarter of the year and decreased by approximately 24.4% to 133,413 TEUs (2011: 176,372 TEUs).

Container volume and throughput

	2012 TEUs	2012 %	2011 TEUs	2011 %	Increase (Decrease) TEUs	Increase (Decrease) %
Gateway cargoes	**177,878**	**57**	132,325	43	45,553	34
Trans-shipment cargoes	**133,413**	**43**	176,372	57	(42,959)	(24)
	311,291	**100**	308,697	100	2,594	1

The volume of throughput achieved for 2012 was 311,291 TEUs (2011: 308,697 TEUs), representing an increase of 0.8% over that of 2011. In terms of market share, during the year 2012, the WIT Port's market share decreased from 43% to 40% against an aggregate of 771,660 TEUs handled in 2012 for the whole of Wuhan.

Gross profit and gross profit margin

Gross profit for 2012 was HK$59.33 million (2011: HK$50.04 million), representing an increase of 18.5%. Gross profit margin for 2012 was maintained at the same level of 51.3% (2011: 51.0%) due to contribution of high gross margin of gateway cargoes even it was scaled down by drop of gross margin of trans-shipment cargoes.

Profit attributable to owners for the year

Profit attributable to owners for 2012 amounted to approximately HK$2.11 million (2011: HK$0.92 million), representing an increase of 128.7%. This was mainly attributable to the increase in gross profit contributions resulting from the increase in throughput of gateway cargoes and increase in average tariff.

Earnings per share was HK cents 0.18 (2011: HK cents 0.08), representing a substantial increase as compared with 2011.

Employee information

Number of employees

A breakdown of the number of employees of the Group by function and by geographical location as at 31 December 2012 and 2011 is shown below:

	As at 31 December 2012			As at 31 December 2011		
	Hong Kong	**Wuhan**	**Total**	Hong Kong	Wuhan	Total
Operation	**—**	**156**	**156**	—	131	131
Project planning and management	**—**	**8**	**8**	—	8	8
Corporate and business development	**—**	**30**	**30**	—	20	20
Finance	**2**	**12**	**14**	2	11	13
Engineering	**—**	**32**	**32**	—	35	35
Administration and personnel	**2**	**23**	**25**	3	22	25
	4	**261**	**265**	5	227	232

Remuneration of employees and policies

The Group has maintained good relationship with its staff. 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 according to with their work performance and experience. The Board has designated the duties of determining Directors' service contracts, the reviewing of Directors' and senior management's emoluments and the awarding of discretionary bonuses and share options of the Company to the remuneration committee of the Company (the "Remuneration Committee").

Total remuneration together with pension contributions incurred for the year ended 31 December 2012 amounted to HK$23.65 million (2011: HK$21.41 million). The Directors received remuneration of HK$0.96 million during the year ended 31 December 2012 (2011: HK$2.34 million).

Financial resources and liquidity

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

For the year ended 31 December 2012, the Group recorded a net cash inflow from operating activities of HK$21.85 million (2011: net cash outflow of HK$0.43 million).

At 31 December 2012, the Group had total outstanding bank borrowings of HK$248.42 million (RMB199.82 million) (2011: HK$243.88 million) provided by a PRC bank. The Group also had total cash and cash equivalents of HK$33.46 million as at 31 December 2012 (2011: HK$23.38 million) and consolidated net assets of HK$165.11 million (2011: HK$158.09 million).

At 31 December 2012, the Group had a net gearing ratio of approximately 1.5 times (2011: 1.6 times). The calculation of the net gearing ratio was based on the total interest-bearing borrowings net of cash and cash equivalents over equity attributable to owners of the Company. The lower net gearing ratio in 2012 was mainly due to the increase in cash and cash equivalents during the year.

Exchange rate risk

The Group operates in PRC and its principal activities are mainly transacted in Renminbi. Therefore, the Directors consider the Group has no significant foreign currency risk.

Significant investments

Save as those disclosed in this report, the Group did not hold any significant investment as at 31 December 2012.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as those disclosed in this report, the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during the year ended 31 December 2012.

Capital commitments

At 31 December 2012, the Group had capital commitments in respect of capital contribution to a subsidiary of approximately HK$7,947,000 (2011: HK$7,799,000) and the construction of port facilities and acquisition of land contracted for but not provided for amounting to approximately HK$5,693,000 (2011: HK$2,940,000).

Contingent liabilities

At the date of this report and as at 31 December 2012, the Directors are not aware of any material contingent liabilities.

Pledge of assets

The Group has pledged port facilities and land use rights owned by WIT with an aggregate net book value of approximately HK$258,120,000 (2011: HK$261,604,000) and HK$8,594,000 (2011: HK$8,668,000), respectively to secure bank loans granted to WIT.

Future plans for material investments or capital assets

Save as disclosed in this report, the Group has no current plan of any other material investments or acquisition of material capital assets.

Directors and Senior Management

Directors

The Board of directors of the Company comprises two executive directors, two non-executive Directors and three independent non-executive Directors. Their biographical details are set out below:

Non-executive Director and Chairman

Mr. Yan Zhi (閻志), aged 40, was appointed as a non-executive Director and the chairman of the Company in November 2011. Mr. Yan has extensive experience in logistics, project planning, business and operation management. He has approximately 16 years of experience in the advertising and media industry and business management. He is currently an executive director of China Society for Promotion of Guangcai Program (中國光彩事業促進會), a representative of Hubei Provincial People's Congress (湖北省人民代表大會), a vice-chairman of Hubei Federation of Youth (湖北省青年聯合會) and Hubei Federation of Industry & Commerce (湖北省工商業聯合會), a vice-president of Hubei Association of Entrepreneurs ((湖北省企業家協會)and a council member Hubei Society of Guangcai Program (湖北省光彩事業促進會). Mr. Yan received a master's degree in business administration for senior executives from Wuhan University (武漢大學) in February 2008 and is currently studying for his executive master of business administrative degree at Cheung Kong Graduate School of Management (長江商學院). Mr. Yan is the chairman and executive director of Zall Development Group Ltd, a company listed on the Main Board of the Stock Exchange (stock code 2098).

Executive Directors

Ms. Liu Qin (劉琴), aged 44, was appointed as an executive Director in November 2011. Ms. Liu is an assistant to the chairman of Zall Holdings Company Limited and Zall Development Group Ltd., a company listed on the Main Board of the Stock Exchange (stock code 2098). Ms. Liu graduated from Wu Han Radio and TV University (武漢市廣播電視大學) with a diploma in economic management, Ms. Liu is currently studying for an executive master of business administration degree at Tsinghua University (清華大學). Ms. Liu has extensive experience in human resources and administration management. She was the president of North Hankou Trade Market Investment Co., Ltd (漢口北市場投資有限公司), Zall Investment Group Co., Ltd. (卓爾投資集團有限公司) and the general manager and vice president of North Hankou Group Co., Ltd. (漢口北集團有限公司). In addition, she is the general manager of Wuhan Zall Centre Investment Co., Ltd (武漢卓爾中心投資有限公司) and Wuhan Big World Investment Co., Ltd (武漢大世界投資有限公司).

Mr. Duan Yan (段岩), aged 33, was appointed as an executive Director, the chief executive officer and an authorised representative of the Company in November 2011. Mr. Duan is currently also an executive director of Wuhan Zall Grand China Logistics Co., Ltd (卓爾大新華物流有限公司) and the chairman of Zall Power Chain (Wuhan) Logistics Co., Ltd (卓爾寶沃勤(武漢)物流有限公司). Mr. Duan is also the vice president of Hubei Hannan Port Industrial Co., Ltd (漢南港實業集團有限公司). In addition, Mr. Duan is an assistant to the chairman of Zall Holdings Company Limited. Mr. Duan holds a master degree of E-Commerce from Middlesex University in London and has extensive experience in logistics as well as business and operation management.

Non-executive Director

Mr. Fang Yibing (方一兵), aged 58, was appointed as a non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee in November 2011. Mr. Fang is a solicitor admitted in the PRC. He received a bachelor degree in Law from Hubei Huanggang Radio & TV University (湖北黃岡廣播電視大學), the PRC and holds an executive master of business administration degree from Wuhan University. Mr. Fang holds directorship in a number of subsidiaries of Zall Holdings Company Limited, including Wuhan Zall Grand China Logistics Co., Ltd (卓爾大新華物流有限公司), Zall Power Chain (Wuhan) Logistics Co., Ltd (卓爾寶沃勤 (武漢) 物流有限公司) and Wuhan Zhuosheng Logistic Co., Ltd (武漢卓盛物流有限公司). Mr. Fang spends approximately one third of his time on the Group and is responsible for internal control and management.

Independent non-executive Directors

Mr. Lee Kang Bor, Thomas (李鏡波), aged 59, took office as an independent non-executive Director in September 2005. He has been a member and the chairman of the Audit Committee and the Remuneration Committee since September 2005 and member of the Nomination Committee of the Company since March 2012. He graduated from The Hong Kong Polytechnic University (formerly Hong Kong Polytechnic) with a higher diploma in accountancy in 1976. He received his bachelor and master of laws degrees from the University of London in 1988 and 1990 respectively. Mr. Lee is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants (UK) and was called to the Bar of the Honourable Society of Lincoln's Inn in 1990. Mr. Lee is a past president and a member of the Council of the Taxation Institute of Hong Kong and is serving as President of Asia Oceania Tax Consultants' Association and vice president of Hong Kong Professionals and Senior Executives Association. Mr. Lee is the chairman of Thomas Lee & Partners Limited, Certified Tax Advisers. Mr. Lee is also a non-executive director of Man Sang International Limited (stock code: 938) and an independent non-executive director of Sparkle Roll Group Limited (stock code: 970); the shares of both named companies are listed on the Stock Exchange.

Dr. Wong Tin Yau, Kelvin (黃天祐), aged 52, was appointed as an independent non-executive Director in September 2005. He has been a member of the Audit Committee and the Remuneration Committee since September 2005 and he is the member and chairman of the Nomination Committee of the Company since March 2012. He is an executive director and deputy managing director, chairman of the corporate governance committee and member of the executive committee of COSCO Pacific Limited (stock code: 1199), a company listed on Tthe Stock Exchange of Hong Kong Limited. Dr. Wong is the chairman of The Hong Kong Institute of Directors, a non-executive director of the Securities and Future Commission, a member of the Main Board and GEM Listing Committee of The Stock Exchange of Hong Kong Limited, a member of the SFC (HKEC Listing) Committee of the Securities and Futures Commission, a member of the Standing Committee on Company Law Reform, a member of the Corruption Prevention Advisory Committee of Independent Commission Against Corruption, a member of the Appeal Board Panel (Town Planning), a member of The Board of Review (Inland Revenue Ordinance), a board director of the Hong Kong Sports Institute Limited, a council member of The Hong Kong Management Association, a member of OECD/World Bank Asian Corporate Governance Roundtable and a council advisor and past chairman of the Hong Kong Chinese Orchestra Limited, Dr. Wong obtained his master of business administration degree from Andrews University in Michigan, the United States of America in 1992 and his doctor of business administration degree from The Hong Kong Polytechnic University in 2007. Dr. Wong is currently an independent non-executive director and chairman of the audit committee of China Metal International Holdings Inc. (stock code: 319), China ZhengTong Auto Services Holdings Limited (stock code: 1728), Xinjiang Goldwind Science & Technology Co., Ltd. (stock code: 2208), an independent non-executive director, chairman of the audit committee and chairman of the nomination committee of I.T. Limited (stock code: 999). All the aforementioned companies are listed on The Stock Exchange of Hong Kong Limited.

Mr. Fan Chun Wah, Andrew (范駿華), aged 34, was appointed as an independent non-executive Director and member of the Audit Committee and Remuneration Committee on February 2009. He is the member of Nomination Committee of the Group. He holds a bachelor's degree in business administration (accounting and finance) from the University of Hong Kong and a bachelor's degree in law from the University of London. He is a practicing CPA under the name of C. W. Fan & Co. and prior to that, he was a vice president of Citigroup and a manager of PricewaterhouseCoopers, Hong Kong. Mr. Fan is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and Council member of The Society of Chinese Accountants & Auditors. Mr. Fan is a member of the Tenth and Eleventh Chinese People's Political Consultative Conference of Zhejiang Province, a member of the Fourth and Fifth Chinese People's Political Consultative Conference of Shenzhen, a member of the Eleventh All-China Youth Federation, a standing member of the Tenth Shanghai United Youth Association. Mr. Fan is also a non-executive director of Chuang's China Investments Limited (stock code: 298) and independent non-executive director of Milan Station Holdings Limited (stock code: 1150).

Senior management

Head office

Ms. Lai Pik Chi, Peggy (黎碧芝), was appointed as the chief financial officer, the company secretary and authorised representative of the Group on 19 April 2012. Ms. Lai obtained a master of business administration degree from University of Manchester. Ms. Lai has over 20 years experience in auditing, accounting, financial management and corporate finance spanning a diverse range of business. Ms. Lai is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Wuhan

Mr. Xie Bing Mu (謝炳木), has been the general manager of WIT since November 2003 and a director of WIT since January 2004. He completed the professional studies in business administration at Fujian Broadcasting University (福建廣播電視大學) in 1986 and completed a postgraduate course conducted by Xiamen University (廈門大學) in 2001. He is a qualified accountant in the PRC. Mr. Xie joined the Group in March 2001. Prior to joining the Group, Mr. Xie had worked in an international port company and container terminal company in the PRC.

Mr. Liu Shou Liang (劉守樑), has been a deputy general manager of WIT since April 1998 and is in charge of the engineering department of WIT. He is a senior engineer and graduated from Wuhan Industrial Institute of Building Materials (武漢建築材料工業學院) and holds a bachelor degree in engineering. Mr. Liu has over 20 years of experience in the development and management of ports in the PRC.

Mr. Huang Jing (黃兢), is a deputy general manager of WIT since May 2003, the company secretary of WIT since December 2005 and is in charge of administrative and human resources matters of WIT. He graduated from Zhongnan University of Finance and Economy (中南財經大學) and holds a bachelor degree in economics. Mr. Huang joined the Group in February 1998 and has 18 years experience in financial management and administration in the PRC.

Mr. Cai Xi Ming (蔡曦明), is the chief accountant of WIT and in charge of all finance and accounting matters of WIT. He obtained a master of business administration degree from the Zhongnan University of Economics and Law (中南財經政法大學) in the PRC and is a qualified accountant in the PRC. Mr. Cai joined the Group in July 2000. Mr. Cai has approximately 20 years experience in finance, accounting and enterprise management.

Corporate Governance Report

Introduction

The Board and the management team of the Company are committed to maintain a higher standard of corporate governance and the accountability and transparency of its management. The Company has been in compliance with a high standard of corporate governance practices and the Directors takes seriously their duty to implement good corporate governance practices to ensure their duties are discharged in a transparent and accountable manner. The Board believes that by running the business in a way which is responsible to its shareholders and of high level of integrity, the long-term benefit of the Group and the shareholders as a whole would be achieved and safeguarded.

Corporate governance practices

The Company has, throughout the financial year ended 31 December 2012 has complied with the code provisions (the "**CG Code Provisions**") set out in Appendix 15 of Corporate Governance Code and Corporate Governance Report (the "**Code**") of the GEM Listing Rules for the year ended 31 December 2012.

The Board of Directors

The Board, which currently comprises seven Directors, is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Group, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to management by the Board.

The Board comprises two non-executive Directors, namely Mr. Yan Zhi who is also the chairman of the Board and Mr. Fang Yibing; two executive Directors, namely Ms. Liu Qin and Mr. Duan Yan and three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas, Dr. Wong Tin Yau, Kelvin and Mr. Fan Chun Wah, Andrew. Non-executive Directors currently represent two-sevenths of the Board. Independent non-executive Directors currently represent three-sevenths of the Board.

In full compliance with Rules 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional accounting qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and every guideline set out in Rule 5.09 of the GEM Listing Rules.

Chairman and chief executive officer

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Group, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman, Mr. Yan Zhi, focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board. The Chief Executive Officer, Mr. Duan Yan, is responsible for all day-to-day corporate management matters as well as assisting the Chairman in planning and developing the Group's strategies. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority.

Re-election of Directors

All executive Directors and non-executive Directors are appointed for a term of 3 years, and each of the independent non-executive Directors, are appointed for a period commencing from 8 May 2012 until the Company's annual general meeting in 2013. According to Article 114 of the Company's articles of association (the "**Articles**"), all Directors appointed to fill a causal vacancy should be subject to re-election by shareholders at the first general meeting after their appointment. According to Article 130 of the Articles, one-third of the Directors shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years.

Corporate governance functions

During the period under review, the Board is also responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties below, including, (i) developing and reviewing the Company's policies and practices on corporate governance, (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management, (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company (v) reviewing the Company's compliance with the Code and disclosure requirements in the Corporate Governance Report.

Remuneration committee

The Remuneration Committee comprises of four directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Dr. Wong Tin Yau, Kelvin, Mr. Fan Chun Wah, Andrew, Mr. Fang Yibing.

The terms of reference of the Remuneration Committee have been determined with reference to the Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, inter alia, assisting the Company in the administration of a formal and transparent procedure for developing remuneration policies, making recommendations to the Board on the remuneration packages of individual executive directors and senior management, and ensuring that no director or any of his associates is involved in deciding his own remuneration.

During the year ended 31 December 2012, the work performed by the Remuneration Committee includes, inter alia, the review of Group's remuneration policy for its executive directors and senior management and their levels of remuneration.

Audit committee

The Audit Committee comprises of four directors. Mr. Lee Kang Bor, Thomas (Chairman), Dr. Wong Tin Yau, Kelvin, Mr. Fan Chun Wah, Andrew and Mr. Fang Yibing.

Under its terms of reference, the Audit Committee is required, among other things, to oversee the relationship with the independent auditor, to review the Group's first-quarterly, interim, third-quarterly and annual results as well as the effectiveness of the systems of internal control (the "**Systems of internal Control**") of the Group which covers financial, operational and compliance controls and risk management qualified functions. The Audit Committee has liaised with the Directors, senior management and the qualified accountant as well as reviewed the "Report to the Audit Committee" from and discussed with the auditors on the audit and internal control related issues of the Group.

During the year ended 31 December 2012, management of the Company had conducted an internal audit on the systems of internal control of WIT to ensure compliance with procedures laid down by the Company and the board of directors of WIT and a review of the overall systems of internal control and risk management functions of the Group.

Nomination committee

The Nomination Committee comprises of four directors, namely Dr. Wong Tin Yau, Kelvin (Chairman), Mr. Lee Kang Bor, Thomas, Mr. Fan Chun Wah, Andrew and Mr. Fang Yibing.

The terms of reference of the Nomination Committee have been determined with reference to the Code. Under its terms of reference, the Nomination Committee is responsible for identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors of the Company. Potential new directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board. No new director was nominated for appointment during the year ended 31 December 2012.

Attendance records at meetings

The attendance records of each Director at the Board meetings, annual general meeting and other board committees meeting of the Company during the year ended 31 December 2012 are set out as below:

	Attended/Eligible to attend				
	Annual general meeting	**Board meetings**	**Remuneration committee meetings**	**Audit committee meetings**	**Nomination committee meetings**
Number of meetings	1	7	1	4	1
Chairman and Non-executive Director					
Mr. Yan Zhi	1/1	7/7	N/A	N/A	N/A
Executive Directors					
Ms. Liu Qin	0/1	6/7	N/A	N/A	N/A
Mr. Duan Yan	1/1	7/7	N/A	N/A	N/A
Non-executive Director					
Mr. Fang Yibing	0/1	6/7	1/1	3/4	1/1
Independent Non-executive Directors					
Mr. Lee Kang Bor, Thomas	1/1	7/7	1/1	4/4	1/1
Dr. Wong Tin Yan, Kelvin	1/1	7/7	1/1	4/4	1/1
Mr. Fan Chun Wah, Andrew	1/1	7/7	1/1	4/4	1/1

Directors' securities transactions

The Company has adopted the rules set out in Rules 5.48 to 5.67 (where applicable) of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "**Code**").

The Company has made specific enquiry of all Directors and the Directors have confirmed compliance with the Code during the year ended 31 December 2012.

Specific employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the same Code. No incident of non-compliance was noted by the Company for the year ended 31 December 2012.

Nomination of directors

For the purpose of nomination of directors, the task of nomination of Directors has vested with the Board. During the year under review, the Board reviewed (i) the structure, size and composition (including the skills, knowledge and experience) of Board members on a regular basis and make recommendation regarding any proposed changes; (ii) identifies individuals suitably qualified to become board members; (iii) assesses the independence of independent non-executive Directors; and (iv) makes recommendations on relevant matters relating to the appointment and re-appointment of Directors and succession planning for Directors. With effect from 30 March 2012, for the purpose of complying with the requirements under the GEM Listing Rules, a nomination committee of the Company comprising Dr. Wong Tin Yau, Kelvin as the chairman and member, and Mr. Lee Kang Bor, Thomas, Mr. Fan Chun Wah, Andrew and Mr. Fang Yibing as members has been established by the Board.

Continuous professional development

All Directors have been given relevant guideline materials regarding to duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensue compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstance, at the Company's expenses.

The Directors confirmed that they have compiled with the Code Provision A6.5 of the Code which takes effective on 1 April 2012 regarding the requirement of Directors' training. All Directors have participated in continuous professional development by the following means to develop and refresh their knowledge during the year under review.

Name of Directors	**Training received**
Yan Zhi	Reading materials/attending training course
Liu Qin	Reading materials/attending training course
Duan Yan	Reading materials/attending training course
Fang Yibing	Reading materials/attending training course
Lee Kang Bor, Thomas	Reading materials/attending training course
Wong Tin Yau, Kelvin	Reading materials/attending training course
Fan Chun Wah, Andrew	Reading materials/attending training course

Auditors' remuneration

Remuneration in respect of audit and other services provided by the auditors to the Group for the year ended 31 December 2012 was HK$422,000 and Nil respectively.

Company secretary

The Company does not engage an external service provider as its company secretary.

Internal control

The Board is responsible for maintaining sound and effective systems of internal control to safeguard the Group's assets and shareholders' interests, as well as reviewing the effectiveness of such systems of internal control. The internal control system of the Group is designed for the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure maintenance of proper books and record for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. The management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. Besides, the Board reviews at least annually the overall effectiveness of the Group's internal control system.

The Board is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

Shareholders value

The Board and senior management recognise their responsibility to represent the interests of all shareholders and to maximise shareholder value and have made the following commitments to the Groups' shareholders:

- Continuing effort to maintain long-term stability and growth in shareholder value and return on investment;
- Responsible planning, construction and operation of the Group's core businesses;
- Responsible management of the Group's investment and business risks; and
- True, fair, in depth and timely disclosure of the financial position and operating performance of the Group.

Constitutional documents

The Board is not aware of any change in the Company's constitutional documents. An updated version of the Company's memorandum and articles of association is available on both the websites of the Stock Exchange and the Company.

Shareholder's rights and relations

The Company believes that shareholders' rights should be well respected and protected. The Company endeavors to maintain good communications with shareholders on its performance through quarterly results announcements, interim and annual reports and annual general meetings of the Company, so that they may make an informed assessment of their investments and the exercise of their rights as shareholders. The Group also encourages shareholders' participation through general meetings or other means.

Shareholders or investors can enquire or make comments by putting their views to the Company or the Audit Committee by the following means:

Telephone no.:	(852) 2868-0212
Fax no.:	(852) 2868-0620
By post:	2909A Bank of America Tower, 12 Harcourt Road, Central, Hong Kong
Email:	cigyp@cigyangtzeports.com

Report of the Board of Directors

The Board submits herewith the report of the Board together with the audited consolidated financial statements of the Company for the year ended 31 December 2012.

Principal activities

The principal activities of the Company during the year was investment holding and those of the subsidiaries are set out in note 28 to the consolidated financial statements.

Results

The results of the Group for the year ended 31 December 2012 and the state of affairs of the Company and of the Group at that date are set out on pages 37 to 79 of the consolidated financial statements.

Dividend, appropriations and reserves

The Directors do not recommend any payment of a final dividend for the year ended 31 December 2012.

Details of movements in reserves of the Group and of the Company during the year are set out in the Consolidated Statement of Changes in Equity and note 27 to the consolidated financial statements respectively.

Major customers and suppliers

During the year under review, services provided to the Group's five largest customers accounted for 38.6% of total revenue of the Group with services provided to the largest customer included therein accounted for 9.9% of total revenue of the Group. Purchases from the Group's five largest suppliers accounted for 36.0% of the total purchases of the Group for the year and purchases from the largest supplier included therein accounted for 16.2% of total purchases of the Group for the year.

During the year ended 31 December 2012, none of the Directors or any of their associates or any shareholders which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital had any interest in the Group's five largest customers and suppliers.

Sufficiency of public float

Based on information available to the Company and within the knowledge of its Directors, the Company has maintained sufficient public float as required under the GEM Listing Rules throughout the year ended 31 December 2012.

Connected transactions

During the year ended 31 December 2012, the Group has entered into transactions which constituted connected transactions under the GEM Listing Rules. Details are set out below:

(a) The Group and Mr. Yan Zhi ("Mr. Yan"), a controlling shareholder, the chairman and a non-executive Director of the Company, entered into several loan agreements in relation to granting of loans by Mr. Yan to the Group in the total principal amount of HK$8,200,000. The loans are unsecured and interest free and with repayment terms of over one year.

(b) A wholly-owned subsidiary of the Group, CIG Wuhan Multipurpose Port Limited and Zhouer Holdings Limited (卓爾控股有限公司), a company owned by Mr. Yan entered into a loan agreement on 10 January 2012 in relation to the granting of loan by Zhouer Holdings Limited in the principal amount of RMB12,000,000. The loan was unsecured and carried interest at the People's Bank of China borrowing rate. The loan was repaid on 20 August 2012 and the total interest amounted to RMB484,000.

Other than disclosed above, the Company had not entered into other connected transactions as defined under the GEM Listing Rules during the year under review.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's articles of association or the companies law (revised) of the Cayman Islands.

Remuneration policy

The remuneration policy of the employees of the Group is set out on the basis of their merit, qualifications and experience. The remunerations of the Directors are decided, having regard to the Company's operating results, individual performance and comparable market statistics.

Property, plant and equipment

Details of movements in property, plant and equipment during the year are set out in note 16 to the consolidated financial statements.

Share capital

Details of the movements in share capital of the Company during the year are set out in note 26 to the financial statements.

Directors

The Directors who held office during the financial year and as at the date of this report were:

Chairman and non-executive Director:

Mr. Yan Zhi

Executive Directors:

Ms. Liu Qin
Mr. Duan Yan

Non-executive Director:

Mr. Fang Yibing

Independent non-executive Directors:

Mr. Lee Kang Bor, Thomas
Dr. Wong Tin Yau, Kelvin
Mr. Fan Chun Wah, Andrew

In accordance with Article 130 of the Company's articles of association, at each annual general meeting of the Company one-third of the Directors for the time being shall retire from office by rotation and a retiring Director shall be eligible for re-election.

Directors' service contracts

Each of the executive Directors, namely Ms. Liu Qin and Mr. Duan Yan, and the non-executive Directors, namely Mr. Yan Zhi and Mr. Fang Yibing, has entered into a service agreement with the Company for a term of three years commencing from 21 November 2011. Their appointments will be subject to normal retirement and re-election at the next annual general meeting by the shareholders of the Company pursuant to the articles of association of the Company.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a period commencing from 8 May 2012 until the Company's annual general meeting in 2013.

Apart from the foregoing, no director standing for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment other than statutory compensations.

Each of the independent non-executive Directors has confirmed his independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the Independent Non-executive Directors to be independent.

Directors and senior management's biographies

Biographical details of the Directors of the Company and senior management of the Group are set out on pages 19 to 21 of the report.

Directors' interest in contracts

Save as disclosed in the report, no other contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Remuneration of Directors and the highest paid employees

Details of the remuneration of Directors and the highest paid employees of the Group are respectively set out in notes 9 and 10 to the consolidated financial statements.

Directors', chief executives' interests in shares and short positions in the shares of the Company (the "Share(s)")

At 31 December 2012, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by directors of listed issuers, were as follows:

Long and short positions in Shares

		As at 31 December 2012	
Name of Director	**Capacity**	**No. of Shares** (Note 1)	**Approximate percentage of total no. of Shares in issue**
Yan Zhi	Interest through controlled corporations (note 2)	882,440,621 (L)	74.97%

Notes:

1. The letter "L" denotes a long position.

2. The 882,440,621 (L) Shares were held by Zall Infrastructure Investments Company Limited, a company indirectly wholly-owned by Mr. Yan Zhi.

Save as disclosed above, as at 31 December 2012, none of the Directors had any interest or short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO, to be notified to the Company and the Stock Exchange.

Substantial shareholders and other persons

So far as was known to the Directors, as at 31 December 2012, 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 of Shareholder	Capacity	Number of Shares (Note 1)	Approximate percentage of total number of Shares in issue
Zall Infrastructure Investments Company Limited (Note 2)	Beneficial owner	882,440,621 (L)	74.97%
Zall Holdings Company Limited (Note 2)	Interest by attribution	882,440,621 (L)	74.97%

Notes:

1. The letter "L" denotes a long position.

2. Zall Infrastructure Investments Company Limited is wholly-owned by Zall Holdings Company Limited, which in turn is wholly-owned by Mr. Yan Zhi.

Share option scheme

Particulars of the Company's share option scheme are set out in note 29 to the consolidated financial statements.

During the year ended 31 December 2012, no options were granted under the Company's share option scheme, and there was no option outstanding as at 31 December 2012.

Competing interests

For the year ended 31 December 2012, the Directors are not aware of any business or interest of the directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

Advance to entity

According to rules 17.15 to 17.22 of the GEM Listing Rules, a disclosure obligation arises where the relevant advance to an entity from the Group exceeds 8% of the Group's consolidated total assets or the market capitalisation of the Company, whichever is the lower. At 31 December 2012, no advances had been made to any entity which exceeded 8% of the Group's consolidated total assets or market capitalisation of the Company.

Purchase, redemption or sale of listed securities

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

Code of conduct regarding securities transactions by Directors

For the year ended 31 December 2012, the Company had adopted a code of conduct regarding securities transactions by directors (the "**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 (the "**Required Standard of Dealings**"). The Company has also made specific enquiry of all Directors, who have confirmed that, during the year ended 31 December 2012, they were in compliance with the Code of Conduct and the Required Standard Dealings.

Confirmation of independence by independent non-executive Directors

The Company confirms that it has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers, based on the confirmations received, the independent non-executive Directors to be independent.

Auditors

The financial statements of the Company for the year ended 31 December 2010 and 2011 were audited by Grant Thornton (formerly known as Grant Thornton Jingdu Tianhua). During the year, Grant Thornton resigned as auditors of the Company due to the internal corporate reorganisation of their accounting practice and Grant Thornton Hong Kong Limited was appointed as the Company's auditors to fill the causal vacancy on 13 November 2012. A resolution for the re-appointment Messrs. Grant Thornton Hong Kong Limited as the Company's auditors for the ensuring year will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Yan Zhi
Chairman

Wuhan, the PRC, 25 March 2013

Independent Auditors' Report

Grant Thornton
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To the members of
CIG Yangtze Ports PLC
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of CIG Yangtze Ports PLC (the "Company") and its subsidiaries (together, the "Group") set out on pages 37 to 79, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that a give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Grant Thornton
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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton Hong Kong Limited
Certified Public Accountants
20th Floor, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

25 March 2013

Lin Ching Yee Daniel
Practising certificate number: P02771

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2012

	Note	2012 HK$'000	2011 HK$'000
Revenue	5	115,626	98,086
Cost of services rendered		(56,301)	(48,042)
Gross profit		59,325	50,044
Other income	7	1,743	5,793
Other operating expenses		(13,478)	(11,563)
General and administrative expenses		(27,464)	(27,361)
Finance costs	11	(15,719)	(13,924)
Profit before income tax	8	4,407	2,989
Income tax expense	12	(161)	—
Profit for the year		4,246	2,989
Other comprehensive income			
Exchange gain on translation of foreign operations		2,774	4,635
Other comprehensive income for the year		2,774	4,635
Total comprehensive income for the year		7,020	7,624
Profit for the year attributable to:			
Owners of the Company	13	2,111	923
Non-controlling interests		2,135	2,066
		4,246	2,989
Total comprehensive income attributable to:			
Owners of the Company		4,509	4,935
Non-controlling interests		2,511	2,689
		7,020	7,624
Earnings per share for profit attributable to owners of the Company during the year			
— Basic and diluted	14	HK0.18 cents	HK0.08 cents

The notes on pages 43 to 79 are an integral part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2012

	Note	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**309,728**	308,413
Land use rights	17	**26,132**	8,668
Construction in progress	18	**19,952**	19,490
		355,812	336,571
Current assets			
Inventories	19	**2,929**	2,233
Trade receivables	20	**40,701**	34,623
Prepayments, deposits and other receivables		**7,056**	13,220
Government subsidy receivables	21	**2,124**	8,420
Cash and cash equivalents	22	**33,462**	23,384
		86,272	81,880
Current liabilities			
Trade and other payables	23	**16,571**	13,979
Bank borrowings	24	**75,785**	24,388
		92,356	38,367
Net current (liabilities) assets		**(6,084)**	43,513
Total assets less current liabilities		**349,728**	380,084
Non-current liabilities			
Bank borrowings	24	**172,631**	219,490
Other payables	23	**1,283**	—
Amount due to a shareholder	25	**10,700**	2,500
		184,614	221,990
Net assets		**165,114**	158,094

	Note	2012 HK$'000	2011 HK$'000
EQUITY			
Share capital	26	**117,706**	117,706
Reserves		**25,178**	20,669
Equity attributable to owners of the Company		**142,884**	138,375
Non-controlling interests		**22,230**	19,719
Total equity		**165,114**	158,094

Yan Zhi
Director

Duan Yan
Director

The notes on pages 43 to 79 are an integral part of these financial statements.

Statement of Financial Position

At 31 December 2012

	Note	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	28	**50,897**	50,897
Current assets			
Prepayments, deposits and other receivables		**—**	22
Amounts due from subsidiaries	28	**113,242**	115,751
		113,242	115,773
Current liabilities			
Trade and other payables	23	**514**	1,102
Net current assets		**112,728**	114,671
Net assets		**163,625**	165,568
EQUITY			
Share capital	26	**117,706**	117,706
Reserves	27	**45,919**	47,862
Total equity		**163,625**	165,568

Yan Zhi
Director

Duan Yan
Director

The notes on pages 43 to 79 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2012

	Note	**2012 HK$'000**	2011 HK$'000
Cash flows from operating activities			
Profit before income tax		**4,407**	2,989
Adjustments for:			
Depreciation and amortisation		**14,823**	12,256
Finance costs		**15,719**	16,169
Loss on disposal of property, plant and equipment		**43**	318
Share-based payment transactions		**—**	83
Bank interest income		**(82)**	(203)
Operating profit before working capital changes		**34,910**	31,612
Increase in trade receivables		**(5,420)**	(19,241)
Increase in prepayments, deposits and other receivables		**(933)**	(7,237)
Decrease in government subsidy receivables		**6,456**	9,396
Increase in inventories		**(654)**	(1,132)
Increase in trade and other payables		**3,374**	2,341
Cash from operations		**37,733**	15,739
Interest paid		**(15,719)**	(16,169)
Income tax paid		**(161)**	—
Net cash from (used in) operating activities		**21,853**	(430)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(3,412)**	(11,029)
Purchase of land use rights		**(10,517)**	—
Payment for construction in progress		**(6,634)**	(19,762)
Proceeds from disposal of property, plant and equipment		**166**	95
Interest received		**82**	203
Net cash used in investing activities		**(20,315)**	(30,493)
Cash flows from financing activities			
Proceeds from shares issued upon exercise of share options		**—**	691
Loan from a related company		**14,918**	—
Repayment of loan from a related company		**(14,918)**	—
Advance from a shareholder		**8,200**	2,500
Proceeds from bank borrowings		**24,864**	—
Repayment of bank borrowings		**(24,963)**	(122)
Net cash from financing activities		**8,101**	3,069
Net increase (decrease) in cash and cash equivalents		**9,639**	(27,854)
Cash and cash equivalents at 1 January		**23,384**	49,648
Effect for foreign exchange rate changes		**439**	1,590
Cash and cash equivalents at 31 December	22	**33,462**	23,384

The notes on pages 43 to 79 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2012

	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
Balance at 1 January 2011	117,015	63,018	619	18,461	(66,447)	132,666	17,030	149,696
Profit for the year	—	—	—	—	923	923	2,066	2,989
Other comprehensive income:								
Exchange gain on translation of foreign operations	—	—	—	4,012	—	4,012	623	4,635
Total comprehensive income for the year	—	—	—	4,012	923	4,935	2,689	7,624
Share issued upon exercise of share options	691	—	—	—	—	691	—	691
Share-based payment transactions	—	—	83	—	—	83	—	83
Cancellation of share options	—	—	(702)	—	702	—	—	—
Transaction with owners	691	—	(619)	—	702	774	—	774
Balance at 31 December 2011 and 1 January 2012	117,706	63,018	—	22,473	(64,822)	138,375	19,719	158,094
Profit for the year	—	—	—	—	2,111	2,111	2,135	4,246
Other comprehensive income:								
Exchange gain on translation of foreign operations	—	—	—	2,398	—	2,398	376	2,774
Total comprehensive income for the year	—	—	—	2,398	2,111	4,509	2,511	7,020
Balance at 31 December 2012	**117,706**	**63,018**	**—**	**24,871**	**(62,711)**	**142,884**	**22,230**	**165,114**

The notes on pages 43 to 79 are an integral part of these financial statements.

1. General information

CIG Yangtze Ports PLC is a limited liability company incorporated in the Cayman Islands. The Company's registered office is located at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, the Cayman Islands. The principal place of business of the Company is 2909A, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company's immediate holding company is Zall Infrastructure Investments Company Limited, a limited liability company incorporated in the British Virgin Islands. The directors consider the ultimate holding company to be Zall Holdings Company Limited, a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding and the principal activities of Wuhan International Container Company Limited ("WIT"), the major operating subsidiary, are port construction and operation.

The financial statements for the year ended 31 December 2012 were approved for issue by the board of directors on 25 March 2013.

2. New or amended international financial reporting standards ("IFRSs")

In the current year, the Group has applied for the first time, all new standards, amendments and interpretation issued by the International Accounting Standards Board ("IASB"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2012. The adoption of these new standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of authorisation of these financial statements, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group. The directors anticipate that the application of these IFRSs in issue but not yet effective will have no material impact on the results and the financial position of the Group.

3. Summary of significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with the IFRSs issued by the IASB.

The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

A summary of the significant accounting policies adopted by the Group is set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and satisfaction of liabilities in ordinary course of business notwithstanding that the Group had net current liabilities of HK$6,084,000 as at 31 December 2012. The going concern basis has been adopted by taking into due consideration of the existing and available credit facilities as well as revenue generated from operation, the directors are satisfied that the Group has sufficient financial resources to satisfy its commitments and working capital requirements. Accordingly, the directors are of opinion that it is appropriate to prepare these financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to restate the values of the assets to their recoverable amounts and to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these potential adjustments has not been reflected in the financial statements.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. Summary of significant accounting policies (Continued)

3.2 Basis of preparation (Continued)

Change in presentation

During the year ended 31 December 2012, the Group changes its presentation on depreciation on port facilities and terminal equipment which was previously included in general and administrative expenses in the consolidated statement of comprehensive income. Subsequent to the change in presentation, the depreciation on port facilities and terminal equipment was included in other operating expenses in the consolidated statement of comprehensive income.

Management believes that the change in presentation results in providing a more appropriate presentation of financial information of the Group as the deprecation on port facilities and terminal equipment are used to support the operation of the Group. The change in presentation has been accounted for retrospectively and the consolidated statement of comprehensive income has been restated and the effect on the consolidated statement of comprehensive income is as follows:

	For the year ended 31 December	
	2012 **HK$'000**	2011 HK$'000
Decrease in general and administrative expenses	**(5,425)**	(3,901)
Increase in other operating expenses	**5,425**	3,901

The change in presentation does not have any impact on profit and earnings per share for both years ended 31 December 2012 and 2011. As the restatement would have no effect on the previously published consolidated statements of financial position as at that date, the directors have not presented these statements in these financial statements.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the consolidated financial statements, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

3. Summary of significant accounting policies (Continued)

3.3 Basis of consolidation (Continued)

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity of a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment unless the subsidiary is held for sale or included in a disposal group. Cost includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

3.4 Foreign currency translation

The financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

3. Summary of significant accounting policies (Continued)

3.4 Foreign currency translation (Continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the foreign exchange reserve in equity.

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all the cumulative translation differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. Summary of significant accounting policies (Continued)

3.5 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is provided to write off the cost less their residual values over the estimated useful lives using the following methods and rates per annum:

Port facilities	
— foundation works	Over the remaining operating period, straight line method
— others	Units of production method
Terminal equipment	5–20 years, straight line method
Furniture and equipment	1–5 years, straight line method
Motor vehicles	5 years, straight line method
Leasehold improvements	Shorter of unexpired lease term or useful lives

The assets' residual value, depreciation methods and useful lives are reviewed and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.6 Construction in progress

Construction in progress represents port facilities and terminal equipment under construction and is stated at cost less any impairment loss. Cost includes cost of construction, plant and equipment and other direct costs (such as costs of materials, direct labour and borrowing costs).

No provision for depreciation has been provided for construction in progress until such time relevant assets are available for use, at which time they will be transferred to property, plant and equipment.

3.7 Land use rights

Land use rights represent amounts paid for the acquisition of the rights to use land located in the People's Republic of China ("PRC") for a period of 50 years. Land use rights are recognised as prepayments for operating leases and amortised on a straight line basis to profit or loss over the lease terms.

3.8 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

Financial assets are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

3. Summary of significant accounting policies (Continued)

3.8 Financial assets (Continued)

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets
At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

(a) Significant financial difficulty of the debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) It becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

(d) Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but is not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the Group.

3. Summary of significant accounting policies (Continued)

3.8 Financial assets (Continued)

If objective evidence exists, the amount of impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent periods, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss of the period in which the reversal occurs.

Impairment losses on financial assets other than trade receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Summary of significant accounting policies (Continued)

3.11 Financial liabilities

The Group's financial liabilities include trade and other payables, amount due to a shareholder and bank borrowings. They are included in line items in the statements of financial position under current or non-current liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 3.19).

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.12 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

3. Summary of significant accounting policies (Continued)

3.12 Leases (Continued)

Where the Group has the right to use assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

3.13 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued at the reporting date.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to such equity transaction.

3.14 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for services rendered. Provided it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following basis:

Container handling, general and bulk cargo handling, agency and integrated logistics service income are recognised when services are rendered.

Interest income is recognised on a time-proportion basis using the effective interest method.

3.15 Government subsidies

Government subsidies are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions. Government subsidies are deferred and recognised in profit or loss over the period necessary to match them with the costs that the subsidies are intended to compensate. Government subsidies relating to the purchase of assets are included in liabilities as deferred government subsidies in the statement of financial position and are recognised in profit or loss on a straight line basis over the expected lives of the related assets.

Government subsidies that compensate the Group for expenses incurred are set-off with relevant expenses. Government subsidies relating to assets and those not directly attributable to any specific asset or expense is presented gross under "other income" in profit or loss.

3. Summary of significant accounting policies (Continued)

3.16 Impairment of non-financial assets

Property, plant and equipment, land use rights, construction in progress and investment in subsidiaries are subject to impairment testing whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses recognised for cash-generating units is charged pro rata to the assets in the cash-generating units, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Employee benefits

Retirement benefits scheme

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries or the maximum mandatory contributions as required by the MPF Scheme and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

3. Summary of significant accounting policies (Continued)

3.17 Employee benefits (Continued)

Retirement benefits scheme (Continued)

All of the full time employees of WIT are entitled to an annual pension equal to their basic salaries at their retirement dates. The PRC government is responsible for the pension liabilities payable to the retired staff. WIT has agreed to make annual contributions to the state-sponsored retirement plan at a fixed rate of the average salary of the local community which set by the local government to the employees.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.18 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for the remuneration of its employees and directors in exchange for services rendered. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as an asset, with a corresponding increase in the share-based payment reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

3. Summary of significant accounting policies (Continued)

3.19 Borrowing costs

Borrowing costs incurred, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.20 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

3. Summary of significant accounting policies (Continued)

3.21 Related parties

A party is considered to be related to the Group if:

(a) the party, is a person or a close member of that person's family and that person,

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

Impairment of trade and other receivables of the Group is determined based on the evaluation by management of the collectability of the trade and other receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including assessing the current creditworthiness and the past collection history of each customer and debtors. If the financial conditions of these customers or debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance would be required.

Impairment of non-financial assets

Port facilities, terminal equipment and construction in progress are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates on uncertain matters, such as the amount of tariffs which may have changed, the throughput capacity of the WIT Port, etc. The impairment reviews and calculations are based on assumptions that are consistent with the Group's business plan.

5. Revenue

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

6. Segment information

The Group is principally engaged in the businesses of port construction and operation and the management has regarded port construction and operation as the only reportable operating segment. All the Group's revenue and contribution to profit/loss from operating activities were derived from its principal activities of port operation in the PRC. Hence, no segmental information is presented.

All revenues for 2012 and 2011 were sourced from external customers located in the PRC. In addition, over 99% (2011: 99%) of the non-current assets of the Group as at the reporting date were physically located in the PRC.

During the year ended 31 December 2012, there were no single customer (2011: two) with whom transactions have exceeded 10% of the Group's revenue.

7. Other income

	2012 HK$'000	2011 HK$'000
Bank interest income	**82**	203
Sundry income	**577**	515
Government subsidies	**1,084**	5,075
	1,743	5,793

Note: Government subsidies are mainly in respect of the subsidies granted by the Hubei Provincial and Wuhan Municipal governments to provide finance support to Group's subsidiaries.

8. Profit before income tax

Profit before income tax is arrived at after charging (crediting) the following:

	2012 HK$'000	2011 HK$'000
Staff costs (including directors' emoluments)		
— Salaries and allowances	**22,253**	20,046
— Share-based payment transactions	**—**	83
— Pension contributions	**1,394**	1,284
	23,647	21,413
Cost of services rendered	**65,355**	56,251
Less: Government subsidies	**(9,054)**	(8,209)
	56,301	48,042
Auditors' remuneration	**422**	395
Amortisation of prepaid lease payment for land use rights	**555**	234
Cost of inventories recognised as an expense	**14,583**	13,886
Depreciation	**14,268**	12,022
Loss on disposal of property, plant and equipment	**43**	318
Net foreign exchange (gain) loss	**(6)**	1
Operating lease charges on rented premises	**1,089**	1,111

9. Directors' remuneration

Name of director	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payment transactions HK$'000	Pension contribution HK$'000	Total HK$'000
2012					
Executive Directors					
Mr. Duan Yan	**240**	—	—	—	**240**
Ms. Liu Qin	**240**	—	—	—	**240**
Non-executive Directors					
Mr. Yan Zhi	—	—	—	—	—
Mr. Fang Yibing	—	—	—	—	—
Independent non-executive Directors					
Dr. Wong Tin Yau, Kelvin	**160**	—	—	—	**160**
Mr. Lee Kang Bor, Thomas	**160**	—	—	—	**160**
Mr. Fan Chun Wah, Andrew	**160**	—	—	—	**160**
	960	—	—	—	**960**
2011					
Executive Directors					
Mr. Duan Yan#	—	27	—	—	27
Ms. Liu Qin#	—	27	—	—	27
Mr. Chow Kwong Fai, Edward*	—	1,750	2	11	1,763
Non-executive Directors					
Mr. Yan Zhi#	—	—	—	—	—
Mr. Fang Yibing#	—	—	—	—	—
Mr. Wong Yuet Leung, Frankie*	—	—	2	—	2
Mr. Lee Jor Hung, Dannis*	—	—	2	—	2
Mr. Goh Pek Yang, Michael*	—	—	2	—	2
Independent non-executive Directors					
Dr. Wong Tin Yau, Kelvin	160	—	2	—	162
Mr. Lee Kang Bor, Thomas	160	—	2	—	162
Mr. Fan Chun Wah, Andrew	160	—	33	—	193
	480	1,804	45	11	2,340

* resigned on 21 November 2011

\# appointed on 21 November 2011

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group as compensation for loss of office during the current year and the prior year.

There was no arrangement under which a director waived or agreed to waive any emoluments during the current and the prior year.

10. Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included nil (2011: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the five (2011: four) individuals during the year were as follows:

	2012 HK$'000	2011 HK$'000
Salaries and allowances	1,985	1,990
Share-based payment transactions	—	12
Pension contributions	18	16
	2,003	2,018

The remuneration of each of the non-directors and highest paid employees for the years ended 31 December 2012 and 2011 fell within the band of nil to HK$1,000,000.

11. Finance costs

	2012 HK$'000	2011 HK$'000
Interest on loan from a related company	602	—
Interests on bank loans wholly repayable within 5 years	15,719	13,924
Total borrowing costs	16,321	13,924
Less: Interest expense capitalised in construction in progress (note)	(602)	—
	15,719	13,924

Note: The borrowing costs have been capitalised at a rate of 6.56% per annum (2011: nil).

12. Income tax expense

	2012 HK$'000	2011 HK$'000
Current tax:		
— Hong Kong profits tax	—	—
— PRC enterprise income tax	161	—
	161	—

No provision for Hong Kong profits tax has been provided during the year (2011: nil) as the Company and its subsidiaries which are subject to Hong Kong profits tax incurred a loss for taxation purpose.

Other than WIT, the Group's subsidiaries in the PRC are subject to the PRC enterprise income tax at the standard rate of 25% (2011: nil) on the estimated assessable profits.

12. Income tax expense (Continued)

In accordance with the relevant income tax laws applicable to sino-foreign joint ventures in the PRC engaging in port and dock construction which exceed 15 years and upon approval by the tax bureau, WIT is entitled to exemption from PRC enterprise income tax for five years (the "5-Year Exemption Entitlement") and a 50% reduction for five years thereafter (the "5-Year 50% Tax Reduction Entitlement"). The 5-Year Exemption Entitlement, which commenced on 1 January 2008, ended on 31 December 2012 irrespective of whether WIT is profit-making during this period and the 5-Year 50% Tax Reduction Entitlement commenced from 1 January 2013 to 31 December 2017 and tax payable will be charged at 12.5%.

Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2012 HK$'000	2011 HK$'000
Profit before income tax	**4,407**	2,989
Tax on profit before taxation, calculated at the rates applicable to profit in the tax jurisdiction concerned	**1,798**	1,640
Tax effect of non-deductible expenses	**1,049**	1,537
Tax effect of non-taxable revenue	**(2,882)**	(15)
Tax effect of tax losses not recognised	**1,325**	1,289
Tax effect of temporary differences not recognised	**(128)**	(111)
Tax loss utilised	**(109)**	—
Tax concession	**(892)**	(4,340)
Income tax expense	**161**	—

The Group has not recognised deferred tax assets in respect of tax losses of HK$68,256,000 (2011: HK$60,651,000). Under the current tax legislation, tax losses of HK$7,858,000 (2011: HK$7,834,000) can be carried forward for five years from the year when the loss is incurred, while tax losses of HK$60,398,000 (2011: HK$52,817,000) have no expiry date under the current tax legislation. All tax losses are subject to the agreement from the relevant tax bureau.

13. Profit attributable to owners of the Company

Of the consolidated profit attributable to owners of the Company, a loss of HK$1,943,000 (2011: HK$2,891,000) has been dealt with in the financial statements of the Company.

14. Earnings per share

The calculation of basic earnings per share for the year is based on the profit of HK$2,111,000 (2011: HK$923,000) for the year attributable to owners of the Company, and the weighted average number of 1,177,056,180 (2011: 1,174,107,483) ordinary shares in issue during the year.

Diluted earnings per share for the year is based on the profit of HK$2,111,000 (2011: HK$923,000) for the year attributable to owners of the Company, and the weighted average number ordinary shares in issue during the year after adjusting for the number of dilutive potential ordinary shares arising from the share options granted under the Company's share option scheme.

Reconciliation of weighted average number of ordinary shares used in calculating diluted earnings per share :

	2012 No of shares	2011 No of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,177,056,180**	1,174,107,483
Effect of ordinary shares issued upon on exercise of share options	**—**	2,507,862
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,177,056,180**	1,176,615,345

15. Dividend

The directors do not recommend the payment of a dividend for the year (2011: Nil).

16. Property, plant and equipment

	Port facilities HK$'000	Terminal equipment HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
At 1 January 2011						
Cost	273,050	58,879	3,722	3,524	197	339,372
Accumulated depreciation	(28,127)	(20,724)	(2,823)	(2,541)	(90)	(54,305)
Net book amount	244,923	38,155	899	983	107	285,067
Year ended 31 December 2011						
Opening net book amount	244,923	38,155	899	983	107	285,067
Exchange differences on consolidation	8,428	1,350	31	27	4	9,840
Additions	5,181	4,728	832	288	—	11,029
Transferred from construction in progress	14,869	43	—	—	—	14,912
Disposal	(29)	(333)	(38)	(13)	—	(413)
Depreciation	(7,787)	(3,425)	(324)	(486)	—	(12,022)
Closing net book amount	265,585	40,518	1,400	799	111	308,413
At 31 December 2011						
Cost	302,474	64,846	4,452	3,810	201	375,783
Accumulated depreciation	(36,889)	(24,328)	(3,052)	(3,011)	(90)	(67,370)
Net book amount	265,585	40,518	1,400	799	111	308,413
Year ended 31 December 2012						
Opening net book amount	**265,585**	**40,518**	**1,400**	**799**	**111**	**308,413**
Exchange differences on consolidation	**4,787**	**774**	**25**	**11**	**2**	**5,599**
Additions	**1,976**	**994**	**375**	**67**	**—**	**3,412**
Transferred from construction in progress	**6,781**	**—**	**—**	**—**	**—**	**6,781**
Disposal	**(28)**	**(158)**	**(23)**	**—**	**—**	**(209)**
Depreciation	**(9,183)**	**(4,182)**	**(487)**	**(416)**	**—**	**(14,268)**
Closing net book amount	**269,918**	**37,946**	**1,290**	**461**	**113**	**309,728**
At 31 December 2012						
Cost	**316,580**	**65,998**	**4,768**	**3,942**	**203**	**391,491**
Accumulated depreciation	**(46,662)**	**(28,052)**	**(3,478)**	**(3,481)**	**(90)**	**(81,763)**
Net book amount	**269,918**	**37,946**	**1,290**	**461**	**113**	**309,728**

Certain of the Group's port facilities have been pledged to secure bank borrowings granted to WIT (note 35).

17. Land use rights

The Group's interest in land use rights represents prepaid operating lease payments and the movements in their net carrying amounts are analysed as follows:

	2012 HK$'000	2011 HK$'000
Opening net carrying amount	8,668	8,588
Exchange differences on consolidation	165	314
Additions	17,854	—
Amortisation	(555)	(234)
Closing net carrying amount	26,132	8,668
At the reporting date		
Cost	28,477	10,425
Accumulated amortisation	(2,345)	(1,757)
	26,132	8,668

Certain of the Group's land use rights have been pledged to secure bank borrowings granted to WIT (note 35). All the land use rights were outside Hong Kong and held on leases of between 10 and 50 years.

18. Construction in progress

	2012 HK$'000	2011 HK$'000
At cost		
At beginning of the year	19,490	14,125
Exchange differences on consolidation	370	515
Additions	6,873	19,762
Transferred to property, plant and equipment	(6,781)	(14,912)
At end of the year	19,952	19,490

19. Inventories

	2012 HK$'000	2011 HK$'000
Consumables, at cost	2,929	2,233

20. Trade receivables

The Group allows a credit period of 60 days to 150 days to its trade customers. The following is the ageing analysis of the trade receivables based on the invoice dates:

	2012 HK$'000	2011 HK$'000
0–30 days	14,549	11,791
31–60 days	8,184	7,050
61–90 days	4,930	6,691
Over 90 days	13,038	9,091
	40,701	34,623

The ageing analysis of the Group's trade receivables that were past due as at the reporting date but not impaired, based on due date as follows:

	2012 HK$'000	2011 HK$'000
1 to 90 days past due	11,309	8,740
Over 90 days past due	1,867	416
	13,176	9,156

At 31 December 2012, trade receivables of HK$27,525,000 (2011: HK$25,467,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

All of the Group's trade receivables have been reviewed for indicators of impairment and no impairment loss has been recognised on trade receivables for the year ended 31 December 2012 and 2011.

Trade receivables that are past due but not impaired related to a number of independent customers that have good track records with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there have not been any significant changes in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

21. Government subsidy receivables

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

22. Cash and cash equivalents

Cash and cash equivalents comprised of bank balances and cash of HK$33,462,000 (2011: HK$23,384,000). Bank balances earn interest at floating rates based on daily bank deposit rates.

23. Trade and other payables

	Group		Company	
	2012 **HK$'000**	2011 HK$'000	**2012** **HK$'000**	2011 HK$'000
Trade payables	**6,799**	5,977	**—**	—
Other payables				
— Payables to subcontractors	**1,388**	1,751	**—**	—
— Deferred government subsidies	**1,378**	—	**—**	—
— Accruals and sundry payables	**8,289**	6,251	**514**	1,102
	11,055	8,002	**514**	1,102
	17,854	13,979	**514**	1,102
Less: Deferred government subsidies included in non-current other payables	**(1,283)**	—	**—**	—
	16,571	13,979	**514**	1,102

The average credit period granted by the suppliers is 90 days. The following is the ageing analysis of the Group's trade payables based on the invoice dates:

	2012 **HK$'000**	2011 HK$'000
0–30 days	**1,607**	2,691
31–60 days	**1,801**	974
61–90 days	**2,105**	306
Over 90 days	**1,286**	2,006
	6,799	5,977

24. Bank borrowings

	2012 **HK$'000**	2011 HK$'000
Bank borrowings		
— Unsecured	**74,542**	73,175
— Secured	**173,874**	170,703
	248,416	243,878

24. Bank borrowings (Continued)

At the reporting date, the Group's bank borrowings were repayable as follows:

	2012 HK$'000	2011 HK$'000
Within one year or on demand	75,785	24,388
After 1 year but within 2 years	23,621	73,175
After 2 years but within 5 years	149,010	146,315
	248,416	243,878
Less: amount due within one year shown under current liabilities	(75,785)	(24,388)
	172,631	219,490

The unsecured bank borrowings of HK$74,542,000 (2011: HK$73,175,000), which is granted to WIT, is supported by a corporate guarantee for a maximum sum of HK$82,051,000 provided by the Company to the bank. Details of securities provided to banks for secured bank borrowings are set out in note 35 to the financial statements.

All bank borrowings are denominated in RMB and interest-bearing in the range of 6.15% to 7.07% (2011: 5.60% to 7.05%) per annum.

25. Amount due to a shareholder

The amount due to a shareholder, also a director of the Company, was unsecured, interest free and will not be repayable within 12 months from the reporting date.

26. Share capital

	2012		2011	
	Number of shares	HK$'000	Number of shares	HK$'000
Authorised:				
Ordinary shares of HK$0.1 each	2,000,000,000	200,000	2,000,000,000	200,000
Issued and fully paid:				
At beginning of the year	1,177,056,180	117,706	1,170,146,564	117,015
Share issued upon exercise of share options	—	—	6,909,616	691
At end of the year	1,177,056,180	117,706	1,177,056,180	117,706

During the year ended 31 December 2011, 6,909,616 ordinary shares were issued at par as a result of the exercise of share options to subscribe for shares of the Company under the share options schemes of the Company, all these shares rank pari passu with existing shares in all respect.

27. Reserves

The Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 January 2011	63,018	619	(12,967)	50,670
Share-based payment transactions	—	83	—	83
Cancellation of share options	—	(702)	702	—
Loss for the year	—	—	(2,891)	(2,891)
Balance at 31 December 2011 and 1 January 2012	63,018	—	(15,156)	47,862
Loss for the year	—	—	(1,943)	(1,943)
Balance at 31 December 2012	**63,018**	**—**	**(17,099)**	**45,919**

Share premium

The application of share premium account is governed by the Companies Law of the Cayman Islands. Share premium of the Company is distributable to shareholders subject to the provision of the Company's Memorandum and Articles of Association.

Foreign exchange reserves

The exchange reserves comprise all foreign exchange differences arising from the translation of foreign operations. These reserves are dealt with in accordance with the policies set out in note 3.4 to the financial statements.

Distributable earnings

The statutory financial statements of the Company's principal subsidiary in the PRC, WIT, are prepared under generally accepted accounting principles in the PRC which differ from IFRSs. Any dividends paid by WIT will be based on profits as reported in its statutory financial statements. Accordingly, distributable retained earnings would be limited to the amounts of available retained earnings as recorded in the statutory financial statements of WIT.

At 31 December 2012, in the opinion of the directors, the aggregate amount of reserves available for distribution to shareholders of the Company was HK$45,919,000 (2011: HK$47,862,000).

Other reserves

In accordance with the relevant laws and regulations for sino-foreign equity joint venture enterprises, WIT, being a joint venture established in the PRC, shall maintain statutory reserves for specific purposes. Appropriations to such reserve are made out of the profit for the year based on the results of WIT and the allocation basis is decided by the respective board of directors annually. No appropriation to such reserve has been allocated during the year as WIT did not have any distributable profits as at the reporting date.

28. Investments in subsidiaries

	2012 HK$'000	2011 HK$'000
Unlisted shares, at cost	**50,897**	50,897
Amounts due from subsidiaries	**113,242**	115,751
	164,139	166,648

Particulars of the principal subsidiaries at 31 December 2012 are as follows:

Name of Company	Place/country of incorporation and operation	Type of legal entity	Particulars of issued and paid-up shares/ registered capital	Percentage of issued capital held by the Company Direct	Percentage of issued capital held by the Company Indirect	Principal activities
CIG Port Holdings Limited	The British Virgin Islands ("BVI")	Limited liability company	12,000 ordinary shares of US$1 each	100%	—	Investment holding
Wuhan Investment Holdings Limited	BVI	Limited liability company	100 ordinary shares of US$1 each	100%	—	Dormant
CIG Yangtze Corporate and Project Finance Limited	Hong Kong	Limited liability company	100 ordinary shares of HK$1 each	100%	—	Provision of treasury, general and administrative services to group companies
Wuhan International Container Company Limited (Formerly known as Wuhan International Container Trans-shipment Company Limited)*	The PRC	Sino-foreign equity joint-venture enterprise	RMB130,000,000	—	85%	Port construction and operations
CIG Wuhan Multipurpose Port Limited*	The PRC	Wholly-owned foreign enterprise	RMB9,607,000	—	100%	Port construction and operations
Wuhan Yangluo Logistic Company Limited*	The PRC	Limited liability company	RMB5,000,000	—	85%	Provision of customs clearance and logistic services

For identification purpose only *

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

29. 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. The Board resolved to grant share options under the Share Option Scheme on 10 November 2008, 16 November 2009 and 13 April 2010, details of which are set out below:

29.1 Options granted on 10 November 2008

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

(i) 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).

As a result of the rights issue pursuant to the extraordinary general meeting held on 16 July 2009, the original Subscription Price of HK$0.13 per share was adjusted to HK$0.064 per share accordingly as stipulated under the terms of the Share Option Scheme.

(ii) No options may be exercised for the period between the date of grant of 10 November 2008 (the "November 2008 Option Grant Date") and 9 April 2009, both dates inclusive and that not more than 50% of the options may be exercised for the period of twelve months immediately thereafter and that all options shall lapse on the third anniversary of the November 2008 Option Grant Date; and

(iii) 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 option.

29. Share option scheme (Continued)

29.1 Options granted on 10 November 2008 (Continued)

Specific condition applicable to the Chairman and other 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 ended 31 December 2009.

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

The adjusted Subscription Price of HK$0.064 was below the nominal value of shares to which such options are granted to subscribe, Chapter 23 of the GEM Listing Rules and the Supplementary Guidance prohibit exercise price of share options to be set at or adjusted to below the nominal value of shares to which such options are granted to subscribe. Accordingly, and pursuant to the terms and conditions of the Share Option Scheme, the Company further adjusted the Subscription Price of the 17,477,264 outstanding share options from HK$0.064 to H$0.10 per share and the remaining number of options was adjusted from 17,477,264 to 22,663,263 by granting 5,185,999 additional share options with exercise price of HK$0.182. Details of these are set out in the clarification announcement of the Company dated 20 April 2010.

29.2 Options granted on 16 November 2009

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

(i) The Subscription Price for Shares to be allotted on exercise of the options granted is at HK$0.177 per Share (excluding brokerage and Stock Exchange transaction levy, if applicable, and subject to potential adjustment in the event of alteration of the Company's capital structure);

(ii) No options may be exercised for the period between the date of grant of 16 November 2009 (the "November 2009 Option Grant Date") and 16 April 2011, both dates inclusive and that not more than 50% of the options may be exercised for the period of twelve months immediately thereafter and that all options shall lapse on the third anniversary of the November 2009 Option Grant Date; and

(iii) 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 option.

29. Share option scheme (Continued)

29.3 Options granted on 13 April 2010

On 13 April 2010, options to subscribe for an aggregate of 271,360 Shares (the "April 2010 Share Options") were granted to a Director of the Group under the Share Option Scheme. Principal terms and conditions on the exercise of the options granted are as follows:

(i) The Subscription Price for Shares to be allotted on exercise of the options granted is at HK$0.182 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);

(ii) No options may be exercised for the period between the date of grant of 13 April 2010 (the "April 2010 Option Grant Date") and 16 April 2011, both dates inclusive and that not more than 50% of the options may be exercised for the period of twelve months immediately thereafter and that all options shall lapse on 16 November 2012; and

(iii) 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 option.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

29. Share option scheme (Continued)

2012

No options were granted during the year ended 31 December 2012 and no options were remained outstanding as at 31 December 2012.

2011

The movements in the share options of the Company during the year ended 31 December 2011 were set out as follows:

			No. of options				
Eligible participants	**Grant date**	**Exercise price per share** HK$	**At 1 January 2011**	**Exercised during the year**	**Lapsed during the year**	**Cancelled during the year**	**As at 31 December 2011**
Directors	10 November 2008	0.100	5,487,048	—	—	(5,487,048)	—
	16 November 2009	0.177	914,508	—	—	(914,508)	—
	13 April 2010	0.182	1,628,160	—	—	(1,628,160)	—
	13 April 2010	0.182	271,360	—	—	(271,360)	—
Employees	10 November 2008	0.100	11,990,216	(6,909,616)	(3,048,360)	(2,032,240)	—
	13 April 2010	0.182	3,557,839	—	(904,536)	(2,653,303)	—
			23,849,131	(6,909,616)	(3,952,896)	(12,986,619)	—

During the year ended 31 December 2011, 3,952,896 share options were lapsed upon the resignation of an employee, in addition 12,986,619 share options were cancelled upon the acceptance of option offer by the option holders in respect of option offer made by the offeror. The weighted average exercise price for share options exercised, cancelled and lapsed during the year ended 31 December 2011 was HK$0.10, HK$0.13 and HK$0.1 respectively.

30. Financial risk management and fair value measurements

The Group and the Company are exposed to financial risks through the use of its financial instruments in the ordinary course of operation.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

30.1 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities.

	Group		Company	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Loans and receivables				
— Trade receivables	**40,701**	34,623	**—**	—
— Other receivables	**2,437**	4,199	**—**	22
— Government subsidy receivables	**2,124**	8,420	**—**	—
— Amounts due from subsidiaries	**—**	—	**113,242**	115,751
Cash and cash equivalents	**33,462**	23,384	**—**	—
	78,724	70,626	**113,242**	115,773
Financial liabilities at amortised cost				
Trade and other payables	**16,476**	13,979	**514**	1,102
Amount due to a shareholder	**10,700**	2,500	**—**	—
Bank borrowings	**248,416**	243,878	**—**	—
	275,592	260,357	**514**	1,102

30.2 Interest rate risk

The Group's interest rate risk arises from its interest-bearing borrowings subject to adjustments in line with movements in the applicable lending rates of the People's Bank of China. The Group has not hedged against such a risk as it does not see the benefit in so doing.

Based on the balance of its interest-bearing borrowings as at 31 December 2012, it is estimated that should there be a general increase/decrease of 50 basis points in lending rates of the People's Bank of China with all other variables being held constant, this would have the effect of increasing/decreasing the Group's profit/loss for the year ended 31 December 2012 and accumulated losses as at 31 December 2012 by approximately HK$1,242,000 (2011: HK$1,219,000).

The changes in interests rates do not affect the Group's other components of equity. The above sensitivity analysis is prepared based on the assumption that the borrowings as at 31 December 2012 and 2011 existed throughout the whole respective financial year.

30. Financial risk management and fair value measurements (Continued)

30.3 Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycles and short term obligations are refinanced as necessary. The Groups' operations are financed mainly through equity, operating cash flows and interest-bearing borrowing.

The Company has entered into a guarantee with a bank providing guarantees amounting to HK$82,051,000 (2011: HK$80,520,000) with respect to bank loans granted by the bank to one of the subsidiaries of the Company, of which HK$74,542,000 (2011: HK$73,175,000) has been utilised. Under the guarantee agreement, the Company would be liable to pay the bank up to the guaranteed amount should the bank be unable to recover the repayment of the loan in full from the borrowing subsidiary. According to the terms of the bank loans, the earliest repayment date of the bank loans would be in 2013. At the reporting date, no provision for the Company's obligation under the guarantee agreement has been made as the directors considered that it was not probable that the repayment of the loan would be in default.

The Group

An analysis of financial liabilities of the Group based on undiscounted contractual maturity is as follows:

	Weighted-average effective interest rate %	Within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 to 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 December 2012						
Trade and other payables	**—**	**16,476**	**—**	**—**	**16,476**	**16,476**
Amount due to a shareholder	**—**	**—**	**10,700**	**—**	**10,700**	**10,700**
Bank borrowings	**6.51**	**76,636**	**25,377**	**186,179**	**288,192**	**248,416**
		93,112	**36,077**	**186,179**	**315,368**	**275,592**
At 31 December 2011						
Trade and other payables	—	13,979	—	—	13,979	13,979
Amount due to a shareholder	—	—	2,500	—	2,500	2,500
Bank borrowings	6.76	25,628	79,285	194,784	299,697	243,878
		39,607	81,785	194,784	316,176	260,357

The Company

At 31 December 2012 and 2011, the Company's contractual maturity for its financial liabilities is within one year or on demand. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flows.

30. Financial risk management and fair value measurements (Continued)

30.4 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group operates in the PRC and its principal activities are mainly transacted in RMB. Therefore, the directors consider the Group has no significant foreign currency risk.

30.5 Credit risk

The Group's credit risk arises from the risk that its customers may default on their obligations to pay the amounts due to the Group, resulting in a loss to the Group.

The Group's maximum exposure to credit risk on recognised financial assets is limited to their carrying amounts.

The Group allows a credit period of 60 days to 150 days to its customers. In extending credit terms to customers, the Group will carefully assess creditworthiness and financial standing of each individual customer. Management will also closely monitor all outstanding debts and review their collectability periodically. Details of customers with major transactions with the Group are set out in note 6 to the financial statements.

30.6 Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2012 and 2011.

31. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital structure on the basis of gearing ratio. The calculation of the gearing ratio was based on total bank borrowings over equity attributable to owners of the Company. In order to maintain or adjust the capital structure, the Group may issue new shares, quasi-equity or other equity related instruments or sell assets to reduce debt. The gearing ratios of the Group as at 31 December 2012 and 2011 were as follows:

At 31 December 2012, the Group has a gross gearing ratio of approximately 1.7 times (2011: 1.8 times) and a net gearing ratio of approximately 1.5 times (2011: 1.6 times). The calculation of the gross gearing ratio was based on total bank borrowings over equity attributable to owners of the Company as at 31 December 2012 and 2011 respectively. The calculation of net gearing ratio is the same as that of gross gearing ratio except that total bank borrowings are net of cash and cash equivalents held by the Group as at 31 December 2012 and 2011 respectively.

	2012 HK$'000	2011 HK$'000
Total bank borrowings	**248,416**	243,878
Less: cash and cash equivalents	**(33,462)**	(23,384)
	214,954	220,494
Equity attributable to owners of the Company	**142,884**	138,375
Gross gearing ratio	**1.7**	1.8
Net gearing ratio	**1.5**	1.6

32. Operating lease commitments

At the reporting date, the total future minimum lease payments payable under non-cancellable operating leases of land and buildings are as follows:

	Group		Company	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Within one year	**966**	1,140	**—**	—
In the second to fifth year inclusive	**—**	966	**—**	—
	966	2,106	**—**	—

The Group leases a number of properties and equipment under operating leases. The leases run for an initial period of two to three years. None of the leases include contingent rentals.

33. Capital commitments

	Group		Company	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Contracted but not provided for:				
— Capital contribution to a subsidiary	**7,947**	7,799	**—**	—
— Construction of port facilities and acquisition of land	**5,693**	2,940	**—**	—
	13,640	10,739	**—**	—

The Group's wholly-owned subsidiary, CIG Port Holdings Limited, was required to inject further capital of RMB6,400,000 (equivalent to HK$7,900,000) to its subsidiary, CIG Wuhan Multipurpose Port Limited ("Multipurpose Port"), on or before 17 March 2013. However, no capital contribution was made up to the date of this report.

The Group is in process of seeking the approval from the PRC governmental authorities to defer the capital contribution to Multipurpose Port's registered capital until such time as the approval for the extension on coastline from Ministry of Transport has been granted. If such approval to defer the capital contribution is not granted, the Group may be fined by 5%–15% on the capital contribution fall shorted.

34. Related party transactions

In addition to the transactions/information disclosed elsewhere in the financial statements, during the year, the Group have transactions with related parties as follows:

(a) Transactions

	2012 HK$'000	2011 HK$'000
Loan interest paid/payable to a related company controlled by a director of the Company	602	—

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2012 HK$'000	2011 HK$'000
Salaries, allowances and benefits in kind	3,050	4,910
Equity-settled share-based compensation	—	40
Pension contributions	28	39
	3,078	4,989

35. Pledge of assets

The Group has pledged port facilities and land use rights owned by WIT with net book amount of approximately HK$258,120,000 (2011: HK$261,604,000) and HK$8,594,000 (2011: HK$8,668,000) respectively to secure bank borrowings granted to WIT.

Financial Summary

	For the year ended 31 December				
	2008 HK$'000	2009 HK$'000	2010 HK$'000	2011 HK$'000	**2012** **HK$'000**
Revenue	42,304	54,136	57,291	98,086	**115,626**
Cost of services rendered	(19,213)	(27,518)	(33,851)	(48,042)	**(56,301)**
Gross profit	23,091	26,618	23,440	50,044	**59,325**
Other income	6,429	6,865	11,793	5,793	**1,743**
General and administrative expenses	(19,311)	(20,618)	(18,626)	(26,668)	**(26,119)**
EBITDA	10,209	12,865	16,607	29,169	**34,949**
Finance costs	(10,845)	(8,455)	(7,193)	(13,924)	**(15,719)**
EBTDA	(636)	4,410	9,414	15,245	**19,230**
Depreciation and amortisation	(9,827)	(10,377)	(11,513)	(12,256)	**(14,823)**
Income tax expense	—	—	—	—	**(161)**
Profit (Loss) for the year	(10,463)	(5,967)	(2,099)	2,989	**4,246**
Attributable to:					
Owners of the Company	(10,516)	(6,004)	(2,930)	923	**2,111**
Non-controlling interests	53	37	831	2,066	**2,135**
	(10,463)	(5,967)	(2,099)	2,989	**4,246**

	As at 31 December				
	2008 HK$'000	2009 HK$'000	2010 HK$'000	2011 HK$'000	**2012** **HK$'000**
ASSETS AND LIABILITIES					
Non-current assets	296,029	299,573	307,780	336,571	**355,812**
Current assets	34,638	61,092	88,555	81,880	**86,272**
Current liabilities	(37,294)	(8,746)	(11,239)	(38,367)	**(92,356)**
Net current assets (liabilities)	(2,656)	52,346	77,316	43,513	**(6,084)**
Non-current liabilities	(171,028)	(204,060)	(235,400)	(221,990)	**(184,614)**
Total equity	122,345	147,859	149,696	158,094	**165,114**

Notes:

(1) The Company was incorporated in the Cayman Islands on 17 January 2003 and became the holding company of the Group with effect from 16 June 2004.

(2) The results of the Group for the five years ended 31 December 2012, 2011, 2010, 2009 and 2008 and its assets and liabilities as at 31 December 2012, 2011, 2010, 2009 and 2008 are set out in the respective year's annual reports.