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 RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

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*This announcement, for which the directors (the "**Directors**") of CIG Yangtze Ports PLC (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

RESULTS HIGHLIGHTS

Year on Year Comparison

- Container throughput increased by 16% to 308,697 TEUs
- Average selling price increased by 66% to HK$173 per TEU
- Market share of container throughput in Wuhan increased from 41% to 43%
- Revenue increased by 71% to HK$98.09 million
- Gross profit increased by 113% to HK$50.04 million. Gross profit margin increased from 41% to 51%
- EBITDA increased by 76% to HK$29.17 million
- Net profit attributable to shareholders turned around from a loss of HK$2.93 million to a profit of HK$0.92 million

OTHER HIGHLIGHTS

- The control of the Company was changed in October 2011, further details have been disclosed under the section headed "Change of Control of the Company and Mandatory General Offer" of this announcement
- While achieving higher container throughput, gross profit margin for the year ended 31 December 2011 has also increased as a result of higher mix of gateway cargos, which attract higher average selling price
- Increase in average selling price of approximately 15% since 1 January 2011 increased the Group's revenue and improved its performance during the year under review
- The Group successfully procured an addition of 65 mou of land in February 2012, together with the 25 mou of land previously obtained, the Group has about 90 mou of land reserved for the development of the Heavy Item Port

PROSPECTS

- The Group expects to continue to achieve business growth and improve its performance in 2012
- The closure and relocation of WIT's competitor port, Hanyang Port to Yanglou, where the WIT Port is located, in mid-2011 placed the WIT Port on a level playing field with the Hanyang Port. This provided a welcoming opportunity for WIT to grow its gateway cargos with higher average selling price and hence achieved greater market share in 2011. The Company expects that such trend will continue in the year 2012

MANAGEMENT COMMENTARY

PERFORMANCE

	Year ended 31 December	
	2011	2010
	HK$'000	*HK$'000*
Revenue	**98,086**	57,291
Cost of services rendered	**(48,042)**	(33,851)
Gross profit	**50,044**	23,440
Other income	**5,793**	11,793
General, administrative and other operating expenses	**(26,668)**	(18,626)
Operating profit/EBITDA	**29,169**	16,607
Finance costs	**(13,924)**	(7,193)
EBTDA	**15,245**	9,414
Depreciation and amortisation	**(12,256)**	(11,513)
Profit/(Loss) for the year	**2,989**	(2,099)
Non-controlling interests	**(2,066)**	(831)
Profit/(Loss) attributable to shareholders	**923**	(2,930)

CHANGE OF CONTROL OF THE COMPANY AND MANDATORY GENERAL OFFER

Reference is made to the joint announcements jointly issued by Zall Infrastructure Investments Company Limited ("**Zall**") and the Company dated 30 September 2011, 3 October 2011 and 12 October 2011, respectively and the composite and response document (the "**Composite Document**") of Zall and the Company dated 21 October 2011 in relation to, among others, the acquisition of an aggregate of 599,888,141 shares of the Company, representing approximately 50.97% of the then issued share capital of the Company collectively held by Chow Holdings Limited, CIG China Holdings Limited, Unbeatable Holdings Limited and Harbour Master Limited. Completion of the acquisition took place on 3 October 2011. Zall was required under the Hong Kong Code on Takeovers and Mergers (the "**Takeover Code**") to make mandatory general cash offer to acquire all the remaining issued shares and to cancel all the outstanding share options not already owned or agreed to be acquired by Zall or parties acting in concert with it. The offers were closed on 11 November 2011. At the close of the offers, all of the then outstanding share options of the Company were cancelled and Zall held in total 91.06% of the then issued share capital of the Company.

Further reference is made to the announcement of the Company dated 11 January 2012, the Company had been informed by Zall that an aggregate of 189,428,000 shares of the Company, representing approximately 16.09% of the then issued share capital of the Company, being held by Zall had been placed to certain independent investors, at the placing price of HK$0.36 per share. Completion of such placing took place on 11 January 2012. Upon completion of the placing, Zall's share holding in the Company was reduced from 91.06% to 74.97%.

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

RESIGNATION AND APPOINTMENT OF DIRECTORS

Reference is made to the announcement of the Company dated 22 November 2011, with effect from 21 November 2011, Mr. Chow Kwong Fai, Edward has resigned as an executive Director, the chairman, the chief executive officer and an authorised representative of the Company, Mr. Wong Yuet Leung, Frankie has resigned as a non-executive Director and a member of audit and remuneration committee of the Company (the "**Audit and Remuneration Committee**"); Mr. Lee Jor Hung, Dannis and Mr. Goh Pek Yang, Michael have resigned as non-executive Directors. At the same time, Mr. Yan Zhi has been appointed as a non-executive Director and chairman of the Company; Mr. Fang Yibing has been appointed as a non-executive Director and a member of the Audit and Remuneration Committee; Ms. Liu Qin has been appointed as an executive Director; Mr. Duan Yan has been appointed as an executive Director, chief executive officer and an authorised representative of the Company. The abovementioned resignations of Mr. Chow Kwong Fai, Edward, Mr. Wong Yuet Leung, Frankie, Mr. Lee Jor Hung, Dannis and Mr. Goh Pek Yang, Michael were due to the change of control of the Company. In addition, each of the resigned Directors confirmed that there was no disagreement with the board of the Directors (the "**Board**") and there were no matters in respect of each of their resignations that need to be brought to the attention of the shareholders of the Company.

For the purpose of ensuring continuity of the Group's business, and subject to compliance with the requirement under Rule 25 of the Takeover Code with respect to the special deal, Mr. Chow Kwong Fai, Edward entered into a separate service agreement with the Company as a consultant of the Company with effect upon his resignation as an executive Director on 21 November 2011.

REVIEW OF OPERATION

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 cargos 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.

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

With the development and growth of the container business on track, the Group has been developing its 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 segments:

Container throughput

Total throughput achieved by WIT for 2011 was 308,697 TEUs, an increase of 42,918 TEUs or 16% over that of 265,779 TEUs for 2010. Of the 308,697 TEUs handled in 2011, 132,325 TEUs (2010: 59,503 TEUs) or 43% (2010: 22%) and 176,372 TEUs (2010: 206,276 TEUs) or 57% (2010: 78%) were attributed to gateway cargos and transshipment cargos respectively.

The closure and relocation of the competing Hanyang Port to the Yanglou area in June 2011, where the WIT Port is located, presented an opportunity for the WIT Port to compete on an equal footing with the Hanyang Port for the first time and attracted more gateway cargos with higher average selling price to the WIT Port, thereby increased the Group's gateway cargo market share, revenue and gross profit margin in the year 2011. The decrease in transshipment container throughput was mainly due to lower level of containers from upstream of the Yangtze River for transshipment at the WIT Port.

Agency & Logistics

The agency and logistics businesses continue to make important contributions to the revenue of the Group in 2011. Revenue generated these sources amounted to HK$43.18 million (2010: HK$28.39 million) which accounted for 44% of the Group's total revenue (2010: 49%). It 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 is attributable to the increase in gateway cargos, the general increase in throughput and the increase in hauling capacity as more trucks are added to the services.

General Cargo

Throughput of general cargo for 2011 was 52,685 tons, an increase of 22% over 2010.

OPERATING RESULTS

Revenue

	2011		2010		Increase	
	HK$'000	***%***	*HK$'000*	*%*	*HK$'000*	*%*
Container handling service	**53,590**	**55**	27,855	49	25,735	92
Agency income	**22,388**	**23**	19,627	34	2,761	14
Integrated logistics services	**20,788**	**21**	8,758	15	12,030	137
General and bulk cargo handling service	**1,320**	**1**	1,051	2	269	26
	98,086	**100**	57,291	100	40,795	71

For 2011, the Group's revenue amounted to HK$98.09 million, representing an increase of HK$40.80 million or 71% over that of HK$57.29 million for 2010. The increase in revenue was mainly attributable to increase in average selling price (the "**ASP**"), revenue generated from additional containers handled, increased revenue from agency services as more agency agreements were entered into with shipping companies to extend our services, and the increase in integrated logistics services as the increase in gateway cargos led to the substantial growth in cargo consolidation and de-consolidation, storage and transportation.

Container Volume and Throughput

	2011		2010		Increase/(Decrease)	
	TEUs	**%**	*TEUs*	%	*TEUs*	%
Gateway cargos	**132,325**	**43**	59,503	22	72,822	122
Transshipment cargos	**176,372**	**57**	206,276	78	(29,904)	(14)
	308,697	**100**	265,779	100	42,918	16

The volume of throughput achieved for 2011 was 308,697 TEUs, an increase of 42,918 TEUs or 16% over that of 265,779 TEUs for 2010. In terms of market share during the year of 2011, WIT Port's market share increased from 41% to 43% against an aggregate of 715,026 TEUs handled in 2011 for the whole of Wuhan.

Gross Profit and Gross Profit Margin

Gross profit for 2011 was HK$50.04 million, an increase of HK$26.60 million as compared with HK$23.44 million for the corresponding period of 2010. Gross profit margin for 2011 increased to 51% (2010: 41%). This was mainly attributed to 122% increase in gateway cargo throughput which command higher tariffs, and 66% increase in ASP.

Profit for the Year

Profit attributable to shareholders for the year has been turned around from a loss of HK$2.93 million in 2010 into a profit of HK$0.92 million, representing an increase in profit of HK$3.85 million. This was mainly attributable to the increase in gross profit contributions resulting from the increase in gateway cargos and increase in ASP while partially offset by the increase in general, administrative and other operating expenses, finance costs and decrease in other income.

Earnings per share was HK cents 0.08 for 2011, representing a substantial improvement as compared with loss per share of HK cents 0.25 for 2010.

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 2011, the Group recorded a net cash outflow from operating activities of HK$0.43 million (2010: net cash inflow HK$8.35 million).

As at 31 December 2011, the Group had total outstanding bank borrowings of HK$243.88 million (RMB199.90 million) (2010: HK$235.4 million) provided by a PRC bank. The Group also had total cash and cash equivalents of HK$23.38 million as at 31 December 2011 (2010: HK$49.65 million) and consolidated net assets of HK$158.09 million (2010: HK$149.70 million).

As at 31 December 2011, the Group had a net gearing ratio of approximately 1.6 times (2010: 1.4 times). The calculation of the net gearing ratio was based on total interest-bearing borrowings net of cash and cash equivalents over equity attributable to shareholders of the company. The higher net gearing ratio in 2011 was mainly due to the increase in interest-bearing borrowings and the decrease in cash and cash equivalent during the year under review.

EXCHANGE RATE RISKS

The Group's reporting currency is denominated in Hong Kong dollar. The Group's exposure to foreign currency exchange rates relates primarily to the Group's operations in Wuhan which are conducted in Renminbi.

For the year ended 31 December 2011, the Group generated revenue solely in Renminbi, its loans are in Renminbi and incurred costs mainly in Renminbi and Hong Kong dollars. The Company will closely monitor the foreign exchange exposure and its impact on the Group.

DEVELOPING NEW PORT & LOGISTICS FACILITIES

Being a ports and logistics company operating in a high growth economy, the Group's strategy is twofold: with an objective of expanding the volume of business on the operations side whilst 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.

Heavy Item Port

The Group successfully procured an addition of 65 mou of land in February 2012 at a consideration of HK$13.49 million (RMB11.06 million), together with the 25 mou of land previously obtained, the Group has approximately 90 mou of land reserved for the development of the Heavy Item Port and will speed up the construction activities with a target to put the new Heavy Item Port into operation towards end of 2012.

The Group is currently finalizing the capital expenditure budget and considering various alternative methods of financing the construction of the Heavy Item Port, and will inform the shareholders of the Company further as required by the Listing Rules requirements.

FORWARD LOOKING OBSERVATIONS

The Directors are pleased to note that, during the year 2011, the Group has continued to improve and increase its container throughput, revenue and EBITDA and thereby eventually turned around from losses to profit. On the macro front, due to the uncertainties in the world economy, we believe the outlook remains challenging for the year ahead, but we are optimistic about the medium and long term economic prospects of Wuhan, the Yangtze River Region and indeed China as a whole and believe that the Group will continue to benefit from its expanded revenue sources and investments in the region. On the micro front, with the closure and relocation of the competing port, Hangyang Port to the Yanglou area, where the WIT Port is located, in mid 2011, the Directors welcome the opportunity for the WIT Port to compete on an equal footing with the Hangyang Port for the first time and to attract more gateway cargos with higher ASP, thereby increasing the Group's gateway cargo revenue and market share in 2011. The Directors believe that the trend will continue in the year 2012.

In conclusion, the Group expects its business growth and financial performance to continue to improve.

THE FINANCIAL STATEMENTS

Results

The Directors are pleased to announce the audited consolidated results (the "**Final Results**") of the Group for the year ended 31 December 2011, together with the comparative audited figures for the year ended 31 December 2010 which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Consolidated Statement of Comprehensive Income

	Note	**2011** *HK$'000*	2010 *HK$'000*
Revenue	*3*	**98,086**	57,291
Cost of services rendered		**(48,042)**	(33,851)
Gross profit		**50,044**	23,440
Other income	*4*	**5,793**	11,793
Other operating expenses		**(7,662)**	(6,783)
General and administrative expenses		**(31,262)**	(23,356)
Finance costs	*5*	**(13,924)**	(7,193)
Profit/(Loss) before income tax	*6*	**2,989**	(2,099)
Income tax expense	*7*	**–**	–
Profit/(Loss) for the year		**2,989**	(2,099)
Other comprehensive income			
Exchange gain on translation of foreign operations		**4,635**	3,703
Total comprehensive income for the year		**7,624**	1,604
Profit/(Loss) for the year attributable to:			
Shareholders of the Company		**923**	(2,930)
Non-controlling interests		**2,066**	831
		2,989	(2,099)
Total comprehensive income attributable to:			
Shareholders of the Company		**4,935**	263
Non-controlling interests		**2,689**	1,341
		7,624	1,604
Dividend	*8*	**–**	–
Basic earnings/(loss) per share for profit/(loss) attributable to shareholders of the Company	*9*	**HK$0.08 cents**	(HK$0.25 cents)
Diluted earnings/(loss) per share for profit/(loss) attributable to shareholders of the Company	*9*	**HK$0.08 cents**	(HK$0.25 cents)

Consolidated Statement of Financial Position

		As at 31 December	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment	*10*	**308,413**	285,067
Land use rights	*11*	**8,668**	8,588
Construction in progress	*12*	**19,490**	14,125
		336,571	307,780
Current assets			
Inventories	*13*	**2,233**	1,062
Trade receivables	*14*	**34,623**	14,840
Prepayments, deposits and other receivables		**13,220**	5,923
Government subsidy receivables	*15*	**8,420**	17,082
Cash and cash equivalents		**23,384**	49,648
		81,880	88,555
Current liabilities			
Accrued expenses and other payables	*16*	**13,979**	11,239
Current portion of interest-bearing borrowings	*17*	**24,388**	–
		38,367	11,239
Net current assets		**43,513**	77,316
Total assets less current liabilities		**380,084**	385,096
Non-current liabilities			
Long-term interest-bearing borrowings	*17*	**219,490**	235,400
Amount due to a director	*18*	**2,500**	—
		221,990	235,400
Net assets		**158,094**	149,696
Equity			
Share capital	*19*	**117,706**	117,015
Reserves		**20,669**	15,651
Equity attributable to shareholders of the Company		**138,375**	132,666
Non-controlling interests		**19,719**	17,030
Total equity		**158,094**	149,696

Consolidated Statement of Changes in Equity

For the year ended 31 December 2011

	Attributable to shareholders of the Company							
	Share capital	**Share premium**	**Share-based payment reserve**	**Foreign exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling Interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2010	117,015	63,018	386	15,268	(63,517)	132,170	15,689	147,859
Loss for the year	–	–	–	–	(2,930)	(2,930)	831	(2,099)
Other comprehensive income for the year	–	–	–	3,193	–	3,193	510	3,703
Total comprehensive income/(loss) for the year	–	–	–	3,193	(2,930)	263	1,341	1,604
Share-based payment transactions	–	–	233	–	–	233	–	233
Transaction with owners	–	–	233	–	–	233	–	233
At 31 December 2010 and 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 for the year	–	–	–	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
At 31 December 2011	117,706	63,018	–	22,473	(64,822)	138,375	19,719	158,094

Notes to the Financial Statements

For the year ended 31 December 2011

1. BASIS OF PREPARATION

Consolidated Results

The Final Results of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective terms includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong). These financial statements also comply with applicable disclosure provisions of the GEM Listing Rules.

From 1 January 2011, the Group has adopted all of the new Standards, Amendments and Interpretations (the "New IFRSs") issued by IASB which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011.

These new IFRSs 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.

The Final Results are audited and have been reviewed by the Audit and Remuneration Committee of the Company.

2. 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 of the Group's revenue and contribution to profit from operating activities were derived from its principal activities of port operation in the People's Republic of China ("PRC"). Hence, no segment information is presented.

3. REVENUE

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

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Bank interest income	**203**	113
Gain on disposal of property, plant and equipment	**–**	26
Sundry income	**515**	460
Government subsidies	**5,075**	11,194
	5,793	11,793

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interests on bank loans wholly repayable within 5 years	**16,169**	5,426
Interests on bank loans not wholly repayable within 5 years	**–**	7,788
Finance charges on obligations under finance lease	**–**	5
Total borrowing costs	**16,169**	13,219
Less: Government subsidies	**(2,245)**	(6,026)
	13,924	7,193

6. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax has been arrived at after charging/(crediting) the following:

	2011	2010
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**21,413**	17,040
Auditors' remuneration	**395**	394
Depreciation	**12,022**	11,286
Cost of services rendered	**56,251**	40,877
Government subsidies	**(8,209)**	(7,026)
	48,042	33,851
Amortisation of prepaid lease payment for land use rights	**234**	227
Cost of inventories recognised as an expense	**13,886**	7,691
Loss/(gain) on disposal of property, plant and equipment	**318**	(26)
Operating lease rental	**1,111**	949
Net foreign exchange loss/(gain)	**1**	(32)

7. INCOME TAX EXPENSE

In accordance with the relevant income tax laws applicable to Sino-foreign joint ventures in the PRC engaging in port and dock construction which exceeds 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, will end on 31 December 2012 irrespective of whether WIT is profit-making during this period and the 5-Year 50% Tax Reduction Entitlement will commence from 1 January 2013 to 31 December 2017 and tax payable will be charged at 12.5%.

No provision for Hong Kong Profits Tax has been provided during the year as the Company and its subsidiaries which are subject to Hong Kong Profits Tax incurred a loss for taxation purpose.

7. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2011	2010
	HK$'000	*HK$'000*
Profit/(loss) before income tax	**2,989**	(2,099)
Tax on loss before income tax calculated at the rates applicable to the tax jurisdiction concerned	**1,640**	114
Tax effect of non-deductible expenses	**1,537**	737
Tax effect of non-taxable revenue	**(15)**	(22)
Tax effect of tax losses not recognised	**1,289**	910
Tax effect of temporary differences not recognised	**(111)**	(74)
Tax concession	**(4,340)**	(1,665)
Income tax expense	**–**	–

The Group has not recognised deferred tax assets in respect of tax losses of HK$60,651,000 (2010: HK$61,579,000). Under the current tax legislations, tax losses of HK$7,834,000 (2010: HK$16,058,000) can be carried forward for five years from the year when the loss is incurred while tax losses of HK$52,817,000 (2010: HK$45,521,000) do not expire under current legislations. All tax losses are subject to agreement from the relevant tax bureau.

8. DIVIDEND

The Directors do not recommend the payment of a dividend for 2011 (2010: Nil).

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the year is based on the profit of HK$923,000 (2010: loss of HK$2,930,000) for the year attributable to shareholders of the Company, and the weighted average number of 1,174,107,483 (2010: 1,170,146,564) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the year is based on the profit of HK$923,000 (2010: loss of HK$2,930,000) for the year attributable to shareholders 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/(loss) per share:

	2011	2010
	No of shares	No of shares
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	**1,174,107,483**	1,170,146,564
Effect of dilutive ordinary shares — share options	**2,507,862**	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	**1,176,615,345**	1,170,146,564

9. EARNINGS/(LOSS) PER SHARE (CONTINUED)

The computation of diluted loss per share for the year ended 31 December 2010 did not assume the exercise of the Company's share options outstanding during the year ended 31 December 2010 as the effect their exercise is anti-dilutive.

10. PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	HK$'000	*HK$'000*
Opening net book amount	**285,067**	284,109
Additions	**11,029**	2,457
Transferred from construction in progress	**14,912**	1,381
Disposal	**(413)**	(331)
Depreciation	**(12,022)**	(11,286)
Exchange differences on consolidation	**9,840**	8,737
Closing net book amount	**308,413**	285,067

Property, plant and equipment of the Group with an aggregate net book value at the reporting date of HK$261,604,000 (2010: HK$261,570,000) were pledged to secure bank loans granted to WIT.

11. LAND USE RIGHTS

	2011	2010
	HK$'000	*HK$'000*
Opening net carrying amount	**8,588**	8,538
Amortisation	**(234)**	(227)
Exchange differences on consolidation	**314**	277
Closing net carrying amount	**8,668**	8,588
At reporting date		
Cost	**10,425**	10,057
Accumulated amortisation	**(1,757)**	(1,469)
Closing net carrying amount	**8,668**	8,588

Land use rights of the Group with an aggregate net book value at the reporting date of HK$8,668,000 (2010: HK$8,588,000) were pledged to secure bank loans granted to WIT. All land use rights were outside Hong Kong and held on leases of between 10 to 50 years.

12. CONSTRUCTION IN PROGRESS

	2011	2010
	HK$'000	*HK$'000*
At cost		
At 1 January	**14,125**	6,926
Additions	**19,762**	8,355
Transferred to property, plant and equipment	**(14,912)**	(1,381)
Exchange differences on consolidation	**515**	225
At 31 December	**19,490**	14,125

13. INVENTORIES

	2011	2010
	HK$'000	*HK$'000*
Consumables, at cost	**2,233**	1,062

14. TRADE RECEIVABLES

The Group has a general policy of allowing to its customers an average credit period between 60 days and 120 days.

An aging analysis of the trade receivables at the reporting date, based on invoice dates, is as follows:

	2011	2010
	HK$'000	*HK$'000*
0–30 days	**11,791**	5,114
31–60 days	**7,050**	4,684
61–90 days	**6,691**	3,481
Over 90 days	**9,091**	1,561
	34,623	14,840

15. GOVERNMENT SUBSIDY RECEIVABLES

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

16. ACCRUED EXPENSES AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Payables to contractors and equipment suppliers	**1,751**	1,011
Accrued expenses and other payables	**12,228**	10,228
	13,979	11,239

An aging analysis of the accrued expenses and other payables as at the reporting date, based on the invoice dates, were as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**7,045**	5,295
31–60 days	**1,066**	2,007
61–90 days	**449**	738
91–180 days	**895**	211
Over 180 days	**4,524**	2,988
	13,979	11,239

Included in the over 180 days balance of HK$4,524,000 is an amount of HK$869,000 relating to retentions on the construction of port and related facilities of WIT.

17. INTEREST-BEARING BORROWINGS

	2011	2010
	HK$'000	*HK$'000*
Bank loans		
Unsecured	**73,175**	70,620
Secured	**170,703**	164,780
	243,878	235,400
Current portion	**24,388**	–
Non-current portion	**219,490**	235,400
	243,878	235,400

Bank Loans

	2011	2010
	HK$'000	*HK$'000*
Amount repayable:		
Within one year	**24,388**	–
In the second year	**73,175**	23,540
In the third to fifth year	**146,315**	70,620
After the fifth year	**–**	141,240
	243,878	235,400

The unsecured bank loan of HK$73,175,000 (RMB59,980,000) (2010: HK$70,620,000 (RMB60,000,000)), which is granted to WIT, is supported by a corporate guarantee for a maximum sum of HK$80,520,000 (RMB66,000,000) provided by the Company to the bank. Details of securities provided to banks for secured bank loans are set out in the announcement under the heading "Pledge of Assets". All bank loans are interest-bearing in the range of 5.6% to 7.05% (2010: 5.6% to 6.14%) per annum. All borrowings are denominated in RMB.

18. AMOUNT DUE TO A DIRECTOR

The amount due to a director was unsecured, interest free and repayable over one year.

19. SHARE CAPITAL

	2011		2010	
	No. of shares	*HK$'000*	*No. of shares*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each	**2,000,000,000**	**200,000**	2,000,000,000	200,000
Issued and fully paid:				
At 1 January	**1,170,146,564**	**117,015**	1,170,146,564	117,015
Share issued upon exercise of share options	**6,909,616**	**691**	–	–
At 31 December	**1,177,056,180**	**117,706**	1,170,146,564	117,015

SIGNIFICANT INVESTMENTS

Save as those disclosed in this announcement, the Group did not hold any significant investment as at 31 December 2011.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed in this announcement, the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during 2011.

CAPITAL COMMITMENTS

As at 31 December 2011, the Group had capital commitments in respect of capital contribution to a subsidiary of approximately HK$7,799,000 (2010: HK$ nil) and the construction of port facilities and acquisition of land contracted for but not provided for amounting to approximately HK$2,940,000 (2010: HK$18,017,000).

CONTINGENT LIABILITIES

As at the date of this announcement and as at 31 December 2011, the Board is not aware of any material contingent liabilities.

PLEDGE OF ASSETS

The Group has pledged port facilities and land use rights owned by WIT with an aggregate net book value of approximately HK$261,604,000 (2010: HK$261,570,000) and HK$8,668,000 (2010: HK$8,588,000) respectively to secure bank loans granted to WIT.

POST BALANCE SHEET EVENT

Subsequent to the reporting date, the Group has successfully procured an addition of 65 mou of land from Wuhan Xinzhou District Bureau of Land and Resources (武漢新洲區國土資源管理局) at a consideration of approximately HK$13,493,000.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the year ended 31 December 2011, 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 2011, they were in compliance with the Code of Conduct and the Required Standard of Dealings.

COMPETING INTERESTS

During the year ended and as at 31 December 2011, save as disclosed in the 2006 half year results announcement of the Company of Mr. Edward Chow's interest in the Logistics Project, none of the other Directors, the management shareholders, the significant shareholders or the substantial shareholders of the Company as defined in the GEM Listing Rules had any interest in a business which competes or may compete with the business of the Group.

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.

CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices, the Company has complied with the code provisions (the "**CG Code Provisions**") set out in Appendix 15 of Code on Corporate Governance Practices of the GEM Listing Rules for the year ended 31 December 2011, except for the deviation to CG Code Provisions A.2.1 as stated below.

Under CG Code Provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. Prior to 21 November 2011, the Company did not separate the roles of the chairman and chief executive officer. Mr. Chow Kwong Fai, Edward who acted as both the Chairman of the Board and the Chief Executive Officer of the Company until he has resigned from both positions with effect from 21 November 2011, positions of the Chairman of the Board and Chief Executive Officer of the Company have been taken up by Mr. Yan Zhi and Mr. Duan Yan respectively, from the mentioned date.

AUDIT AND REMUNERATION COMMITTEE

The Company has established the Audit and Remuneration Committee with written terms of reference modeled on the Guide to the Establishment of an Audit Committee published by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) and in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

As at 31 December 2011, the Audit and Remuneration Committee comprised three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Dr. Wong Tin Yau, Kelvin and Mr. Fan Chun Wah, Andrew and one non-executive Director, Mr. Fang Yibing. The primary duties of the Audit and Remuneration Committee include reviewing the financial reporting process, the system of internal control and risk management of the Group, the appointment of auditors and the determination of executive Director's service contract, the review of Directors' and senior management's emoluments and the award of discretionary bonuses and share options of the Company.

The Audit and Remuneration Committee has reviewed the results of the Group for the year ended 31 December 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the year ended 31 December 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

By order of the Board
CIG Yangtze Ports PLC
Yan Zhi
Chairman

Wuhan, the PRC, 30 March 2012

As at the date of this announcement, the Board comprises two executive directors namely Ms. Liu Qin and Mr. Duan Yan; two non-executive directors namely Mr. Yan Zhi and Mr. Fang Yibing and three independent non-executive directors namely Mr. Lee Kang Bor, Thomas, Dr. Wong Tin Yau, Kelvin and Mr. Fan Chun Wah, Andrew.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the Company's website www.cigyangtzeports.com.

* *For identification purpose only*