



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)

First Quarterly Report 2007

1Q 2007



* For identification only

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

HIGHLIGHTS OF THE FIRST QUARTER ENDED 31 MARCH 2007

- Container throughput increased by 26% to 35,725 TEUs
- Market share of container throughput in Wuhan maintained at 42%
- Turnover increased by 117% to HK\$7.8 million due to broadened revenue sources taking shape
- Agency and integrated logistics businesses continued to grow which collectively accounted for 34% of turnover
- Gross profit increased by 80% to HK\$3.9 million. Net loss attributable to shareholders was HK\$3.4 million

THE FINANCIAL STATEMENTS

Quarterly Results

The Directors are pleased to announce the unaudited consolidated quarterly results of the Group for the three months ended 31 March 2007, together with the comparative unaudited figures for the corresponding period in 2006, which have been reviewed and approved by the Audit and Remuneration Committee, as follows:

Condensed Consolidated Income Statement

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Turnover	2	7,828	3,603
Cost of services rendered		(3,941)	(1,438)
Gross profit		3,887	2,165
Other income		23	23
Other operating expenses		(1,443)	(975)
General and administrative expenses		(3,659)	(3,712)
Finance costs		(2,478)	(1,222)
Loss before taxation		(3,670)	(3,721)
Taxation	4	–	–
Loss for the period		(3,670)	(3,721)
Attributable to:			
Shareholders of the Company		(3,416)	(3,467)
Minority interest		(254)	(254)
		(3,670)	(3,721)
Dividend	5	–	–
Loss per share – basic	6	HK0.90 cents	HK0.91 cents

Consolidated Statement of Changes in Equity*For the period ended 31 March 2007*

	Attributable to shareholders of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Foreign exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Minority interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2007	37,992	66,101	4,876	(30,737)	78,232	11,584	89,816
Loss for the period	-	-	-	(3,416)	(3,416)	(254)	(3,670)
At 31 March 2007	37,992	66,101	4,876	(34,153)	74,816	11,330	86,146
At 1 January 2006	34,538	69,667	2,124	(15,752)	90,577	12,142	102,719
Loss for the period	-	-	-	(3,467)	(3,467)	(254)	(3,721)
At 31 March 2006	34,538	69,667	2,124	(19,219)	87,110	11,888	98,998

Notes to the Condensed Consolidated Income Statement

For the period ended 31 March 2007

1. BASIS OF PREPARATION

The unaudited consolidated results of the Group have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (“IFRS”), the collective terms of which includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations issued by International Accounting Standards Board. The accounting policies adopted are consistent with those set out in the Group’s consolidated financial statements for the year ended 31 December 2006.

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

2. TURNOVER

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

3. SEGMENTAL INFORMATION

All of the Group’s turnover and contribution to loss from operating activities were derived from its principal activities of port operations in the People’s Republic of China (the “PRC”). Hence, no segmental information is presented.

4. TAXATION

In accordance with the relevant income tax laws applicable to Sino-foreign joint ventures in the PRC engaging in port and dock construction with operating period which exceeds 15 years, upon approval by the tax bureau, Wuhan International Container Transshipment Co., Ltd. (“WIT”) would be subject to a reduced PRC enterprise income tax of 15% and exempted from PRC enterprise income tax for five years starting from its first profit-making year, after offsetting losses brought forward from the previous five years, if any, followed by a 50% reduction (7.5%) for the next five years. In accordance with the same tax laws and regulations, WIT is also exempted from PRC local income tax of 3% for 5 years.

No provision for Hong Kong Profits Tax or for PRC Enterprise Income Tax was made as the Group did not have any profit subject to taxation.

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

5. DIVIDEND

The directors do not recommend payment of a dividend in respect of the first quarter of 2007 (2006: Nil).

6. LOSS PER SHARE

The calculation of basic loss per share for the three months ended 31 March 2007 is based on the net loss for the period and on 379,917,717 shares (2006: 379,917,717 shares) in issue for the period.

The number of shares for the purpose of calculating basic loss per share for the corresponding period in 2006 has been adjusted to reflect the bonus issue of shares during 2006.

No diluted loss per share has been presented because no potential dilutive events existed during or at the end of the period.

BUSINESS REVIEW AND PROSPECTS

REVIEW OF OPERATION

The Group's principal activities are investment in and the development, operation and management of container ports which are conducted through the WIT Port, which is 85% owned by the Group. As a deep water regional container hub port at the mid-stream of Yangtze River and a feeder port to the ports in Shanghai, the WIT Port plays an increasingly key role in the transportation of container cargo to and from Wuhan and surrounding areas along the Yangtze River corridor. This role is particularly important with the anticipated increase in container throughput brought about by the rapid economic growth in Central China region (中部崛起) which is a key theme of China's 11th 5-year plan. The pivotal role which Wuhan and WIT Port plays is also a major feature of Wuhan Municipal Government's and the Hubei Provincial Government's 11th 5-year Plan. Under the Provincial and Municipal 5-year Plans, Wuhan will have constructed container cargo handling capacity of 1.5 million TEUs, of which the WIT Port will account for 1.2 million. Under the 5-year Plans, Wuhan will also become one of the four major regional logistics hubs in the whole of China. Commencing 2006, the Group also began developing port related agency and integrated logistics businesses to increase its revenue sources.

During the quarter, GDP of Wuhan and Hubei Province grew by 14.2% and 12% respectively while that of the whole of China grew by 11.1%.

The success of the WIT management team in the marketing and business development drive has continued to cause throughput to grow. The throughput achieved for the three months ended 31 March 2007 was 35,725 TEUs, an increase of 7,335 TEUs or 26% over that of 28,390 TEUs for the same period in 2006. Of the 35,725 TEUs handled in the first quarter of 2007, 15,165 TEUs or 42% and 20,560 TEUs or 58% were attributed to Wuhan sourced and transshipment cargos respectively. Principal customers of the Group are major shipping companies which serve the Yangtze River corridor.

The successful development of the agency business, which commenced in April 2006, and the new integrated logistics business which commenced in December 2006 had made significant contributions to the revenue of the Group during the first three months of 2007.

Expanding Port Activities

Concurrent with the commercial and business development activities to increase container throughput and revenue, WIT is constructing new container storage, logistics and warehousing facilities at the Port to provide more services in the transportation and logistics chain.

Construction of Phase I Stage 3 of WIT Port

Following the completion of the construction of Phase I Stage 2 which increased WIT Port's annual container handling capacity to beyond 250,000 TEUs, the Phase I Stage 3 development works will commence progressively in 2007/8 with initial development to focus on additional break-bulk and warehousing facilities to cater for the growing integrated logistics business requirements of customers. Upon completion, aggregate annual container handling capacity of the WIT Port will be increased to more than 400,000 TEUs and additional revenue from logistics and warehousing facilities will also be expected to grow.

Future Development of Phase II of WIT Port

The Group has, since the beginning of the WIT project, been granted the right of first refusal for the development of Phases II of the WIT Port by the PRC joint venture partners who are Wuhan government agencies. Pursuant to this and the importance given to the development of Wuhan into a major hub port and logistics base for the Central China region under the 11th 5-year Plan, the Group and its joint venture partners have been in discussions to plan for the development of Phase II of WIT Port. Such discussions have led to a Heads of Agreement having been signed in the last quarter of 2005 and a supplemental agreement signed in April 2007 to facilitate a development plan to be submitted to the municipal, provincial and central government for approval of the project (立項). Under the Heads of Agreement, the Group will take a 44% equity interest in the Phase II development with the rest of the interest to be taken up by the two PRC Joint Venture partners of WIT. Preliminary estimated total cost of Phase II development is RMB 800 million. Such cost is to be incurred progressively over the planned five year development horizon. In tandem with the 11th 5-year Plan, the Phase II development will increase capacity by 800,000 TEUs, taking the overall annual container handling capacity of the WIT Port to 1,200,000 TEUs. Shareholders' approval to the Phase II development will be sought once this joint venture agreement and the Articles of the Phase II joint venture company have been signed.

OPERATING RESULTS

Turnover

For the three months ended 31 March 2007, the Group's turnover amounted to HK\$7.83 million, representing an increase of HK\$4.23 million or 117% over that of HK\$3.60 million for the corresponding period of 2006. The increase in turnover was mainly attributable to additional revenue from additional containers handled and the growth in the agency and integrated logistics businesses for the period under review.

In respect of revenue contributions for the quarter, container handling service accounted for 63% (2006: 87%), agency income accounted for 19% (2006: Nil), integrated logistics services accounted for 15% (2006: 3%) and general and bulk cargo handling service accounted for 3% (2006: 10%) of turnover for the three months ended 31 March 2007.

Container Volume and Throughput

The TEUs achieved for the three months ended 31 March 2007 was 35,725 TEUs, an increase of 7,335 TEUs or 26% over that of 28,390 TEUs for the corresponding period in 2006, reflecting the combined achievements in marketing and business development of the management team of WIT and WIT's ability to handle transshipment cargo from neighbouring and upstream provinces of Wuhan.

In terms of market share, the period under review saw the Group maintaining its market share at 42% with a total of 85,468 TEUs (2006: 67,574 TEUs) handled for the whole of Wuhan.

Tariff

Tariff for the three months ended 31 March 2007 was at the same scale as that for the corresponding period in 2006 which was below the recommended rates of the Ministry of Communication (MOC) and rates charged by other major ports in the PRC. The average tariff per TEU achieved in the first quarter of 2007 was RMB138 compared with RMB118 achieved in the corresponding period in 2006. The increase in 2007 average tariff was attributable to a higher percentage of Wuhan sourced containers attracting much higher tariff rates than transshipment containers.

Gross Profit and Gross Profit Margin

The gross profit for the three months ended 31 March 2007 was HK\$3.89 million, a significant improvement on the gross profit of HK\$2.17 million in the corresponding period of 2006 reflecting the increased contributions from the increase in the volume of containers handled and the agency and integrated logistics services income. Gross profit margin for the three months ended 31 March 2007 stood at 50% of turnover compared with a gross profit margin of 60% in the corresponding period in 2006 reflecting the generally lower margins of both agency and integrated logistics services as well as the deployment of additional operating staff for the operation of the second berth which was put into operation at the end of 2006.

Loss for the Period

Loss for the three months ended 31 March 2007 amounted to HK\$3.67 million, representing a decrease of HK\$0.05 million or 1% over that of HK\$3.72 million for 2006.

This was attributable to the increase in gross profit contribution, though partly offset by (i) the increase in amortization (other operating expenses) in line with the increased level of activities at WIT; and (ii) the increase in finance costs principally as a result of the increase in bank loans taken out to partially finance the cost of development of Phase I Stage 2 of the WIT Port.

Loss per share was HK0.90 cents compared with that of HK0.91 cents for the corresponding period of 2006.

FORWARD LOOKING OBSERVATIONS

The Directors are pleased that the Group has achieved positive EBITDA and are optimistic about the future economic prospects of Wuhan and along the Yangtze River Region and believe that the Group will continue to benefit from its expanding revenue sources and future investments at the WIT Port.

GDP growth of Wuhan has continued to remain high with the 1st quarter of 2007 GDP growth at 14.2% compared with 11.1% for the whole of China.

As the Yangshan Port (洋山港) in Shanghai expands its throughput and requires more cargo, WIT, as a transshipment and feeder port to service bigger river and ocean going ships capable of carrying more containers between Wuhan and Yangshan Port at lower cost and in shorter time, will assume increasing importance. Following the launch of the first direct sailing (江海直達) of the bigger river and ocean going ships from the WIT Port to the Yangshan Port, more such ships have since been launched to join this service.

The planned opening of the Yanglou Bridge close to the WIT Port in late 2007 will enhance WIT's competitive advantages in amassing more cargo from the Wuchang district of Wuhan and from other parts of China as this bridge will provide the much needed link of the Port to the southern part of outer ring-road of Wuhan and to China's major highway systems.

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

DISCLOSURE OF INTERESTS

DIRECTORS', CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

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

Long positions in Shares

Name of Director	Capacity	As at 31 March 2007	
		No. of Shares <i>(note 1)</i>	Approximate percentage of total no. of Shares in issue
Chow Kwong Fai, Edward	Interest by attribution <i>(note 2)</i>	141,751,266 (L)	37.31%
		67,079,374 (S)	17.66%
Lee Jor Hung, Dannis	Interest by attribution <i>(note 3)</i>	4,568,232 (L)	1.20%

Notes:

1. The letter “L” denotes a long position whilst the letter “S” denotes a short position.
2. Amongst the 141,751,266 Shares, 101,787,450 Shares are registered in the name of Unbeatable Holdings Limited, 32,463,816 Shares are registered in the name of Chow Holdings Limited and 7,500,000 Shares are registered in the name of CIG China Holdings Limited, each being a company in respect of which Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company. Unbeatable Holdings Limited had granted a security interest over 61,000,000 Shares to Harbour Master Limited. In addition, Unbeatable Holdings Limited had granted options to acquire 2,673,934 Shares, 1,198,660 Shares and 737,637 Shares to Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited respectively. Chow Holdings Limited had granted options to acquire 852,103 Shares, 381,977 Shares and 235,063 Shares to Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited respectively.
3. These Shares are registered in the name of Ramwealth Company Limited, a company in respect of which Mr. Lee Jor Hung, Dannis is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as was known to the Directors, as at 31 March 2007, the persons (not being Directors or chief executives of the Company) whose interests in shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register to be kept under section 336 of the SFO, or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long positions in Shares

Substantial shareholders

Name	Capacity	Number of Shares	Approximate percentage of holding
Unbeatable Holdings Limited <i>(note 2)</i>	Beneficial owner	101,787,450 (L) 65,610,231(S)	26.80% 17.27%
Harbour Master Limited <i>(note 3)</i>	Beneficial owner	133,141,985 (L)	35.04%
The Yangtze Ventures II Limited <i>(note 4)</i>	Interest by attribution	133,141,985 (L)	35.04%
Goldcrest Development Limited <i>(note 5)</i>	Interest by attribution	133,141,985 (L)	35.04%
Shui On Construction and Materials Limited <i>(note 6)</i>	Interest by attribution	133,141,985 (L)	35.04%
Shui On Company Limited <i>(note 7)</i>	Interest by attribution	133,141,985 (L)	35.04%
Bosrich Holdings Inc. <i>(note 8)</i>	Interest by attribution	133,141,985 (L)	35.04%
HSBC International Trustee Limited <i>(note 9)</i>	Interest by attribution	133,141,985 (L)	35.04%

Name	Capacity	Number of Shares	Approximate percentage of holding
Lo Hong Sui, Vincent (<i>note 10</i>)	Interest by attribution	133,141,985 (L)	35.04%
Mitsui O.S.K. Lines, Ltd. (<i>note 11</i>)	Interest by attribution	37,620,000 (L)	9.90%
MOL (Asia) Limited (<i>note 11</i>)	Beneficial owner	37,620,000 (L)	9.90%
Chow Holdings Limited (<i>note 2</i>)	Beneficial owner	32,463,816 (L)	8.54%
		1,469,143 (S)	0.39%
Spinnaker Capital Limited (<i>note 12</i>)	Investment manager	110,095,765 (L)	28.98%
Spinnaker Asset Management – SAM Limited (<i>note 12</i>)	Investment manager	110,095,765 (L)	28.98%
CIG China Holdings Limited (<i>note 2</i>)	Beneficial owner	7,500,000 (L)	1.97%

Notes:

1. The letter “L” denotes a long position whilst the letter “S” denotes a short position.
2. Mr. Chow Kwong Fai, Edward is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of each of Unbeatable Holdings Limited, Chow Holdings Limited and CIG China Holdings Limited. Unbeatable Holdings Limited has granted a security interest over 61,000,000 Shares to the Harbour Master Limited. In addition, Unbeatable Holdings Limited had granted options to acquire 2,673,934 Shares, 1,198,660 Shares and 737,637 Shares to Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited respectively. Chow Holdings Limited has granted options to acquire 852,103 Shares, 381,977 Shares and 235,063 Shares to Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited respectively.
3. Harbour Master Limited had a security interest over 61,000,000 Shares.
4. The Yangtze Ventures II Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Harbour Master Limited.

5. Goldcrest Development Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of The Yangtze Ventures II Limited.
6. Shui On Construction and Materials Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Goldcrest Development Limited.
7. Shui On Company Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Construction and Materials Limited.
8. Bosrich Holdings Inc. is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Shui On Company Limited.
9. HSBC International Trustee Limited is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Bosrich Holdings Inc.
10. Mr. Lo Hong Sui, Vincent is interested in the shares of Bosrich Holdings Inc. held by HSBC International Trustee Limited.
11. Mitsui O.S.K. Lines, Ltd. is entitled to exercise or control the exercise of one-third or more of the voting power at general meeting of MOL (Asia) Ltd.
12. Spinnaker Capital Limited and Spinnaker Asset Management – SAM Limited are investment managers and each of them is deemed to be interested in the Shares held by Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited, which holds 4.37%, 1.96% and 1.2% of the share capital of the Company respectively. Spinnaker Global Emerging Markets Fund Limited has a security interest over 72,141,985 Shares. In addition, Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited have been granted options to acquire 5,420,503 Shares, 2,429,881 Shares and 1,495,311 Shares respectively.

DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the quarter ended 31 March 2007, none of the Directors was granted any options to subscribe for the Shares.

SHARE OPTION SCHEME

Pursuant to the resolution passed by the shareholders on 2 September 2005, a share option scheme (the "Share Option Scheme") which provided for the granting of a maximum of 34,537,974 Shares ("Share Options"), representing 10% of the total number of Shares in issue of 345,379,747 as of the Listing Date exists. Save as disclosed above, no share option has been granted under the Share Option Scheme during the quarter ended 31 March 2007.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the period from 1 January 2007 to 31 March 2007, the Company had adopted a code of conduct regarding securities transactions by directors ("Code of Conduct") on terms no less stringent than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Required Standard of Dealings"). The Company has also made specific enquiry of all Directors and is not aware of any non-compliance with the Required Standard of Dealings and the Code of Conduct.

COMPETING INTERESTS

During the three months ended and as at 31 March 2007, save as disclosed in the 2006 half year results announcement of the Company and an announcement of the Company to its shareholders dated 7 June 2006 of Mr. Chow Kwong Fai, Edward's interest in the Logistics Project, none of the Directors, the management shareholders, the significant shareholders or the substantial shareholders as defined in the GEM Listing Rules of the Company had any interest in a business which competes or may compete with the business of the Group.

COMPLIANCE ADVISER'S INTERESTS

The Company has been advised by Oriental Patron Asia Limited (“Oriental Patron”), the Compliance Adviser of the Company, that through its fellow subsidiary, Pacific Top Holding Limited, it had an interest in 16,879,771 Shares (31 December 2006: 16,879,771 Shares) of the Company as at 31 March 2007.

Save as disclosed above, none of Oriental Patron, its directors, employees or associates had any interests in the securities of the Company or any member of the Group or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group.

COMPLIANCE WITH THE BOARD PRACTICES AND PROCEDURES OF THE GEM LISTING RULES

The Company has complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules at any time during the period from 1 January 2007 to 31 March 2007.

CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices.

As at the date of this report, with the exception of Mr. Chow Kwong Fai, Edward who acted as both the Chairman of the Board and the Chief Executive Officer of the Company, the Company has complied with the Code of Corporate Governance Practice contained in Appendix 15 of GEM Listing Rules in all other respects throughout the quarter ended 31 March 2007.

While the Board is aware that it is a recommended best practice to split the role of the Chairman and the Chief Executive, in view of the small size of the Group and the fact that the Group’s core business is straightforward and is carried out singularly by its subsidiary, WIT, and the fact that the general manager (de facto chief executive) of WIT is a separate person, there is no necessity to appoint a Chief Executive at the Company level and the Group level.

AUDIT AND REMUNERATION COMMITTEE

The Company has established an audit and remuneration committee (the “Audit and Remuneration Committee”) with written terms of reference modeled on the Guide to the Establishment of an Audit Committee published by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) and in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The Audit and Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas (Chairman), Mr. Wong Tin Yau, Kelvin, Mr. Leung Kwong Ho, Edmund and one non-executive Director, Mr. Wong Yuet Leung, Frankie. The primary duties of the Audit and Remuneration Committee include reviewing the financial reporting process, the system of internal control and risk management of the Group, the appointment of and the determination of the remunerations of the auditors, and the determination of executive Director’s service contract, the review of Directors’ and senior management’s emoluments and the award of discretionary bonuses and share options of the Company.

The Audit and Remuneration Committee has reviewed the results of the Group for the three months ended 31 March 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the period from 1 January 2007 to 31 March 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s shares.

SUBSEQUENT EVENT

The 2007 annual general meeting (the “AGM”) of the shareholders (“Shareholders”) of the Company was convened as scheduled on 7 May 2007. At the AGM, Shareholders considered and approved, inter alia, resolutions for re-election of retiring directors as set out in the notice of annual general meeting and a circular to the Shareholders both dated 30 March 2007. Consequently, Mr. Lee Kang Bor, Thomas, Mr. Lee Jor Hung, Dannis and Mr. Wong Tin Yau, Kelvin, Directors of the Company who retired by rotation and offered themselves for re-election in accordance with article 130 of the articles of association of the Company, were re-elected.

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

Hong Kong, 15 May 2007