中國基建港口有限公司*
CIG Yangtze Ports PLC

(Incorporated in the Cayman Islands with limited liability)
(Stock Code on Main Board: 1719)
(Stock Code on GEM: 8233)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

On 3 July 2017, an application was made by the Company to the Stock Exchange for the Transfer of Listing of the Shares from the GEM to the Main Board, which application was subsequently renewed on 4 January 2018. The Company has applied for the listing of, and permission to deal in, the 1,725,066,689 Shares in issue on the Main Board by way of Transfer of Listing from the GEM to the Main Board.

The approval-in-principle was granted by the Stock Exchange on 18 January 2018 for the Shares to be listed on the Main Board and de-listed from the GEM. The last day of dealings in the Shares on the GEM (Stock code: 8233) will be 26 January 2018. Dealings in the Shares on the Main Board (Stock code: 1719) will commence at 9:00 a.m. on 29 January 2018. The Company confirms that all pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the share registrars and transfer offices of the Company following the Transfer of Listing.

Reference is made to the announcements issued by the Company dated 3 July 2017 and 5 January 2018 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM THE GEM TO THE MAIN BOARD

On 3 July 2017, an application was made by the Company to the Stock Exchange for the Transfer of Listing of the Shares from the GEM to the Main Board, which application was subsequently renewed on 4 January 2018. The Company has applied for the listing of, and permission to deal in, the 1,725,066,689 Shares in issue on the Main Board by way of Transfer of Listing from the GEM to the Main Board.

The approval-in-principle was granted by the Stock Exchange on 18 January 2018 for the Shares to be listed on the Main Board and de-listed from the GEM. The Company confirms that all pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on the GEM since 16 September 2005. The Company is an investment holding company and the Group is principally engaged in the investment in and the development, operation and management of container and other ports and the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing and the supply chain management and trading services, mainly conducted through its various ports located within the Yangtze River Basin in Hubei Province, the PRC.

The Directors believe that the Transfer of Listing will enhance the profile of the Group and improve the trading liquidity of the Shares and recognitions by potential investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth and business development of the Group.

As at the date of this announcement, the Board has no immediate plans to change the nature of the business of the Group following the Transfer of Listing. The Transfer of Listing will not involve any issue of new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 16 September 2005, the date on which the Shares were first listed on the GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on the GEM (Stock code: 8233) will be 26 January 2018. Dealings in the Shares on the Main Board (Stock code: 1719) will commence at 9:00 a.m. on 29 January 2018.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 4,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company in the Cayman Islands is SMP Partners (Cayman) Limited and the Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted by the Shareholders at the annual general meeting of the Company held on 18 May 2017 to the Directors to allot and issue new Shares and buy back Shares will continue to be valid and remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by laws or regulations of the Cayman Islands or the Articles to be held; or

(c) the date on which such authority is revoked or varied by an ordinary resolution of Shareholders in general meeting.

PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of reporting financial results on a quarterly basis and will follow the relevant requirements of the Main Board Listing Rules, which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends respectively.

COMPETING BUSINESSES

To the best knowledge of the Directors, as at the date of this announcement, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company, nor their respective associates has any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 9A.09(10) of the Main Board Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE MAIN BOARD LISTING RULES

Pursuant to Rule 8.12 of the Main Board Listing Rules, a new applicant for primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Given that the Group's core business and operations are based, managed and conducted in the PRC and none of the executive Directors is an ordinarily resident in Hong Kong, the Company does not and will not, in the foreseeable future, have a management presence in Hong Kong. Accordingly, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12 of the Main Board Listing Rules. The Stock Exchange has granted a waiver to the Company from strict compliance with Rule 8.12 of the Main Board Listing Rules on the condition that the Company will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and the Company:

(a) the Company has appointed two authorised representatives pursuant to Rule 3.05 of the Main Board Listing Rules, who will act as the Company's principal channel of communication with the Stock Exchange and ensure that the Group complies with the Main Board Listing Rules at all times. The two authorised representatives are Mr. Xie Bingmu ("**Mr. Xie Bingmu**"), an executive Director, and Ms. Hui Wai Man, Shirley ("**Ms. Hui**"), the company secretary of the Company. Ms. Hui is ordinarily resident in Hong Kong. Although Mr. Xie resides in the PRC, he possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange. The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Ms. Hui has been authorised to accept service of legal process and notices in Hong Kong on behalf of the Company. The contact details of each of the authorised representatives and Directors have been provided to the Stock Exchange. The Company will keep the Stock Exchange up to date in respect of any change to such details. The Company will only change the authorised representatives after notifying the Stock Exchange of such change and the reasons and having made an appropriate replacement;

(b) each of the authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) and all of the senior management team promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, the Company will implement a policy that (i) each Director will have to provide his or her office phone number, mobile phone number, fax number and email address (if applicable) to the authorised representatives; (ii) in the event that a Director expects to travel or is out of office, he/she will endeavour to provide the phone number of the place of his/her accommodation to the authorised representatives or maintain an open line of communication via his/her mobile phone; and (iii) each of the Directors and authorised representatives of the Company will provide their mobile phone numbers, office phone numbers, fax numbers and email addresses (if applicable) to the Stock Exchange; and

(c) in addition, each of the Directors (including the independent non-executive Directors) not being an ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong for business purpose and will be able to come to Hong Kong and meet with the relevant officers of the Stock Exchange within a reasonable period of time, when required.

CONTINUING CONNECTED TRANSACTION

As at the date of this announcement, there is one ongoing continuing connected transaction in relation to the sub-lease of a premises situated at Suite 2101, 21st floor of Two Exchange Square, Central, Hong Kong from Zall HK, a connected person of the Company, for a monthly sub-license fee of HK$52,301. This monthly sub-license fee was determined after arm's length negotiations and on normal commercial terms that are fair and reasonable and in the interests of the Shareholders as a whole. As all relevant ratios in respect of the annual consideration payable by the Group in respect of the sub-lease are less than 5%, and the total consideration is less than HK$3,000,000, this continuing connected transaction is a de minimis transaction and is fully exempted from Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1)(c) of the Main Board Listing Rules.

The aforesaid continuing connected transaction has been reviewed by the independent non-executive Directors. The independent non-executive Directors have confirmed that the aforesaid continuing connected transaction was entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors have confirmed that the Company will continue with the sub-lease after the Transfer of Listing and will comply with the relevant requirements under the Main Board Listing Rules.

SCOPE OF THE GROUP'S BUSINESS

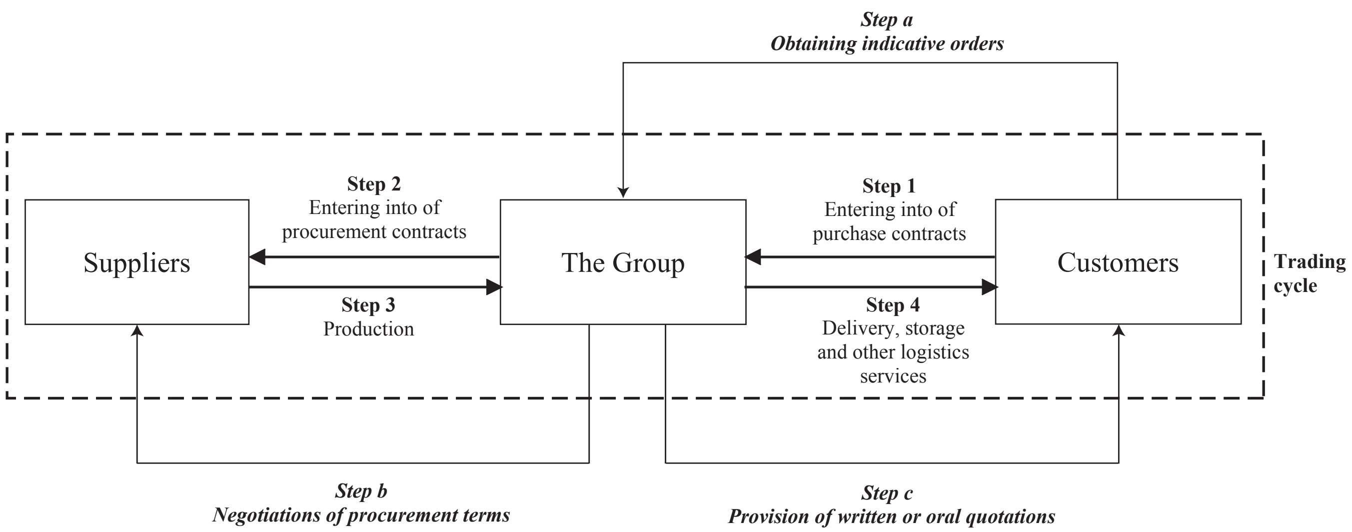
The Group is principally engaged in the investment in and the development, operation and management of container and other ports and the provision of port related, logistics and other services including integrated logistics, port and warehouse leasing and the supply chain management and trading services, mainly conducted through its various ports located in the Yangtze River Basin of Hubei Province, the PRC.

Supply Chain Management and Trading Business

Leveraging the Group's extensive experience in the operation and management of various ports and terminals located within the Yangtze River Basin in Hubei Province, coupled with its solid customer and supplier network cultivated during years of its business operation, the Company established Tongshang Supply Chain in September 2016 as its wholly-owned subsidiary to engage in supply chain management and trading business targeting the Group's upstream suppliers and downstream customers. The Directors believe that the development of supply chain management and trading business will enable the Group to establish deeper connections with both supply and demand sides of the supply chain, engage in various businesses such as trading, logistics, storage and delivery, and enhance efficiency of integrated services, while strengthening the Group's competitiveness. The Group generated a revenue of HK$18.60 million from its supply chain management and trading business during the nine months ended 30 September 2017, representing approximately 10.3% of the Group's total revenue during such period.

Business model and process

The following diagram illustrates a typical example of the business model and process of the Group's supply chain management and trading business. The services to be provided by the Group depend on the terms of the arrangements with the Group's customers and suppliers:



Pre-trading cycle

Step a: *Obtaining indicative orders* — The Group communicates with its potential customers regularly to obtain indicative orders for commodities.

Step b: *Negotiations of procurement terms* — Upon receipt of indicative orders from potential customers, the Group's procurement team will first gather market information on the relevant commodities and then formulate an estimated unit price for the commodities concerned and commence negotiations with the suppliers recommended by the Group or nominated by its customers.

Step c: *Provision of written or oral quotations* — Upon determining the suppliers from which the Group will source the relevant commodities, the Group will provide written or oral quotations to its potential customers in respect of the commodities and the value added services to be provided by the Group including delivery, storage and other logistics services. The quotation will depend on various factors including (i) the cost of purchase; (ii) the supply and demand of similar products in the market; (iii) delivery time; and (iv) the logistics services required.

Trading cycle

Step 1: *Entering into of purchase contracts* — The Group will enter into purchase contracts with its customers which normally include pricing terms, product specifications, purchase quantity, delivery time and other terms and conditions.

Step 2: *Entering into of procurement contracts* — As the Group does not normally keep any inventory of commodities, the Group will enter into procurement contracts with its suppliers after the entering into of the purchase contracts with its customers.

Step 3: *Production* — The Group's suppliers will produce the commodities and have them available for collection in accordance with the terms of the procurement contracts.

Step 4: *Delivery, storage and other logistics services* — The Group will deliver the commodities to its customers' designated warehouses or designated shipping points and provide storage and other logistics services including inventory control management and customs clearance services.

Acting as a principal in conducting its supply chain management and trading business, the Group normally places orders to its suppliers upon receipt of orders from its customers on a back-to-back basis. Under this arrangement, the Group passes the relevant commodities to its customers after receiving them from its suppliers, and therefore is not required to maintain significant inventories.

Customers and suppliers

As at the date of this announcement, upstream suppliers of the Group include PRC quartz sand processing plants, whereas downstream customers of the Group include PRC glass manufacturers. The Group targets to establish deeper and more stable connections with both supply and demand sides of the supply chain and further enlarge the product varieties and customer base in the future.

Associated risks of the supply chain management and trading business

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties associated with its supply chain management and trading business. The following sets out the key risks and uncertainties identified by the Group:

(1) *Business Risk* — The supply chain management industry is highly competitive and fragmented with a number of service providers providing similar services, which may affect the Group's ability to attract and retain customers and may adversely affect the Group's business and operation.

(2) *Credit Risk* — There is a time difference between making payments to suppliers and receiving payments from customers. The Group does not have access to all information of its customers to determine their creditworthiness. There is no assurance that the customers will make payments on time and in full. If the Group experiences any difficulty in collecting a substantial portion of its trade receivables, the Group's cash flows and financial position could be materially and adversely affected.

(3) *Inventory Risk* — Although the Group adopts the practice of back-to-back orders, the Group's customers may cancel orders with the Group and the Group may not be able to resell those products. In such a case, the Group may have to pile up the products in its inventory, which may adversely affect the Group's financial position.

(4) *Working capital risk* — The Group is required to maintain sufficient level of working capital on a continuous basis to support this business model, including the purchase of commodities from suppliers. In the event that the Group fails to maintain sufficient level of working capital, the Group's business operations and financial performance may be materially and adversely affected.

Municipal Construction Business

In January 2017, the Group acquired Zhongji Construction, holder of the Zhongji Operating Licence. While Zhongji Construction had not obtained any municipal construction projects before it was acquired by the Group in January 2017, it has been negotiating for taking up the role of main contractor in municipal construction projects. As a main contractor in a municipal construction project, Zhongji Construction will be expected to act as the person in charge of the entire project, complete or outsource the construction works and supervise the project to ensure that it will be completed on time and within budget, and that the construction work will meet all relevant regulations and quality standards. Pursuant to the Zhongji Operating Licence, Zhongji Construction is authorised to participate in the construction of certain municipal facilities which include, among other things, (i) all types of urban roads and urban bridges with a single span of not more than 45 metres; (ii) water supply facilities with water supply capacity of not more than 150,000 tonnes per day, sewage treatment facilities with sewage treatment capacity of not more than 100,000 tonnes per day and various types of drainage facilities and water pipelines; (iii) medium-pressure gas pipelines and off-take stations; (iv) all types of municipal solid waste treatment facilities; and (v) other municipal construction projects with a single contract value of not more than RMB40 million. For further details relating to the acquisition of Zhongji Construction and the municipal construction industry in Wuhan, please refer to the section headed "Acquisitions – Reasons for and benefits of the previous acquisitions – Zhongji Construction" in this announcement.

CUSTOMERS

For the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2017, revenue generated by the Group's five largest customers accounted for approximately 51.1%, 40.5%, 41.0% and 43.5% of the Group's total revenue, respectively, and revenue generated by the Group's largest customer accounted for approximately 16.3%, 15.4%, 14.2% and 15.6% of the Group's total revenue, respectively. Set out below are the particulars of the five largest customers of the Group for the periods indicated:

Year ended 31 December 2014

Rank	Customer	Background	Approximate percentage of the Group's total revenue	Principal services provided	Years of business relationship with the Group
1	Customer A	A PRC state-owned cargo transportation company with domestic shipping routes	16.3%	Terminal and container handling services	12 years
2	Customer B	A PRC state-owned vertically integrated paper manufacturer	14.2%	Integrated logistics services	1 year
3	Customer C	A PRC state-owned cargo transportation company with domestic shipping routes	9.0%	Terminal and container handling services	12 years
4	Customer D	A PRC state-owned integrated logistics company	7.3%	Terminal and container handling services	12 years
5	Customer E	A PRC state-owned cargo transportation company with domestic and Pan-Asia shipping routes	4.3%	Terminal and container handling services	12 years
	Total		51.1%		

Year ended 31 December 2015

Rank	Customer	Background	Approximate percentage of the Group's total revenue	Principal services provided	Years of business relationship with the Group
1	Customer A	A PRC state-owned cargo transportation company with domestic shipping routes	15.4%	Terminal and container handling services	12 years
2	Customer C	A PRC state-owned cargo transportation company with domestic shipping routes	10.1%	Terminal and container handling services	12 years
3	Customer D	A PRC state-owned integrated logistics company	5.7%	Terminal and container handling services	12 years
4	Customer F	A PRC private agriculture fertilizer and pesticide trading company	5.0%	Integrated logistics services	7 years
5	Customer E	A PRC state-owned cargo transportation company with domestic and pan-Asia shipping routes	4.3%	Terminal and container handling services	12 years
	Total		40.5%		

Year ended 31 December 2016

Rank	Customer	Background	Approximate percentage of the Group's total revenue	Principal services provided	Years of business relationship with the Group
1	Customer A	A PRC state-owned cargo transportation company with domestic shipping routes	14.2%	Terminal and container handling services	12 years
2	Customer C	A PRC state-owned cargo transportation company with domestic shipping routes	9.2%	Terminal and container handling services	12 years
3	Customer H	A PRC private technology company with a focus on developing smart inventory management and home systems	6.8%	Port and warehouse leasing	1 year
4	Customer G	A PRC private land transportation and logistics company	5.8%	Integrated logistics services	3 years
5	Customer D	A PRC state-owned integrated logistics company	5.0%	Terminal and container handling services	12 years
	Total		41.0%		

Nine months ended 30 September 2017

Rank	Customer	Background	Approximate percentage of the Group's total revenue	Principal services provided	Years of business relationship with the Group
1	Customer A	A PRC state-owned cargo transportation company with domestic shipping routes based in the PRC	15.6%	Terminal and container handling services	12 years
2	Customer H	A PRC private technology company with a focus on developing smart inventory management and home systems	11.4%	Port and warehouse leasing	1 year
3	Customer C	A PRC state-owned cargo transportation company with domestic shipping routes	7.3%	Terminal and container handling services	12 years
4	Customer I	A PRC private float and reflective glass manufacturer	4.7%	Supply chain management and trading business	1 year
5	Customer J	A PRC private float glass manufacturer	4.5%	Supply chain management and trading business	1 year
	Total		43.5%		

Notwithstanding that the Group is exposed to concentration risk as revenue generated by the Group's five largest customers accounted for approximately 51.1%, 40.5%, 41.0% and 43.5% of the Group's total revenue for the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2017 respectively, the Directors consider that such risk is not material as the Group has maintained three to twelve years of business relationships with most of its major customers during the relevant periods.

During the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2017, none of the Directors, their associates or any Shareholders who holds more than 5% of the issued share capital of the Company has, to the best knowledge of the Directors, any interest or had any management control in any of the Group's top five customers.

UNDERTAKINGS GIVEN BY ZALL HOLDINGS AND MR. YAN

As disclosed in the Acquisition Circular, under the Acquisition Agreement, Zall Holdings and Mr. Yan collectively undertake to CIG Corporate Finance, among others, that if certain conditions have not been satisfied as at the Completion Date, they shall procure and assist in the satisfaction of the aforesaid conditions within the stipulated deadline. The following sets forth the aforesaid conditions and the status of fulfillment of such conditions as at the date of this announcement:

	Conditions	Status
(a)	The permits in relation to the planning and construction on the industrial land (the "**Industrial Land**") with an area of 159,541.02 square meters located at the southern side of 103 provincial highway, Dengnan Street, Hannan District shall be obtained by Hannan Port Company within one (1) year after the Completion Date.	The PRC Legal Advisers conducted an interview on 28 August 2017 with the responsible officer of each of Wuhan Hannan Land Resources and Planning Bureau*（武漢市經濟技術開發區（漢南區）國土資源和規劃局）(the "**Land Resources and Planning Bureau**"), Wuhan Hannan Urban and Rural Construction Bureau*（武漢市經濟技術開發區（漢南區）城鄉建設局）(the "**Urban and Rural Construction Bureau**") and Wuhan Port Transportation Administration Bureau*（武漢市港航管理局）(the "**Port Transportation Administration Bureau**"), the competent and appropriate responsible officers of the relevant PRC government authorities to be consulted with and to provide advice in respect of the planning and construction of the Industrial Land as confirmed by the PRC Legal Advisers. During these interviews: (i) the responsible officer of the Land and Resources Planning Bureau has confirmed that (a) as the stacking yard and constructed substation on the Industrial Land do not involve construction planning, construction project planning permit*（《建設工程規劃許可證》）(the "**Planning Permit**") is not required; and (b) the activities of Hannan Port Company on the Industrial Land have complied with all relevant laws and regulations and are not subject to any investigation and penalty by the Land Resources and Planning Bureau;

	Conditions	Status
		(ii) the responsible officer of the Urban and Rural Construction Bureau has confirmed that (a) as the stacking yard and constructed substation on the Industrial Land do not involve construction planning, construction permit* (《施工許可證》) (the "**Construction Permit**") is not required; and (b) the activities of Hannan Port Company on the Industrial Land have complied with all relevant laws and regulations and are not subject to any investigation and penalty by the Urban and Rural Construction Bureau; and (iii) the responsible officer of the Port Transportation Administration Bureau has confirmed that (a) the activities of Hannan Port Company on the Industrial Land have obtained or completed all approvals, registrations and filings as required by the applicable laws and regulations; (b) Hannan Port Company is not required to obtain the Planning Permit and the Construction Permit; and (c) the activities of Hannan Port Company in respect of the Hannan Port have complied with all relevant laws and regulations and are not subject to any investigation and penalty by the Port Transportation Administration Bureau.
(b)	The property ownership of No. 9 and No. 10 building located in the first phase of Zall Eco-Industry City* (卓爾生態工業城), Jincheng Village, Dengnan Street, Hannan District (the "**Property**") shall be retained by Hannan Port Logistics after sanction of the litigations within one (1) year after the Completion Date.	As advised by the PRC Legal Advisers, (i) the sanction of the litigations related to certain disputes in relation to the property ownership of the Property; (ii) the claimants and Hannan Port Logistics had agreed to settle the disputes on 3 December 2015 and 23 December 2015, respectively; and (iii) the property ownership of the Property has been retained by Hannan Port Logistics after sanction of the litigations within one (1) year after the Completion Date. Based on the advice of the PRC Legal Advisers, the Directors confirm that as the disputes have been settled, the sanction of the litigations does not have any material adverse implication on the Group.
(c)	The Port Operating License shall be obtained by Hannan Port Company within three (3) years after the Completion Date.	Hannan Port Company has obtained the Port Operating Licence on 10 May 2017.

	Conditions	Status
(d)	All members of the Hannan Port Group have completed the registration in relevant social insurance in accordance with all applicable laws, and made the full and timely payment of social insurance and housing fund within one (1) year after the Completion Date.	As confirmed by the PRC Legal Advisers, members of the Hannan Port Group established in the PRC with business operations and employees have completed the registration in relevant social insurance in accordance with all applicable laws, and made the full and timely payment of social insurance and housing fund within one (1) year after the Completion Date.
(e)	The aggregate net profit of the Hannan Port Group (excluding non-recurring profits and including, among others, interest income earned from and interest expense due to connected persons) (the "**Aggregate Profit**") for the two years ending 31 December 2016 and 2017 is not lower than HK$20.0 million according to the audited reports excluding the gain or loss on property valuation of the Hannan Port Group audited by an auditor approved by CIG Corporate Finance. If the Aggregate Profit is lower than HK$20.0 million, Zall Holdings should indemnify CIG Corporate Finance by the difference between HK$20.0 million and the Aggregate Profit in cash, and Mr. Yan should be joint and severally liable to this indemnity.	As shown in the unaudited consolidated accounts of the Hannan Port Group, the Aggregate Profit of the Hannan Port Group for the period from 1 January 2016 to 31 December 2017 has exceeded HK$20.0 million.

INVESTMENT PROPERTIES

Following completion of the Acquisition, the Group holds investment properties (the "**Investment Properties**") comprising (i) the RORO (roll on roll off) berth and land and (ii) Phase I, Zall Eco-Industry City* (卓爾生態工業城) through the Hannan Port Group. The Group engaged independent professional valuers to revalue the Investment Properties as at the end of its reporting periods using the depreciated replacement cost approach, the direct comparison approach and the income capitalisation approach, as deemed applicable. Based on the revaluations of the Investment Properties as at 31 December 2014, 2015 and 2016, the Group recorded unrealised fair value gains in respect of the Investment Properties in the aggregate sum of HK$19.09 million, HK$26.74 million and HK$23.65 million (the "**Unrealised Fair Value Gains**") for the years ended 31 December 2014, 2015 and 2016, respectively.

As disclosed in the Acquisition Circular, DTZ Cushman & Wakefield Limited ("**DTZ**"), an independent and professionally qualified valuer, had valued the market value of 159,541.02 square metres of land of the Investment Properties as at 30 June 2015 and 31 March 2016 which were the same at RMB41,560,000 and the Board was of the view that there was no change in market value between 30 June 2015 and as at 23 May 2016 (being the latest practical date of the Acquisition Circular). The market values of the lands of the Investment Properties were prepared by using the direct comparison approach with reference to comparable sales evidence as available in the relevant market. While there was no change in market value of the aforesaid piece of land between 30 June 2015 and as at 23 May 2016, the fair value of the Investment Properties has increased significantly between 24 May 2016 and 31 December 2016 which resulted in the unrealised fair value gains of HK$23.65 million for the year ended 31 December 2016. Such increase was driven by the increase in fair value of the commercial buildings of Phase I, Zall Eco-Industry City*(卓爾生態工業城) (the "**Commercial Buildings**") and note 15 to the accountants report on the Hannan Port Group set out in Appendix II due to the change in valuation method of the Commercial Buildings from the depreciated replacement cost approach to the income capitalisation approach.

As disclosed in the valuation report prepared by DTZ set out in Appendix IV to the Acquisition Circular, DTZ determined the fair values of the Commercial Buildings as at 31 December 2015 by using the depreciated replacement cost approach which requires a valuation of the market value of the leasehold lands in its existing use and an estimate of the new replacement cost of the buildings and structures, from which deductions are made to allow for the age, condition and functional obsolescence. It was further disclosed in the letter from the independent financial adviser included in the Acquisition Circular that Messis Capital Limited, the independent financial adviser appointed in connection with the Acquisition, understood from DTZ that the nature of the buildings and the structures of the Commercial Buildings could not be valued based on market value as the buildings were designated for the unique purposes and hence no suitable market comparables were able to be obtained for comparison purpose. In addition, given there was uncertainty in performing reliable estimation on the income and risks for the future years of the Commercial Buildings, the income approach was not applied for valuation as at 31 December 2015. The fair value of the Commercial Buildings as at 31 December 2016 was revalued by using the income capitalisation approach by Savills Valuation and Professional Services Limited ("**Savills**"), an independent and professionally qualified valuer. As advised by Savills, it was appropriate to adopt the income capitalisation approach since all of the Commercial Buildings were leased out. Savills has confirmed that they have complied with the HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors in valuing the Investment Properties and that the valuation approach as adopted for valuing the Investment Properties as specified above is a common methodology used in establishing the valuation of the Investment Properties.

GOVERNMENT SUBSIDIES

Underpinned by the strong supports from local governments on developing the "Yangtze River Economic Belt" (長江經濟帶) intersects in Wuhan and backed by the favourable Central Government's strategies that are laid out in the "12th Five-Year Plan" (十二五規劃) and "13th Five-Year Plan" (十三五規劃) on developing and enhancing the transportation and port infrastructures in the Yangtze River Basin of the PRC, the Group has received continuous support for its port business from the Hubei Provincial Government and the Wuhan Municipal Government in the form of subsidies for a long time. Most notably, the Group has been receiving the DaTongGuan Operation Subsidy (as defined below) on an annual basis since 2007 and the Jianghai Direct Subsidy (as defined below) on quarterly basis since 2003. The Directors believe the Group will continue to receive supports from local governments in the form of subsidies going forward.

The Group received government subsidies in an aggregate sum of approximately HK$21.88 million, HK$25.28 million and HK$39.33 million for the years ended 31 December 2014, 2015 and 2016, respectively. The following table sets forth a breakdown of government subsidies received by the Group for the years indicated:

		For the year ended 31 December		
		2014	**2015**	**2016**
	Notes	***HK$'000***	***HK$'000***	***HK$'000***
Included in other income				
• ***Subsidies derived in the ordinary and usual course of business of the Group***				
— DaTongGuan Operation Subsidy	*(1)*	9,195	10,389	13,791
— Hanjiang Port Logistics Subsidy	*(2)*	—	—	8,185
— Shayang Operation Subsidy	*(3)*	—	—	5,846
— Insurance Subsidy	*(4)*	—	—	185
		9,195	10,389	28,007

	Notes	For the year ended 31 December 2014 HK$'000	2015 HK$'000	2016 HK$'000
One-off Government Subsidies				
— Land and Sea Transit Subsidy	*(5)*	35	35	33
— Wuhan New Port Reward	*(6)*	757	—	—
— Wuhan New Port Fund	*(7)*	—	—	57
		792	35	90
Offset with cost of services rendered				
• ***Subsidies derived in the ordinary and usual course of business of the Group***				
— Jianghai Direct Subsidy	*(8)*	8,742	9,119	7,886
— Rail and Sea Subsidy	*(9)*	—	5,740	3,344
		8,742	14,859	11,230
Offset with finance cost				
• ***Subsidies derived in the ordinary and usual course of business of the Group***				
— DaTongGuan Interest Subsidy	*(10)*	3,150	—	—
Total		21,879	25,283	39,327

(1) DaTongGuan Subsidy — Port Operation Subsidy* (大通關補貼 – 港口營運補貼) (the "DaTongGuan Operation Subsidy")

The Group has been receiving the DaTongGuan Operation Subsidy on an annual basis since 2007. For the years ended 31 December 2014, 2015 and 2016, the Group received the DaTongGuan Operation Subsidy in an aggregate sum of HK$9.20 million, HK$10.39 million and HK$13.79 million, respectively.

Pursuant to the relevant government policies, in order to expand the capacity of the terminal berths, container yards and storage facilitates of the port infrastructure in Hubei Province, subsidies will be granted to port operators in Hubei Province, including the port operators in Wuhan, Huangshi, Jingzhou and Yichang. When assessing the amount of the subsidies to be granted to enterprises, the competent and appropriate PRC government authority will take into account of various factors including (i) the operation status of the relevant enterprise;

(ii) the number of containers handled for the relevant period; and (iii) the development status of the enterprise. The final amount to be granted will be based on the total amount of the DaTongGuan Operation Subsidy to be granted to the eligible enterprises in Wuhan City for the year, which will be adjusted every year based on the income of the People's Government.

Pursuant to the confirmation dated 7 August 2017 and obtained from Port Office of the Bureau of Commerce of Wuhan City* (武漢市商務局口岸處) (the "**Wuhan Bureau of Commerce**"), the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the DaTongGuan Operation Subsidy as confirmed by the PRC Legal Advisers, the Wuhan Bureau of Commerce confirmed that (i) the DaTongGuan Operation Subsidy received by the Group complies with the conditions of grant and regulations as set out under the relevant government policies; and (ii) the grant of the DaTongGuan Operation Subsidy to the Group is in line with the industry norm and the nature and amount of the DaTongGuan Operation Subsidy received by the Group are comparable to its peers. Based on the relevant government policies, the aforesaid confirmation obtained from the Wuhan Bureau of Commerce and the interview conducted by the Company and the PRC Legal Advisers with the Wuhan Bureau of Commerce on 16 June 2017, the Directors believe that there is no impediment for the Group to continue receiving such subsidy.

(2) Hanjiang Port Logistics and Operation Subsidy* (漢江港物流營運補貼) (the "Hanjiang Port Logistics Subsidy")

For the year ended 31 December 2016, the Group received the Hanjiang Port Logistics Subsidy in the amount of HK$8.19 million.

Pursuant to the relevant government policies, to support the development of the logistics companies in Hanjiang Port (漢江港) and attract investment to the New Port Region (新港區), financial support will be provided to logistics companies in Hanjiang Port which is located in Shayang County (沙洋縣) engaging in, among others, (i) the development of modern logistics industry projects; and (ii) the implementation of mergers, restructuring and technological transformation of enterprises in the logistics industry at county level. The investment amount for the project should be at least RMB50.0 million.

To the best of the knowledge, information and belief of the Directors, the Group is the only port operator in the Shayang County as at the date of this announcement and accordingly, there is no comparable available in the area. In view of the relevant government policies and the interview on 16 June 2017 conducted by the Company and the PRC Legal Advisers with Shayang County Xingang Management Committee* (沙洋縣新港管理委員會) (the "**Shayang Management Committee**"), the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the Hanjiang Port Logistics Subsidy as confirmed by the PRC legal advisers, the Directors believe that the Group is eligible to apply for continuous Hanjiang Port Logistics Subsidy.

(3) Shayang Guoli Operation Subsidy* (沙洋國利營運補貼) (the "Shayang Operation Subsidy")

The Shayang Port is one of the major port construction projects under the "12th Five-Year Plan" of Hubei Province of the PRC. Supported by the "12th Five-Year Plan" and pursuant to the relevant government policies in support of the Hanjiang Port Logistics Subsidy as set out above, the Group was also granted the Shayang Operation Subsidy in 2016 in the amount of RMB15.0 million, of which RMB5.0 million (approximately HK$5.85 million) was recognised as other income in the consolidated financial statements of the Group for the year ended 31 December 2016.

To the best of the knowledge, information and belief of the Directors, the Group is the only port operator in the Shayang County as at the date of this announcement and accordingly, there is no comparable available in the area. In view of the relevant government policies and the interview on 16 June 2017 conducted by the Company and the PRC Legal Advisers with the Shayang Management Committee, the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the Shayang Operation Subsidy as confirmed by the PRC Legal Advisers, the Directors believe that the Group is eligible to apply for continuous Shayang Operation Subsidy.

(4) Unemployment Insurance Subsidy* (失業保險補貼) (the "Insurance Subsidy")

For the year ended 31 December 2016, the Group received the Insurance Subsidy in the amount of HK$185,000.

Based on the relevant government policies, the Insurance Subsidy will be granted to enterprises which (i) maintained unemployment insurance and fully paid the relevant premiums of unemployment insurance for a full year; (ii) did not lay off any workers or the lay-off rate is lower than the official unemployment rate of the region as compared to the previous year; and (iii) had a sound and standard financial and operational system.

Pursuant to the confirmation dated 7 August 2017 and obtained from Wuhan City Xinzhou District Unemployment Insurance Subsidy Management Office* (武漢市新洲區失業保險管理辦公室) (the "**Insurance Management Office**"), the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the Insurance Subsidy as confirmed by the PRC Legal Advisers, the Insurance Management Office confirmed that (i) the Insurance Subsidy received by the Group complies with the conditions of grant and regulations as set out under the relevant government policies; and (ii) the grant of the Insurance Subsidy to the Group is in line with the industry norm and the nature and amount of the Insurance Subsidy received by the Group are comparable to its peers. Based on the relevant government policies and the aforesaid confirmation obtained from the Insurance Management Office, the Directors believe that there is no impediment for the Group to continue receiving such subsidy.

(5) Land and Sea Transit Subsidy* (水陸捷運補貼) (the "Land and Sea Transit Subsidy")

In 2011, the Group was granted the Land and Sea Transit Subsidy in the amount of RMB700,000 (representing approximately HK$870,000), of which HK$35,000, HK$35,000 and HK$33,000 was recognised as other income in the consolidated financial statements of the Group for the years ended 31 December 2014, 2015 and 2016, respectively.

Pursuant to the relevant government policies, one-off investment grant shall be provided for construction projects in key areas. The Wuhan City Development and Reform Commission* (武漢市發展改革委員會) granted the Land and Sea Transit Subsidy in an aggregate amount of RMB700,000 to the land and sea transit system of the Group in September 2011, which has been deferred for recognition as other income in the consolidated financial statements of the Group in 25 years, i.e. RMB28,000 each year.

(6) Wuhan New Port Commission TEU Reward* (武漢新港委標箱獎勵) (the "Wuhan New Port Reward")

For the year ended 31 December 2014, the Group received the Wuhan New Port Reward in the amount of HK$757,000.

In accordance with the relevant government policies which expired in August 2015, as the cargo capacity of the Group had reached 400,000 TEUs, the Group was qualified for the Wuhan New Port Reward.

(7) Wuhan New Port Project Fund* (武漢新港發展專項資金) (the "Wuhan New Port Fund")

In 2013, the Group was granted the Wuhan New Port Fund in the amount of RMB3.0 million (representing approximately HK$3.8 million), of which HK$57,000 was recognised as other income in the consolidated financial statements of the Group for the year ended 31 December 2016.

In accordance with the relevant government policies, the Group was granted the Wuhan New Port Fund in 2013 for the purpose of its construction of the Multi-Purpose Port terminal. Upon completion of the construction of such terminal in March 2016, the Group received the Wuhan New Port Fund in the amount of RMB3.0 million which will be deferred for recognition as other income in the consolidated financial statements of the Group for 46 years based on the remaining term of the land use right in respect of such port, i.e. RMB65,000 each year.

As construction of the terminal has been completed, the Group is no longer entitled to the Wuhan New Port Fund.

(8) Jianghai Direct Subsidy (江海直達補貼) (the "Jianghai Direct Subsidy")

The Group has been receiving the Jianghai Direct Subsidy on quarterly basis since 2003. For the years ended 31 December 2014, 2015 and 2016, the Group received the Jianghai Direct Subsidy in an aggregate sum of HK$8.74 million, HK$9.12 million and HK$7.89 million, respectively. In line with the accounting policy adopted by the Group, the Jianghai Direct Subsidy has been accounted for as an offset against the cost of services rendered in the consolidated financial statements of the Group.

Pursuant to the relevant government policies which expired in September 2017 (the "**Jianghai Direct Policy**"), in order to promote the Jianghai Direct Route (as hereinafter defined) for cargos shipping, the Jianghai Direct Subsidy would be granted to enterprises which meet the following criteria: (i) shipping companies which obtained the qualification as the operators of the route from Wuhan Yangluo Port (陽邏港) to Shanghai Yangshan Port (洋山港) without stopping at other ports for unloading cargos (the "**Jianghai Direct Route**") through bidding or orientation training and provides operation services in accordance with the relevant standards and requirements; and (ii) local port companies which obtained the qualification for shipping and unloading cargos of the Jianghai Direct Route through bidding or orientation training and provides operation services in accordance with the relevant standards and requirements; or (iii) key export companies in Wuhan whose export cargos reached more than 500 TEUs annually via Jianghai Direct Route.

Pursuant to the confirmation dated 7 August 2017 and obtained from Wuhan New Port Management Committee* (武漢新港管理委員會) (the "**Wuhan Management Committee**"), the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the Jianghai Direct Subsidy as confirmed by the PRC Legal Advisers, the Wuhan Management Committee confirmed that (i) the Jianghai Direct Subsidy received by the Group complies with the conditions of grant and regulations as set out under the Jianghai Direct Policy; and (ii) the grant of the Jianghai Direct Subsidy to the Group is in line with the industry norm and the nature and amount of the Jianghai Direct Subsidy received by the Group are comparable to its peers.

The Jianghai Direct Policy was renewed on 26 September 2017 and shall be effective until 31 December 2020. Pursuant to the renewed Jianghai Direct Policy, the Jianghai Direct Subsidy will be granted to operators which reach Shanghai Yangshan Port (洋山港) from ports in Wuhan, including Wuhan Yangluo Port (陽邏港), or vice versa via the Jianghai Direct Route within 72 hours with punctuality rate of 85% on a quarterly basis. The Directors have confirmed that the Group in the past could reach, and will continue to be able to reach, the Jianghai Direct Route within 72 hours with punctuality rate of 85% on a quarterly basis. Based on this confirmation, the PRC Legal Advisers are of the view that the Group has satisfied the criteria for receiving the Jianghai Direct Subsidy under the renewed Jianghai Direct Policy.

In light of the renewed Jianghai Direct Policy and the aforesaid confirmation obtained from the Wuhan Management Committee, the Directors believe that there is no impediment for the Group to continue receiving the Jianghai Direct subsidy.

(9) Special Subsidies on Rail and Sea Joint Transit (鐵水聯運專項補貼) (the "Rail and Sea Subsidy")

For the years ended 31 December 2015 and 2016, the Group received the Rail and Sea Subsidy in an aggregate sum of HK$5.74 million and HK$3.34 million, respectively. In line with the accounting policy adopted by the Group, the Rail and Sea Subsidy has been accounted to offset against the cost of services rendered in the consolidated financial statements of the Group.

Pursuant to the relevant government policies which expired in July 2017 (the "**Rail and Sea Policy**"), the Rail and Sea Subsidy would be provided for enterprises operating cargo business via the joint route of sea and railway (the "**Joint Route**") between Wuhan and Shanghai and the cargo volume via the Joint Route shall not be less than 100 TEUs on a quarterly basis.

Pursuant to the confirmation dated 7 August 2017 and obtained from the Wuhan Management Committee, the competent and appropriate PRC government authority to be consulted with and to provide advice in respect of the Rail and Sea Subsidy as confirmed by the PRC Legal Advisers, the Wuhan Management Committee confirmed that (i) the Rail and Sea Subsidy received by the Group complies with the conditions of grant and regulations as set out under the Rail and Sea Policy; and (ii) the grant of the Rail and Sea Subsidy to the Group is in line with the industry norm and the nature and amount of the Rail and Sea Subsidy received by the Group are comparable to its peers.

The Rail and Sea Policy was renewed on 26 September 2017 and shall be effective until 31 December 2020. Pursuant to the criteria for receiving the Rail and Sea Subsidy under the renewed Rail and Sea Policy, the Rail and Sea Subsidy will be provided for enterprises operating cargo business via the Joint Route through Wuhan and the cargo volume via the Joint Route shall not be less than 100 TEUs on a quarterly basis.

In light of the renewed Rail and Sea Policy and the aforesaid confirmation obtained from the Wuhan Management Committee, the Directors believe that there is no impediment for the Group to continue receiving the Rail and Sea Subsidy.

(10) DaTongGuan Subsidy – Interest on Loan for Port Construction Subsidy* (大通關補貼 – 口岸建設貸款貼息補貼) (the "DaTongGuan Interest Subsidy")

For the year ended 31 December 2014, the Group received the DaTongGuan Interest Subsidy in an aggregate sum of approximately HK$3.15 million.

The DaTongGuan Interest Subsidy was granted by the Wuhan Bureau of Commerce to the Group pursuant to the relevant government policies, which state that subsidies will be granted to enterprises for subsidising interests on loans taken out for construction of port infrastructure. The amount of the DaTongGuan Interest Subsidy is determined with reference to the loans taken out by the enterprise for the year. In 2014, the Group obtained loans for the purpose of construction of port infrastructure and hence was qualified for the DaTongGuan Interest Subsidy.

THE KEY FINANCIAL INFORMATION OF THE GROUP

The following table sets forth the key financial information of the Group for the periods indicated:

	For the year ended 31 December			For the nine months ended 30 September	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Restated)	(Restated)		(Unaudited)	(Unaudited)
Revenue	186,482	190,110	207,032	142,657	180,466
Cost of services rendered	(99,628)	(95,860)	(107,624)	(80,423)	(105,320)
Gross profit	86,854	94,250	99,408	62,234	75,146
Other income	11,032	11,467	29,797	14,585	26,638
Change in fair value of investment properties	19,087	26,737	23,651	7,357	6,841
Gain on bargain purchase	—	—	14,580	8,030	—
General and administrative expenses	(32,325)	(32,230)	(36,044)	(29,814)	(30,647)
Other operating expenses	(15,220)	(18,012)	(18,731)	(15,280)	(16,245)
Finance costs – net	(8,110)	(13,870)	(21,015)	(13,268)	(14,534)
Share of (loss)/profit of an associate	—	(412)	838	425	244
Profit before income tax	61,318	67,930	92,484	34,269	47,443
Income tax expense	(11,484)	(13,923)	(16,019)	(4,262)	(15,262)
Profit for the year/period from continuing operations	49,834	54,007	76,465	30,007	32,181
Profit for the year/period from discontinued operations	931	3,443	—	—	—
Profit for the year/period	50,765	57,450	76,465	30,007	32,181
Profit for the year/period attributable to non-controlling interests	(6,314)	(4,822)	(7,552)	(4,385)	(3,093)
Profit for the year/period attributable to owners of the Company	**44,451**	**52,628**	**68,913**	**25,622**	**29,088**

The following table sets forth the breakdown of the Group's revenue by ports for the periods indicated:

	For the year ended 31 December						For the nine months ended 30 September	
	2014		**2015**		**2016**		**2017**	
	HK$'000 (Restated)	*%*	*HK$'000* (Restated)	*%*	*HK$'000*	*%*	*HK$'000* (Unaudited)	*%*
WIT Port								
— Terminal & related business	111,874	60.0	110,259	58.0	100,104	48.3	77,615	43.0
— Integrated logistics business	74,608	40.0	75,731	39.8	65,120	31.5	44,791	24.8
Multi-purpose Port ***(Note 1)***								
— Terminal & related business	—	—	702	0.4	—	—	—	—
Hannan Port								
— Property business	—	—	1,865	1.0	24,844	12.0	24,825	13.8
— Terminal & related business	—	—	—	—	5,515	2.7	—	—
— Integrated logistics business	—	—	1,553	0.8	7,075	3.4	8,217	4.5
Shayang Port								
— Terminal & related business	—	—	—	—	773	0.4	1,133	0.6
— Integrated logistics business	—	—	—	—	3,198	1.5	2,471	1.4
Shipai Port								
— Terminal & related business	—	—	—	—	—	—	104	0.1
— Integrated logistics business	—	—	—	—	—	—	791	0.4
Non-port related								
— Supply chain management and trading business	—	—	—	—	382	0.2	18,602	10.3
— Others	—	—	—	—	21	0.0	1,917	1.1
Total	186,482	100.0	190,110	100.0	207,032	100.0	180,466	100.0

The following table sets forth the breakdown of the Group's gross profit and gross profit margin by ports for the periods indicated:

	For the year ended 31 December						For the nine months ended 30 September	
	2014		2015		2016		2017	
	Gross profit HK$'000	*Gross profit margin %*	*Gross profit HK$'000*	*Gross profit margin %*	*Gross profit/ (loss) HK$'000*	*Gross profit/ (loss) margin %*	*Gross profit/ (loss) HK$'000*	*Gross profit/ (loss) margin %*
WIT Port								
— Terminal & related business	77,412	69.2	77,817	70.6	64,947	64.9	51,769	66.7
— Integrated logistics business	9,442	12.7	12,313	16.3	4,810	7.4	5,841	13.0
Multi-purpose Port *(Note 1)*								
— Terminal & related business	—	—	702	100.0	—	—	—	—
Hannan Port								
— Property business	—	—	1,865	100.0	22,678	91.3	21,319	85.9
— Terminal & related business	—	—	—	—	5,515	100.0	—	—
— Integrated logistics business	—	—	1,553	100.0	1,195	16.9	259	3.2
Shayang Port								
— Terminal & related business	—	—	—	—	(1,006)	(130.1)	(1,980)	(175.7)
— Integrated logistics business	—	—	—	—	1,156	36.1	(596)	(24.1)
Shipai Port								
— Terminal & related business	—	—	—	—	—	—	(565)	(543.3)
— Integrated logistics business	—	—	—	—	—	—	(401)	(50.7)
Non-port related								
— Supply chain management and trading business	—	—	—	—	112	29.3	1,377	7.4
— Others	—	—	—	—	1	4.8	(1,877)	(97.9)
Total	86,854	46.6	94,250	49.6	99,408	48.0	75,146	41.6

Notes:

1. The Multi-Purpose Port, which is located adjacent to the WIT Port and commenced operation in the second half of 2015, extends the container handling capacity of the Group and supplements the terminal service business operation of the WIT Port. Given the close proximity between the WIT Port and the Multi-Purpose Port, they are jointly operated and managed by WIT. It is therefore the Group's practice to record the external revenue generated from the provision of terminal service at the Multi-Purpose Port under the books and records of WIT, which has been shown as revenue of the WIT Port for the years ended 31 December 2015 and 2016 and the nine months ended 30 September 2017. The revenue of the Multi-Purpose Port of HK$702,000 for the year ended 31 December 2015 represented the rental income received by the Multi-Purpose Port from the temporary lease of a terminal at the Multi-Purpose Port to a third party during the second half of 2015.

2. Restatement adjustments have been made to the financial information of the Group for the years ended 31 December 2013, 2014 and 2015. The reason for these restatement adjustments was primarily due to the completion of the Acquisition during the year ended 31 December 2016. The Group and the Hannan Port Group are both common controlled entities of the two controlling Shareholders, namely Mr. Yan

and Zall Holdings, before and after completion of the Acquisition. Accordingly and in line with the accounting policy adopted by the Group, the financial results of the Hannan Port Group were required to be and have been consolidated into the consolidated financial statements of the Group as if the Acquisition had occurred on the date when the Hannan Port Group first came under the control of Mr. Yan and Zall Holdings. For further details relating to the restatement adjustments, please refer to the annual report of the Company for the year ended 31 December 2016.

Discussion and Analysis of Key Financial Information

Year ended 31 December 2015 (restated) compared to year ended 31 December 2014 (restated)

Revenue

For the year ended 31 December 2015, the Group's income primarily derived from the provision of terminal and related services and integrated logistics services at the WIT Port. In addition, the Group started to develop the Multi-Purpose Port which is adjacent to the WIT Port and commenced operation in the second half of 2015.

The Group's revenue for the year ended 31 December 2015 amounted to HK$190.11 million (2014 restated: HK$186.48 million), representing an increase of approximately 1.9% from the previous year. This increase was mainly attributable to the increase in revenue generated from the Group's integrated logistics service at the WIT Port.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2015 was HK$94.25 million (2014 restated: HK$86.85 million), representing an increase of approximately 8.5% from the previous year. The Group's gross profit margin increased by 3.0 percentage points to 49.6% for the year ended 31 December 2015 (2014 restated: 46.6%). This increase was mainly attributable to the increase in tariff charged by the Group and the end of logistics service contract with a relatively low profit margin.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2015 amounted to HK$52.63 million (2014 restated: HK$44.45 million), representing an increase of approximately 18.4% from the previous year. This increase was mainly attributable to the combined effect of (i) an increase in finance cost and income tax expense in 2015; and (ii) an increase in the fair value gain of the investment properties of the Group as compared with 2014.

Income tax expenses

The Group's income tax expenses for the year ended 31 December 2015 amounted to HK$13.9 million (2014 restated: HK$11.5 million), representing an increase of approximately 20.9% from the previous year. The Group's effective tax rate for the year ended 31 December 2015 of 20.5% was lower than the statutory profits tax rate in the PRC of 25%, which was primarily due to the reason that WIT, a major operating subsidiary of the Group contributing substantial profit to the Group at the relevant time, was entitled to a 5-year 50% tax reduction during the period from 1 January 2013 to 31 December 2017 such that corporate income tax payable would be charged at 12.5%.

Financial resources and liquidity

For the year ended 31 December 2015, the Group recorded a net cash inflow from operating activities of HK$44.87 million (2014 restated: net cash inflow from operating activities of HK$79.63 million).

As at 31 December 2015, the Group's net current liabilities was HK$54.94 million (2014 restated: net current liabilities of HK$164.56 million), with current assets of HK$185.34 million (2014 restated: HK$270.91 million) and current liabilities of HK$240.28 million (2014 restated: HK$435.46 million), representing a current ratio of 0.8 times (2014 restated: 0.6 times). The net current liabilities as at 31 December 2015 was significantly reduced due to the settlement of an amount due to a related company of the Hannan Port Group in 2014.

Year ended 31 December 2016 compared to year ended 31 December 2015 (restated)

Revenue

For the year ended 31 December 2016, the Group's income primarily derived from (i) the provision of terminal and related services and integrated logistics services at the WIT Port and (ii) leasing of the port and warehouse, and provision of terminal and related services and integrated logistics services at the Hannan Port following the acquisition of the Hannan Port Group in the second quarter of 2016. In addition, following the Group's acquisition of 60% equity interest in Shayang Guoli in June 2016, the Group generated income from the provision of terminal and related services and integrated logistics services at the Shayang Port in the second half of 2016.

The Group's revenue for the year ended 31 December 2016 amounted to HK$207.03 million (2015 restated: HK$190.11 million), representing an increase of approximately 8.9% from the previous year. This increase in the Group's revenue was mainly attributable to (i) an increase in revenue generated from the property business of the Hannan Port from HK$1.87 million for the year ended 31 December 2015 to HK$24.84 million for the year ended 31 December 2016; (ii) the recognition of revenue derived from the terminal and related business of the Hannan Port of HK$5.52 million for the year ended 31 December 2016; and (iii) the recognition of revenue derived from the integrated logistics business of the Shayang Port for the year ended 31 December 2016. This increase was partially offset by a decrease in revenue generated from the terminal and related business and the integrated logistics business of the WIT Port as a result of the decrease in container throughput caused by the continuing deployment of price cutting tactics by the neighbouring competing port of the WIT Port and the drop in overall tariff rates as the Group lowered its tariff rates to align them with that of the neighbouring competing port during the year ended 31 December 2016 to increase competitiveness.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2016 was HK$99.41 million (2015 restated: HK$94.25 million), representing an increase of approximately 5.5% from the previous year. The Group's gross profit margin decreased by 1.6 percentage point to 48.0% for the year ended 31 December 2016 (2015 restated: 49.6%). These were mainly due to the combined effect of (i) the drop in overall container tariff rates in 2016; and (ii) the increase in port and warehouse leasing income generated from the Group's property business in the Hannan Port with relatively higher gross profit margin, which accounted for approximately 12.0% of total revenue of the Group for the year ended 31 December 2016.

Other income

Other income for the year ended 31 December 2016 amounted to HK$29.80 million (2015 restated: HK$11.47 million), representing an increase of approximately 159.8% from the previous year. This increase was mainly attributable to an increase in government subsidies granted to the Group to HK$28.10 million (2015 restated: HK$10.42 million). For details relating to the government subsidies granted to the Group, please refer to the paragraphs under the section headed "Government Subsidies" in this announcement.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2016 amounted to HK$68.91 million (2015 restated: HK$52.63 million), representing an increase of approximately 30.9% from the previous year. This increase in profitability was mainly attributable to (i) an increase in port and warehouse leasing income from the property business of the Hannan Port; (ii) an increase in government subsidies granted to the Group of HK$14.04 million; and (iii) the gain on bargain purchase of HK$14.58 million upon completion of the acquisition of 60% equity interest in each of Shayang Gouli and Zhongxiang Development during the year ended 31 December 2016.

Income tax expenses

The Group's income tax expenses for the year ended 31 December 2016 amounted to HK$16.0 million (2015 restated: HK$13.9 million), representing an increase of approximately 15.1% from the previous year. The Group's effective tax rate for the year ended 31 December 2016 of 17.3% was lower than the statutory profits tax rate in the PRC of 25%, which was primarily due to the utilisation of tax losses previously not recognised by Hannan Port Logistics and Hannan Port Company of HK$7.5 million and HK$2.8 million, respectively.

Financial resources and liquidity

For the year ended 31 December 2016, the Group recorded a net cash outflow from operating activities of HK$2.03 million (2015 restated: net cash inflow from operating activities of HK$44.87 million). The reason for the net cash outflow generated from operating activities for the year ended 31 December 2016 was mainly attributable to (i) an increase in trade receivables of HK$14.13 million which was due to a prepayment of RMB10.0 million to a supplier in relation to the Group's supply chain management and trading business; (ii) an increase in the government subsidy receivable as a result of grant of the Shayang Guoli Operation Subsidy of HK$5.56 million; and (iii) an increase in trade and other payables of HK$59.37 million due to the remaining consideration for the acquisition of 60% equity interest in each of Shayang Guoli and Zhongxiang Development which amounted to HK$93.11 million.

As at 31 December 2016, the Group's net current liabilities was HK$222.35 million (2015 restated: HK$54.94 million), with current assets of HK$188.38 million (2015 restated: HK$185.34 million) and current liabilities of HK$410.72 million (2015 restated: HK$240.28 million), representing a current ratio of 0.5 times (2015 restated: 0.8 times). The net current liabilities recorded as at 31 December 2016 reflected the combined effect of (i) the re-classification of amount due to a shareholder to current liabilities which was classified as non-current liabilities in 2015; (ii) the remaining consideration for the acquisition of 60% equity interest in each of Shayang Guoli and Zhongxiang Development of HK$93.11 million which was included in other payables; and (iii) the amount due to the non-controlling shareholder of Shayang Guoli of HK$45.92 million which was included in the amount due to related parties.

Nine months ended 30 September 2017 (unaudited) compared to nine months ended 30 September 2016 (unaudited)

Revenue

For the nine months ended 30 September 2017, the Group's income primarily derived from (i) the provision of terminal and related services and integrated logistics services at the WIT Port and (ii) leasing of the port and warehouse, and provision of terminal and related services and integrated logistics services at the Hannan Port following the acquisition of the Hannan Port Group in the second quarter of 2016. In addition, following the Group's acquisition of 60% equity interest in Shayang Guoli in June 2016 and 60% equity interest in Zhongxiang Development in December 2016, the Group generated income from the provision of terminal and related services and integrated logistics services at the Shayang Port and the Shipai Port during the nine months ended 30 September 2017.

The Group's revenue for the nine months ended 30 September 2017 amounted to HK$180.47 million (30 September 2016: HK$142.66 million), representing an increase of approximately 26.5% from the corresponding period in the previous year. This increase was mainly due to the combined effect of (i) an increase in revenue of HK$15.98 million generated from the property business of the Hannan Port Group; (ii) the revenue of HK$18.60 million generated from the Group's supply chain management and trading business which commenced operation in early 2017; (iii) an increase in revenue of HK$0.47 million from the Group's terminal service business as the increase in containers handled was offset by the drop in overall container tariff rates as a result of a higher mix of trans-shipment cargo containers with relatively lower tariff rates and the lowering of its tariff rates to align with those charged by the neighbouring competing port during the period to increase competitiveness; and (iv) an increase in revenue of HK$1.56 million generated from the integrated logistics service business of the Group.

Gross profit and gross profit margin

The Group's gross profit for the nine months ended 30 September 2017 amounted to HK$75.15 million (30 September 2016: HK$62.23 million), representing an increase of approximately 20.8% from the corresponding period in the previous year. The Group's gross profit margin decreased by 2.0 percentage point to 41.6% for the nine months ended 30 September 2017 (30 September 2016: 43.6%). These were mainly due to the combined effect of (i) an increase in container throughput which was offset by the drop in overall container tariff rates as a result of a higher mix of trans-shipment cargo containers with relatively lower tariff rates and the lowering of its tariff rates to align with those charged by the neighbouring competing port during the period to increase competitiveness; (ii) lower gross margin generated from supply chain management and trading business which accounted for 10.3% of total revenue; and (iii) relatively higher gross profit margin generated from the property business of the Hannan Port Group, which accounted for 13.8% of total revenue during the period.

Other income

Other income for the nine months ended 30 September 2017 amounted to HK$26.64 million (30 September 2016: HK$14.59 million), representing an increase of approximately 82.6% from the corresponding period in the previous year. The increase was mainly attributable to the recognition of government subsidies of HK$22.66 million granted to the Group, of which HK$11.30 million was granted in respect of the Shipai Port; HK$5.65 million was granted in respect of the Shayang Port and HK$5.71 million was granted in respect of the logistics centre adjacent to the Shayang Port (HK$4.56 million of which was granted and recognised in the three months ended 30 September

2017), whereas no similar government subsidies were granted in the corresponding period of 2016 as these two ports were acquired by the Group in June 2016 and December 2016 respectively.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the nine months ended 30 September 2017 amounted to HK$29.09 million (30 September 2016: HK$25.62 million), representing an increase of approximately 13.5% from the corresponding period in the previous year. This increase in profitability was mainly attributable to the combined effect of (i) an increase in port and warehouse leasing income generated from the property business of the Hannan Port Group; (ii) no gain on bargain purchase arising from acquisition of subsidiaries was recognised during the nine months ended 30 September 2017; and (iii) the abovementioned government subsidies of HK$22.66 million were recognised during the period ended 30 September 2017 while no similar government subsidies were granted during the corresponding period in 2016.

Income tax expenses

The Group's income tax expenses for the nine months ended 30 September 2017 amounted to HK$15.3 million (30 September 2016: HK$4.3 million), representing an increase of approximately 255.8% from the corresponding period in 2016. The Group's effective tax rate for the nine months ended 30 September 2017 was 32.2%. As certain subsidiaries of the Group in the PRC reported losses for the nine months ended 30 September 2017 which are not required to pay PRC tax, this has effectively lifted the effective tax rate over and above the statutory profits tax rate in the PRC of 25% when compared with the reported profit of the Group.

Financial resources and liquidity

For the nine months ended 30 September 2017, the Group recorded a net cash outflow from operating activities of HK$16.33 million (31 December 2016: net cash outflow from operating activities of HK$2.03 million). The reason for the net cash outflow generated from operating activities for the nine months ended 30 September 2017 was mainly attributable to the combined effect of (i) cash generated from the operation of the Group; and (ii) an increase in the prepayment for construction projects of HK$10.62 million during the period.

As at 30 September 2017, the Group's net current liabilities was HK$60.03 million (31 December 2016: HK$222.35 million), with current assets of HK$245.69 million (31 December 2016: HK$188.38 million) and current liabilities of HK$305.72 million (31 December 2016: HK$410.72 million), representing a current ratio of 0.8 times (31 December 2016: 0.5 times). The net current liabilities as at 30 September 2017 was significantly reduced mainly due to an increase in current assets principally arising from the drawdown of a borrowing of HK$172.50 million obtained during the nine months ended 30 September 2017.

For the nine months ended 30 September 2017, the Group entered into agreements with a third party (the "**Lender**") for (i) the disposal of certain port facilities with carrying amount of RMB153.59 million (equivalent to approximately HK$176.63 million) to the Lender at a consideration of RMB150.0 million (equivalent to approximately HK$172.50 million); and (ii) leasing back of the same assets from the Lender for a lease period of 4 years at a fixed interest rate. The agreement included a repurchase option to buy back the same asset at a consideration which equals to the total lease payments in (ii) above plus other charges. The Group has considered the substance of the above transactions and determined that they constitute collateralised borrowings, as the Group has retained effective control over the leased assets through the repurchase option which is almost certain to be exercised by the Group. Accordingly, the Group has initially recognised a borrowing of RMB141.0 million (equivalent to approximately HK$162.15 million), net of directly attributable transaction costs.

THE KEY OPERATIONAL DATA OF THE GROUP

The following table sets forth the container volume and throughput achieved by the WIT Port for the periods indicated:

	For the year ended 31 December						For the nine months ended 30 September			
	2014		2015		2016		2016		2017	
	TEUs	*%*	*TEUs*	*%*	*TEUs*	*%*	*TEUs*	*%*	*TEUs*	*%*
Gateway cargoes	264,012	65.6	266,786	65.0	270,228	66.7	196,033	68.3	217,228	57.6
Trans-shipment cargoes	138,736	34.4	143,522	35.0	135,156	33.3	91,115	31.7	160,151	42.4
Total	402,748	100.0	410,308	100.0	405,384	100.0	287,148	100.0	377,379	100.0

Note:

The container volume and throughput information in relation to the Hannan Port, the Shayang Port and the Shipai Port (collectively, the "**Other Ports**") has not been disclosed in this Announcement as the containers handled by the Other Ports since commencement of their operation have been insignificant. The insignificant number of containers handled is due to the reason that the Other Ports have been designed as multipurpose ports, capable of handling a variety of items including but not limited to machines and automobiles, unlike the WIT Port which is specialised in handling containers.

The following table sets forth the average tariff charged by the WIT Port for the periods indicated:

	For the year ended 31 December			For the nine months ended 30 September	
	2014	**2015**	**2016**	**2016**	**2017**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Gateway cargoes	248	252	224	258	220
Trans-shipment cargoes	50	63	45	47	47

The respective occupancy rate of the Group's warehouse of the Hannan Port as at 31 December 2016 and 30 September 2017 was 100%.

Discussions and Analysis of Key Operational Data

Year ended 31 December 2015 compared to year ended 31 December 2014

Total throughput achieved by the WIT Port for the year ended 31 December 2015 was 410,308 TEUs, representing an increase of 7,560 TEUs or 1.9% from 402,748 TEUs for the year ended 31 December 2014. Of the 410,308 TEUs handled in 2015, 266,786 TEUs (2014: 264,012 TEUs) or 65.0% (2014: 65.6%) and 143,522 TEUs (2014: 138,736 TEUs) or 35.0% (2014: 34.4%) were attributed to gateway cargoes and trans-shipment cargoes, respectively. The gateway cargoes throughput increased by 1.1% from 264,012 TEUs for 2014 to 266,786 TEUs for 2015 and the trans-shipment cargoes throughput increased by 3.4% from 138,736 TEUs for 2014 to 143,522 TEUs for 2015.

The average tariff for gateway cargoes for the year ended 31 December 2015 was RMB252 (equivalent to approximately HK$313) per TEU (2014: RMB248 (equivalent to approximately HK$312) per TEU), representing an increase of 1.6% from the previous year. The average tariff for trans-shipment cargoes was RMB63 (equivalent to approximately HK$78) per TEU (2014: RMB50 (equivalent to approximately HK$63) per TEU), representing an increase of 26% from the previous year.

Year ended 31 December 2016 compared to year ended 31 December 2015

Total throughput achieved by the WIT Port for the year ended 31 December 2016 was 405,384 TEUs, representing a decrease of 4,924 TEUs or 1.2% from 410,308 TEUs for the year ended 31 December 2015. Of the 405,384 TEUs handled in 2016, 270,228 TEUs (2015: 266,786 TEUs) or 66.7% (2015: 65.0%) and 135,156 TEUs (2015: 143,522 TEUs) or 33.3% (2015: 35.0%) were attributed to gateway cargoes and trans-shipment cargoes, respectively. The gateway cargoes throughput increased by 1.3% from 266,786 TEUs for 2015 to 270,228 TEUs for 2016 and the trans-shipment cargoes throughput decreased by 5.8% from 143,522 TEUs for 2015 to 135,136 TEUs for 2016. The Group has been facing competition from a neighbouring port operator of the WIT Port capturing market shares from the Group through its deployment of tariff cutting tactics and the drop in throughput volume was a direct result of such tactics which drew business to such neighbouring port operator.

The average tariff for gateway cargoes for the year ended 31 December 2016 was RMB224 (equivalent to approximately HK$262) per TEU (2015: RMB252 (equivalent to approximately HK$313) per TEU), representing a decrease of 11.1% from the previous year. The average tariff for trans-shipment cargoes was RMB45 (equivalent to approximately HK$53) per TEU (2015: RMB63 (equivalent to approximately HK$78) per TEU), representing a decrease of 28.6% from the previous year. This decrease in tariff rates for the year ended 31 December 2016 charged by the Group was principally due to the lowering of its tariff rates by the Group to align them with that of the neighbouring competing port during the year to increase competitiveness.

Nine months ended 30 September 2017 compared to nine months ended 30 September 2016

Total throughput achieved by the WIT Port for the nine months ended 30 September 2017 was 377,379 TEUs, representing an increase of 90,231 TEUs or approximately 31.4% from 287,148 TEUs for the corresponding period in 2016. Of the 377,379 TEUs handled, 217,228 TEUs or approximately 57.6% (30 September 2016: 196,033 TEUs or 68.3%) and 160,151 TEUs or 42.4% (30 September 2016: 91,115 TEUs or 31.7%) were attributed to gateway cargoes and trans-shipment cargoes, respectively.

The increase in overall container throughput was mainly attributable to an increase of 10.8% and 75.8% of gateway cargoes and trans-shipment cargoes, respectively, from the previous year. While continuing to align tariff rates with its neighbouring competiting port to increase competitiveness, in early 2017, the Group has also taken the initiative to raising the level of business at the WIT Port from existing customers through the enhancement of quality of services and the drive to develop new import (inbound) businesses. In 2017, with a view to enhance the Group's service quality, the Group allowed its large-scale customers to use selected berths of the WIT Port on an exclusive and priority basis for a specified period, and enjoy exclusive logistics services, such as freight forwarding and customs clearance, provided by the designated staff of the Group. As a result, gateway cargoes for domestic import increased by 36.8% to 70,706 TEUs for the nine months ended 30 September 2017 from 51,683 TEUs for the corresponding period in 2016. Throughput of two major trans-shipment routes, namely the Luzhou/Chongqing and Yichang/Jingzhou routes, increased by 38.4% to 47,572

TEUs for the nine months ended 30 September 2017 from 34,372 TEUs for the corresponding period in 2016 and 196.3% to 27,775 TEUs for the nine months ended 30 September 2017 from 9,375 TEUs for the corresponding period in 2016, respectively.

The average tariff for gateway cargoes for the nine months ended 30 September 2017 was RMB220 (equivalent to approximately HK$251) per TEU (30 September 2016: RMB258 (equivalent to approximately HK$295) per TEU), representing a decrease of approximately 14.7% from the corresponding period in 2016. The average tariff for trans-shipment cargoes was RMB47 (equivalent to approximately HK$54) per TEU (30 September 2016: RMB47 (equivalent to approximately HK$54) per TEU), which remained the same as that for the corresponding period in 2016. This is in line with the effort of the Group to lower its tariff rates to align them with those of its neighbouring port in order to increase competitiveness.

OVERVIEW OF THE PORT INDUSTRY IN WUHAN, THE PRC

Ports in the Yangtze River Basin are primarily located in Shanghai, Nanjing, Wuhan and Chongqing. Competition among ports in different regions is limited as a result of the significant distances between them, the geography of major cargo destinations and origins and the composition of cargo flows. With strong supports from local governments on developing the "Yangtze River Economic Belt"(長江經濟帶) which intersects in Wuhan and the favourable Central Government's strategies that are laid out in the "12th Five-Year Plan"(十二五規劃) and "13th Five- Year Plan"(十三五規劃) on developing and enhancing the transportation and port infrastructures in the Yangtze River Basin of the PRC, the Yangtze River Basin is an important port region in the PRC. Wuhan, the provincial capital of Hubei, is located in the mid-stream of the Yangtze River, covering an area of about 8,467 square kilometres. It is an important transportation hub in the PRC. In terms of riverway traffic, Wuhan is linked through the Yangtze River with six provinces (namely Jiangsu, Anhui, Hubei, Sichuan, Jiangxi and Hunan), Nanjing and Shanghai.

The Group competes primarily with other port operators in Yangtze River Delta on the basis of the following factors: handling capacity, transportation network, operational efficiency and scope and quality of services. The Group believes that its strategic location, natural deep-water capacity, well-developed transportation network, comprehensive port services and operational efficiency provide it with unique competitive advantages over its competitors.

Given its unique geographical advantage with water depth maintained at above seven metres, the Yangluo Port Area within Wuhan in which the WIT Port is located is an important container port hub in Hubei equipped with inspection building with integrated functions. As the WIT Port is one of the two port operators located in the Yangluo Port Area, the Group is a key market player in handling container cargos in Wuhan. The WIT Port is a deep water regional container port at the midstream of Yangtze River and a feeder port to the ports in Shanghai. It 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 following sets forth the market share of the WIT Port in the Yangluo Port Area:

For the year ended 31 December 2014, the WIT Port's market share maintained at approximately 40% (2013: 40%) based on the aggregate of 1,006,580 TEUs (2013: 860,412 TEUs) handled in 2014 for the entire Yangluo Port Area.

For the year ended 31 December 2015, the WIT Port's market share dropped to approximately 38.7% (2014: 40.0%) based on the aggregate of 1,061,400 TEUs (2014: 1,006,580 TEUs) handled in 2015 for the entire Yangluo Port Area. This drop in market share was mainly attributable to the deployment of tariff cutting tactics by the neighbouring competing port to induce customers to use its port.

For the year ended 31 December 2016, the WIT Port's market share dropped to approximately 37.4% (2015: 38.7%) based on the aggregate of 1,084,540 TEUs (2015: 1,061,400 TEUs) handled in 2016 for the entire Yangluo Port Area. This drop in market share was mainly attributable to the deployment of tariff cutting tactics by its neighbouring competing port to induce customers to use its port.

For the nine months ended 30 September 2017, the WIT Port's market share increased to approximately 43.5% (2016: 37.4%) based on the aggregate of 861,677 TEUs (30 September 2016: 762,263 TEUs) handled in the nine months ended 30 September 2017 for the entire Yangluo Port Area. This increase in market share was mainly attributable to the significant increase in throughput volume during the period.

Since there are only two port operators in the Yangluo Port Area, the remaining market share was captured by another port located in the Yangluo Port Area owned and operated by the Group's competitor. Competition is intense as demonstrated by the continuous deployment of price-cutting strategies by the Group's competitor, resulting in a decrease in market share of the WIT Port for the years ended 31 December 2015 and 2016. In 2017, with a view to enhance the Group's service quality, the Group allowed its large-scale customers to use selected berths of the WIT Port on an exclusive and priority basis for a specified period, and enjoy exclusive logistics services, such as freight forwarding and customs clearance, provided by the designated staff of the Group. As a result, gateway cargoes for domestic import increased by 36.8% to 70,706 TEUs (30 September 2016: 51,683 TEUs), and throughput of two major trans-shipment routes, namely the Luzhou/Chongqing and Yichang/Jingzhou routes increased by 38.4% to 47,572 TEUs (30 September 2016: 34,372 TEUs) and 196.3% to 27,775 TEUs (30 September 2016: 9,375 TEUs) respectively as compared to the same period of 2016, resulting in an increase in overall container throughput and the market share of the WIT Port during the nine months ended 30 September 2017.

OUTLOOK OF THE PORT INDUSTRY IN WUHAN, THE PRC

The Group has benefited from the favorable government policies for its port business from the Hubei Provincial Government and the Wuhan Municipal Government. In addition, certain government policies have been implemented recently which aim at expanding the scale of container transportation in Wuhan and consolidating Wuhan's status as a core port for containers in the shipping centre of the midstream of the Yangtze River Basin. In light of the support for its port business and implementation of favourable government policies on a continuous basis, the Group believes that the government places great emphasis on the growth and development of the port industry in the Yangtze River Basin. While competition from other port operators in Wuhan is inevitable, the Group continues to maintain a positive view towards the future prospects of the port industry in Wuhan.

ACQUISITIONS

Overall business strategies with respect to acquisitions

As set out in the annual report of the Company for the year ended 31 December 2015, the Group has high expectations for continued growth in freight volumes in the PRC and the prospects of the port business in the PRC, especially the inland ports along the "Yangtze River Economic Belt", which is an inland economic belt that coordinates the development of the Eastern, Central and Western regions of China.

In addition, current PRC government policy is expected to provide additional impetus to the development of integrated transport infrastructure and growth in cargoes in respect of the ports in Wuhan, including the WIT Port and the Multi-Purpose Port. As set out in the Guideline in relation to the promotion of the development of the Yangtze River Economic Belt through the Golden Waterway* (關於依託黃金水道推動長江經濟帶發展的指導意見) issued by the State Council of the PRC, one of the focuses of the PRC government is on the upgrading of logistics and shipping centres for the development of the Yangtze River Economic Belt. It is expected that Wuhan will enjoy a boost in upriver commerce, and the development of the middle and upper sections of Yangtze River will also be promoted. To capture this future economic growth in Wuhan and to better position itself against the competition from neighbouring ports, it has been the Group's business plan to expand its existing businesses and to strive for new breakthroughs via acquisitions since the second half of 2015.

The following table sets forth the major acquisitions of the Group during the years ended 31 December 2014, 2015 and 2016 and up to the date of this annoucement:

	Acquisition	**Date**	**Business**	**Type of transaction under chapter 19 of the GEM Listing Rules**
1.	Acquisition of the Hannan Port Group	June 2016	Principally engaged in the investment in, development and management of the Hannan Port, a port located along the Yangtze River in Wuhan, adjacent to the Shanghai-Chengdu, Beijing Zhuhai Expressway and within 80 kilometres of the Beijing-Guangzhou Beijing-Kowloon rail link. The Hannan Port is planned to be developed into a multiservice platform in phases, providing terminal, warehousing and logistics services	Major transaction
2.	Acquisition of 60% equity interest in Shayang Guoli	June 2016	Principally engaged in (i) the investment in, construction, development and management of the Shayang Port; (ii) management and operation of the transportation-related advertising business; and (iii) land-related development through land reserve development centres	Discloseable transaction
3.	Acquisition of 60% equity interest in Zhongxiang Development	December 2016	Principally engaged in (i) the investment in, development and management of the Shipai Port; (ii) loading and unloading of cargo; and (iii) shipping agency services	Discloseable transaction
4.	Acquisition of the entire equity interest in Zhongji Construction	January 2017	Although Zhongji Construction has not obtained any municipal construction projects as at the date of this announcement, it holds the Zhongji Operating Licence and intends to act as main contractor in such projects	Not applicable

Reasons for and benefits of the previous acquisitions

Hannan Port Group

The Hannan Port is located along the Yangtze River in Wuhan, adjacent to the Shanghai-Chengdu, Beijing Zhuhai Expressway and within 80 kilometers of the Beijing-Guangzhou Beijing-Kowloon rail link. Wuhan, the provincial capital of Hubei, is an important transport hub in the PRC. In terms of riverway traffic, Wuhan is linked through the Yangtze River with six provinces (namely Jiangsu, Anhui, Hubei, Sichuan, Jiangxi and Hunan) and Shanghai. Given the important role of Wuhan in the development of the Yangtze River Economic Belt, the Directors consider that it is in the interests of the Group to make further investments in its port businesses in Wuhan area.

As disclosed above, the Group has been facing competition from its neighbouring port operator capturing marketing shares from the Group through the deployment of tariff cutting tactics to induce customers to use its port. To capture the future economic growth in Wuhan and to better position itself against the competition from neighbouring ports, the acquisition of the Hannan Port Group provided an opportunity for the Group to expand its geographical coverage beyond the Yanglao Port Area where the WIT Port and the Multi-Purpose Port in Wuhan are located. The Directors believe that the acquisition of the Hannan Port Group creates synergies between the WIT Port and the Hannan Port, particularly because the management team of the WIT Port has extensive experience in the construction, development and management of ports in the PRC. Being the feeder port of the WIT Port, the Hannan Port can increase the throughput capacity of the WIT Port to satisfy the demand for logistic services in Wuhan. The WIT Port, together with the Hannan Port, can provide more cost effective solutions to the Group's customers. As the Hannan Port is planned to be developed into a multi-purpose service platform in phases, providing terminal, warehousing and logistics services and such other services including RORO (Roll on Roll off), bulk cargo transportation and storage, automobile spare parts processing and logistics, the acquisition of the Hannan Port Group has also provided the opportunity for the Group to extend its scope of services.

During the years ended 31 December 2014, 2015 and 2016 and up to the date of this announcement, the Hannan Port Group has been managed by the same core management team (the "**Hannan Management Team**"). Following the acquisition of the Hannan Port Group by the Group in June 2016, Mr. Xie Bingmu, an executive Director and the chief executive officer of the Company, joined the Hannan Management Team and became an executive director of each of Hannan Port Company and Hannan Port Logistics in December 2016 to oversee the business operation of the Hannan Port. It is expected that the Hannan Port Group will continue to be managed by the Hannan Management Team led by Mr. Xie Bingmu.

Shayang Guoli

The Shayang Port is one of the major port construction projects under the "12th Five-Year Plan" of Hubei Province of the PRC, and will serve as a water transportation hub connecting the surrounding six provinces, is an essential material distribution centre for Central Wuhan and also a superior port area for the middle reaches of the Han River. The investment in Shayang Guoli was made as part of the Group's strategy to establish a synergistic connection between the Shayang Port and the WIT Port in the Yangtze River Basin. This serves to maximise the WIT Port's advantage as a logistics centre for the Yangtze River, which is in line with the "One Belt, One Road" policy in the PRC, and is beneficial to the Group's implementation of its strategic aims in the Yangtze River Basin.

Zhongxiang Development

Zhongxiang Development is involved in the development of the Shipai Port, which is located in Shipai County, Zhongxiang City of the PRC and intended to be developed into a port, logistics and industrial mixed-use port district with an area of approximately 25 square kilometers. The port portion of the Shipai Port will occupy an area of approximately 2.5 square kilometers with four (4) 1000-tonne class berths, and a logistical park covering approximately 2.5 square kilometers to be constructed next to the port area. The Board believes the investment in the Shipai Port provides an opportunity for the Group to expand its geographical coverage and create synergy among its ports.

Zhongji Construction

The Directors believe that the acquisition of Zhongji Construction represents a good opportunity for the Group to diversify its business. Given that Zhongji Construction holds the Zhongji Operating Licence and intends to act as the main contractor in municipal construction projects, the acquisition will enable the Group to explore new business opportunities in the construction industry. The consideration of RMB43.6 million for the acquisition of Zhongji Construction was determined after arm's length negotiations between the parties on normal commercial terms taking into account of (i) a valuation report prepared by an independent professional valuer in relation to the fair value of (A) the net asset value of Zhongji Construction with reference to the shareholders' equity being the amount of issued capital of RMB40.0 million of Zhongji Construction, less expenses incurred up to the date of this acquisition; and (B) the fair value of the Zhongji Operating Licence; and (ii) the future business prospects of Zhongji Construction. For further details on Zhongji Construction, please refer to the section headed "Scope of the Group's business – Municipal Construction Business" in this announcement.

In light of the rapid urbanisation of and urban development in the PRC, the Directors believe that the municipal engineering and infrastructure construction market will further enlarge. However, the municipal construction industry in Wuhan is highly competitive. By the end of 2016, there were over 1,000 main contractors and subcontractors in Wuhan. State-owned or controlled contractors undertook approximately 60.6% of the municipal construction work in Wuhan with two contractors covering approximately 48.6% of the municipal construction work in Wuhan for the year ended 31 December 2016, whereas private contractors undertook approximately 39.2% of the municipal construction work in Wuhan for the year ended 31 December 2016.

While Zhongji Construction had not obtained any municipal construction projects before it was acquired by the Group in January 2017, it has been negotiating for taking up the role of main contractor in municipal construction projects with a focus on ancillary infrastructure in Hubei Province. It has not obtained any municipal construction project as at the date of this announcement.

REGULATORY COMPLIANCE

The Directors have confirmed that the Group did not have any serious or potential serious breach of the GEM Listing Rules and material non-compliances in all material respects during the years ended 31 December 2014, 2015 and 2016 and up to the date of this announcement.

SHARE OPTION SCHEME

The share option scheme of the Company adopted on 2 September 2005 was cancelled in the year 2011. As at the date of this announcement, there is no option outstanding held by any Directors, employees of the Group or any eligible persons as defined in the scheme.

PUBLIC FLOAT

The Directors confirm that no less than 25% of the total issued Share was held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

There are no outstanding options, warrants or similar rights or convertible equity securities issued by the Company, which will be transferred to the Main Board as at the date of this announcement.

BIOGRAPHICAL INFORMATION OF DIRECTORS

The Company discloses below the biographical information of each Director:

Executive Directors

Mr. Xie Bingmu (謝炳木), aged 54, an executive Director, was appointed to the Board on 7 March 2014. He is also the chief executive officer, an authorised representative and the compliance officer of the Company. He has been the general manager of Wuhan International Container Company Limited* (武漢國際集裝箱有限公司)("**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 in 2001. He is an accountant in the PRC. Mr. Xie has over 30 years' experience in port and container terminal business in the PRC. Mr. Xie joined the Group in March 2001. Prior to joining the Group and for the years between 1997 and 2001, Mr. Xie had worked in an international port company and container terminal company in the PRC.

Mr. Xie entered into a service agreement with the Company for a fixed term of three years from 7 March 2017 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. The annual salary for Mr. Xie is RMB84,000, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Xie did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Xie has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Zhang Jiwei (張 際 偉), aged 55, an executive Director, was appointed to the Board on 27 October 2016. Mr. Zhang was the head of the City Design Bureau of Huang Gang City from 1982 to 1997, the head of the Huang Gang City Planning Bureau from 1997 to 2012, and held other positions in the Huang Gang City government from 2012 to 2014. Mr. Zhang obtained a bachelor's degree in industrial and civil engineering from Wuhan University of Technology in 1982 and a master degree in managerial economics from Nanyang Technological University in 2009.

Mr. Zhang entered into a service agreement with the Company for a fixed term of three years from 27 October 2016 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. The annual salary for Mr. Zhang is RMB264,000, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Zhang did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Ms. Liu Qin (劉琴), aged 49, an executive Director, was appointed to the Board on 21 November 2011. Ms. Liu has over 20 years of experience in real estate development, business project operations, human resource management and administration. Ms. Liu is the chief executive officer and general manager of Hankou North Group Co., Ltd., a subsidiary of Zall Group Ltd. (stock code: 2098), of which Mr. Yan Zhi, a non-executive Director and chairman of the Company, is a controlling shareholder and the shares of which are listed on the Main Board of the Stock Exchange. Ms. Liu is also the vice president of Zall Holdings Company Limited which is a company wholly-owned by Mr. Yan Zhi and a controlling Shareholder. 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 obtained a senior economist qualification certificate from the Human Resources and Social Security Department of Hubei Province in 2014.

Ms. Liu entered into a service agreement with the Company for a fixed term of three years from 20 November 2014 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. The annual salary for Ms. Liu is RMB84,000, which was determined with reference to her duties, responsibilities and the results of the Group.

Save as disclosed above, Ms. Liu did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Save as disclosed above, Ms. Liu has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Ms. Liu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Non-executive Directors

Mr. Yan Zhi (閻 志), aged 45, a non-executive Director and chairman of the Company, was appointed to the Board on 21 November 2011. Mr. Yan has extensive experience in logistics, project planning, business and operation management. He has approximately 10 years of experience in the commercial property and wholesale shopping mall industries, as well as approximately 20 years of experience in the advertising and media industry and business management. Mr. Yan is the co-chairman and executive director of Zall Group Ltd. (stock code: 2098), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Yan has been appointed as a director of LightInTheBox Holding Co., Ltd., a company listed on New York Stock Exchange since 30 March 2016. Mr. Yan received a master's degree in business administration for senior executives from Wuhan University (武漢大學) in February 2008 and his executive master of business administration degree at Cheung Kong Graduate School of Management (長江商學院) in 2013.

Mr. Yan entered into a service agreement with the Company for a fixed term of three years from 20 November 2014 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. The annual salary for Mr. Yan is RMB240,000, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Yan did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Yan has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Yan is interested in 1,290,451,130 Shares held through Zall Infrastructure Investments Company Limited and Zall Holdings Company Limited, which represent approximately 74.81% of the entire issued share capital of the Company, within the meaning of Part XV of the SFO. Mr. Yan is the sole shareholder of Zall Holdings Company Limited and is a director of each of Zall Holdings Company Limited and Zall Infrastructure Investments Company Limited.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Xia Yu (夏禹), aged 57, a non-executive Director, was appointed to the Board on 27 October 2016. He worked in various positions at the finance department of a state-operated organisation from 1981 to 1997, was the head of the commerce committee, financial controller and party branch secretary from 1997 to 2000 of a state-operated organisation, and was the chairman of the board of Hubei Xuelong Group Co., Limited (湖北雪龍集團股份有限公司) from 2000 to 2003. Since 2004, Mr. Xia has been a director at Zall Holdings Company Limited, which is a company wholly-owned by Mr. Yan Zhi and a controlling Shareholder. Mr. Xia obtained a bachelor's degree in managerial economics from Central Party School Open College in 1997, and holds the qualification of senior accountant.

Mr. Xia entered into a service agreement with the Company for an initial fixed term of three years from 27 October 2016 and will continue thereafter until terminated in accordance with the terms of the agreement, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. The annual salary for Mr. Xia is RMB84,000, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Xia did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Xia has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Xia does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Independent Non-executive Directors

Mr. Lee Kang Bor, Thomas (李鏡波), aged 64, an independent non-executive Director, was appointed to the Board on 2 September 2005. He has been a member and the chairman of the Audit Committee and the Remuneration Committee since September 2005 and is a member of the Nomination Committee of the Company. 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 a past president and honorary advisor of Asia Oceania Tax Consultants' Association. Mr. Lee is the chairman of Thomas Lee & Partners Limited, Certified Tax Advisers. Mr. Lee is an independent non-executive director of Sparkle Roll Group Limited (stock code: 0970), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Lee had been an independent non-executive director of Camsing International Holding Limited (formerly known as Fittec International Group Limited, stock code: 2662), the shares of which are listed on the

Main Board of the Stock Exchange, since 21 January 2016 and had been the chairman of the audit committee and a member of the remuneration committee of such company since 4 February 2016, until he resigned from such positions on 31 May 2016.

The Company and Mr. Lee entered into an appointment letter for a fixed term from 18 May 2017 until the Company's annual general meeting in 2018, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. Mr. Lee is entitled to a director's fee of HK$340,000 per annum, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Lee has not held any other position in the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years. Mr. Lee has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Lee does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Wong Wai Keung, Frederick (黃煒強), aged 62, an independent non-executive Director, was appointed to the Board on 1 April 2014. He has been a member of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company since April 2014 and chairman of the Nomination Committee since October 2015. He has been a fellow member of the Institute of Chartered Accountants in England and Wales since 1993 and the Hong Kong Institute of Certified Public Accountants since 1991, and holds a master's degree in electronic commerce from Edith Cowen University, Western Australia. Mr. Wong has over 30 years of accounting, finance, audit, tax and corporate finance experience and has worked at an international certified public accountants firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand. Mr. Wong is currently an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of Perfect Group International Holdings Limited (stock code: 3326), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Wong had been the chief financial officer of Asia Investment Finance Group Limited (stock code: 33), the shares of which are listed on the Main Board of the Stock Exchange, since 18 September 2017 and also acted as the company secretary and authorised representative of the company since 25 September 2017 until he resigned from such positions on 3 November 2017. Mr. Wong had been the chief financial officer of APAC Resources Limited (stock code: 1104), the shares of which are listed on the Main Board of the Stock Exchange, since January 2011 and also acted as the company secretary of the company between April 2011 and December 2011 and since February 2013 until he resigned from such positions in July 2016 and served as a consultant to the company between August 2016 and October 2016. Prior to joining APAC Resources Limited, Mr. Wong was the chief financial officer, company secretary and authorised representative of the Company from January 2001 to January 2011. He was also an executive director of Hwa Kay Thai Holdings Limited (now known as China Solar Energy Holdings Limited) (stock code: 0155) from 1996 to 1999, the shares of which are listed on the Main Board of the Stock Exchange.

The Company and Mr. Wong entered into an appointment letter for a fixed term from 18 May 2017 until the Company's annual general meeting in 2018, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. Mr. Wong is entitled to a director's fee of HK$320,000 per annum which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Mr. Wong did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Mr. Wong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Wong does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Dr. Mao Zhenhua (毛振華), aged 54, an independent non-executive Director, was appointed to the Board on 1 January 2016. He has been a member of the Nomination Committee, Audit Committee and Remuneration Committee of the Company since January 2016. Dr. Mao graduated from Wuhan University with a Doctorate Degree in Economics. Dr. Mao is the founder and the chairman of China Chengxin Group. He has been a part-time professor of Renmin University of China and Nankai University, as well as the Associate Director of the Institute of Economic Research in Renmin University of China. Dr. Mao had carried out economic analysis and policies research for the Statistics Bureau of Hubei Province, Hubei Provincial Policy Research Office, Hainan Provincial Government Research Office and the Research Office of the State Council. Since October 2005, Dr. Mao has been a non-executive director, a member of Audit Committee and the chairman of Strategy Committee of U-Home Group Holdings Limited (stock code: 2327), the shares of which are listed on the Main Board of the Stock Exchange.

The Company and Dr. Mao entered into an appointment letter for a fixed term from 18 May 2017 until the Company's annual general meeting in 2018, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. Dr. Mao is entitled to a director's fee of HK$300,000 per annum which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, Dr. Mao did not hold any other position in the Group and did not hold any directorship in any other listed companies in Hong Kong or overseas in the last three years. Dr. Mao has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Dr. Mao does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the respective websites of the Company at *www.cigyangtzeports.com* and of the Stock Exchange at *www.hkexnews.hk*:

(a) the third quarterly report of the Company for the nine months ended 30 September 2017;

(b) the interim report of the Company for the six months ended 30 June 2017;

(c) the first quarterly report of the Company for the three months ended 31 March 2017;

(d) the annual report of the Company for the year ended 31 December 2016;

(e) the third quarterly report of the Company for the nine months ended 30 September 2016;

(f) the interim report of the Company for the six months ended 30 June 2016;

(g) the first quarterly report of the Company for the three months ended 31 March 2016;

(h) the Articles;

(i) a copy of each of the circulars to the Shareholders issued by the Company in the immediately preceding full financial year; and

(j) a copy of each of the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

"Acquisition"	the acquisition of Zall Infrastructure by the Group, details of which are set out in the Acquisition Circular
"Acquisition Agreement"	the share transfer agreement dated 28 November 2015 (as supplemented by the Supplemental Acquisition Agreement) entered into by and among CIG Corporate Finance as purchaser, Zall Holdings as vendor and Mr. Yan as guarantor in relation to, among others, the Acquisition
"Acquisition Circular"	the circular of the Company dated 26 May 2016 in relation to the Acquisition
"Articles"	the articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Main Board Listing Rules

"Audit Committee"	the audit committee established by the Board
"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Operational Procedures"	the operation procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
"CIG Corporate Finance"	CIG Yangtze Corporate and Project Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Company"	CIG Yangtze Ports PLC, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM
"Completion Date"	the third business day after the date on which all the conditions precedents to the Acquisition Agreement are fulfilled or waived
"controlling shareholder(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Director(s)"	director(s) of the Company
"GEM Listing Rules"	the Rules Governing the Listing of the Securities on the GEM
"GEM"	the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries
"Hannan Port"	Hannan Port (漢南港), a port located within the Yangtze River Basin in Hubei Province, the PRC, owned as to 99% by the Group, and managed and operated by the Group
"Hannan Port Group"	Zall Infrastructure and its subsidiaries, including Hannan Port Company and Hannan Port Logistics
"Hannan Port Logistics"	Hubei Hannan Port Logistics Company Limited* (湖北漢南港物流有限公司), a company established in the PRC with limited liability, the entire share capital of which is owned by Hannan Port Company

"Hannan Port Company"	Hubei Hannan Port Enterprise Company Limited* (湖北漢南港實業有限公司), a company established in the PRC with limited liability, which is indirectly owned as to 99% by Wuhan Zall Infrastructure Company Limited* (卓爾基業建設(武漢)有限公司) and 1% by Mr. Yan
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock market operated by the Stock Exchange prior to the establishment of the GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with the GEM. For the avoidance of doubt, the Main Board excludes the GEM
"Mr. Yan"	Mr. Yan Zhi, a non-executive Director, the chairman of the Board and the controlling shareholder of the Company
"Multi-Purpose Port"	Multi-Purpose Port (通用港口), a port located within the Yangtze River Basin in Wuhan City, Hubei Province, the PRC, wholly owned by the Group, and managed and operated by the Group
"Nomination Committee"	the nomination committee established by the Board
"Port Operating Licence"	Port Operating License* (港口經營許可證) issued by the Traffic Management Department (交通管理部門)
"PRC Legal Advisers"	Jingtian & Gongcheng, the legal advisers to the Company in respect of PRC laws
"PRC"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Remuneration Committee"	the remuneration committee established by the Board
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each of the Company
"Shareholder(s)"	holder(s) of the Share(s)

"Shayang Guoli"	Shayang County Guoli Transportation Investment Co. Limited* (沙洋縣國利交通投資有限公司), a company established in the PRC and owned as to 60% by the Group
"Shayang Port"	Shayang Port (沙洋港), a port located within the Yangtze River Basin in Shayang Country, Hubei Province, the PRC, owned as to 60% by the Group, and managed and operated by the Group
"Shipai Port"	Shipai Port (石牌港) , a port located within the Yangtze River Basin in Wuhan City, Hubei Province, the PRC, owned as to 60% by the Group, and managed and operated by the Group
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Supplemental Acquisition Agreement"	the supplemental acquisition agreement dated 22 February 2016 entered into by and among CIG Corporate Finance as purchaser, Zall Holdings as vendor and Mr. Yan as guarantor
"TEU"	Twenty-foot Equivalent Unit
"Tongshang Supply Chain"	Tongshang Supply Chain Management (Wuhan) Company Limited* (通商供應鏈管理(武漢)有限公司), an indirect wholly-owned subsidiary of the Company
"Transfer of Listing"	the transfer of listing of the Shares from the GEM to the Main Board pursuant to Chapter 9A of the Main Board Listing Rules
"WIT"	Wuhan International Container Company Limited* (武漢國際集裝箱有限公司), a company established in the PRC with limited liability, owned as to 85% by the Group and principally engaged in the operation and management of the WIT Port and the Multi-Purpose Port
"WIT Port"	WIT Port (武漢陽邏港), a port located within the Yangtze River Basin in Wuhan City, in Hubei Province, the PRC, owned as to 85% by the Group, and managed and operated by the Group
"Yangluo" or "Yangluo Port Area"	Yangluo Economic Development Zone, Wuhan City, Hubei Province, the PRC
"Zall HK"	Zall Development (HK) Holding Company Limited, a company incorporated in Hong Kong and wholly owned by Mr. Yan. Zall HK is a connected person of the Company

"Zall Holdings"	Zall Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor to the Acquisition, the entire share capital of which is owned by Mr. Yan
"Zall Infrastructure"	Zall Infrastructure Group Company Limited, a company incorporated in the British Virgin Islands with limited liability and the entire share capital of which was owned by Zall Holdings before completion of the Acquisition
"Zhongji Construction"	Zhongji Tongshang Municipal Construction Engineering (Wuhan) Co., Ltd.* (中基通商市政工程(武漢)有限公司) (formerly known as Hubei Haiwote Municipal Construction Engineering Co. Limited* (湖北海沃特市政工程有限公司)), a company established in the PRC and wholly-owned by the Group
"Zhongji Operating Licence"	the operating licence, namely Municipal Public Work Construction Contractor (Second Tier)* (市政公用工程施工總承包貳級), held by Zhongji Construction which is necessary for the engagement in municipal construction projects in the PRC and is expiring on 6 January 2021
"Zhongxiang Development"	Zhongxiang City Port Development Co. Limited* (鐘祥市中基港口發展有限公司), a company established in the PRC and owned as to 60% by the Group
"%"	per cent

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

Hong Kong, 19 January 2018

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Main Board Listing Rules and the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xie Bingmu, Mr. Zhang Jiwei and Ms. Liu Qin, two non-executive Directors, namely Mr. Yan Zhi and Mr. Xia Yu and three independent non-executive Directors, namely Mr. Lee Kang Bor, Thomas, Mr. Wong Wai Keung, Frederick and Dr. Mao Zhenhua.

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

* *For identification purpose only*