珠江船務發展有限公司
CHU KONG SHIPPING DEVELOPMENT CO., LTD.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 00560)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2009

CHAIRMAN'S STATEMENT

For the six months ended 30th June 2009, the Company and its subsidiaries (the "Group") recorded a consolidated revenue amounting to HK$367,587,000, down by 19.7% against the previous period. Profit attributable to equity holders of the Company amounted to HK$41,639,000, 43.5% less than the same period last year.

DIVIDENDS

The Board of Directors has declared an interim dividend of HK0.5 cent per ordinary share for the year ending 31st December 2009 to the equity holders whose names appear on the Register on 12th October 2009.

REVIEW AND OUTLOOK

During the period under review, China's import and export trade was continuously affected by the financial tsunami. Hong Kong, being one of the most important transshipment ports for the international trade of Mainland China, was inevitably hit with a double digit decrement in the logistics volume. It was very difficult for the Group to be immune from the impact in this adverse environment. Our cargo throughput and profit both declined.

In response to the rigorous challenge from the financial tsunami, management of the Group made great efforts to instill positive elements for the business. In order to further improve and strengthen our internal management, the Group put emphasis on reinforcing the management teams of different companies and adjusting the boards of directors and general management teams of some subsidiaries from time to time. We also enhanced the strategic planning of our production and operation, refined the division of labor and cooperation among various operational units such as freight forwarding, fleet and terminal and reformed the assessment and allocation mechanisms so as to set up a pay system which could induce greater incentive. For marketing and customer services, the Group was trying to integrate marketing, make use of the advantages from a variety of services, widen the network coverage of the logistics business of the Group, introduce comprehensive integrated logistics services, strengthen business training and further improve customer complaints mechanism in order to enhance services quality.

The development of the logistics projects of the Group undertaken in the Mainland was remarkable. The construction of the vehicle inspection center of Zhaoqing Dawang Logistics Base had been completed. Having obtained the required business qualifications, it started its operations on 18th June 2009. The change procedures for the acquisition of the equity shares of Zhaoqing New Port had also been completed. A new operations management team had been set up and the business development appeared to be successfully. Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd. was established by the Group and it successfully took over and operated Sihui Mafang Port which was acquired in auction in early 2009. The Gaoyao Port had also completed the re-construction project. The expansion project of the berths at Foshan Gaoming Port was accomplished and operations had commenced. The feasibility study for land acquisition and construction of Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd. had been completed. It had obtained approval from almost all the relevant government departments and it was expected that the construction works would start in the second half of the year. The acquisition of the additional 22.5% equity interests of Foshan Nankong Terminal Co., Ltd. by the Group at a consideration of RMB31,680,000 had been approved at the Extraordinary General Meeting. This port is located in the core area of Foshan with good economic efficiency and the acquisition would enhance the control of the port.

Following the gradual recovery of the global economy, it is expected that there will be a corresponding increase in the international trade in the second half of 2009. However, as the impact of the financial tsunami was devastating, the time required for recovery will be considerably long. If the oil price continues to rise in the second half of the year, the cost pressure will inevitably escalate. Therefore, the Company has to remain cautions about the operation situation in this period.

RELATION WITH INVESTORS

The website of our Company (www.cksd.com) is one of the important channels to provide timely information for the market.

APPRECIATION

Finally, I would like to represent the Board of Directors to express its compliment to all customers and stakeholders for their continued support to the Group's development even at the difficult time during the financial tsunami, and its appreciation to all staff for their dedication.

Hua Honglin
Chairman

Hong Kong, 15th September 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2009

	Note	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**560,985**	354,052
Investment properties		**4,557**	11,429
Leasehold land and land use rights		**406,205**	343,436
Intangible assets – goodwill		**29,553**	18,438
Jointly controlled entities		**332,788**	341,503
Deferred income tax assets		**336**	336
		1,334,424	1,069,194
Current assets			
Trade and other receivables	*4*	**314,170**	229,887
Derivative financial instruments		**-**	1,536
Cash and bank balances		**576,153**	750,379
		890,323	981,802
Total assets		**2,224,747**	2,050,996

	Note	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000 (Restated)
EQUITY			
Share capital		**90,000**	90,000
Reserves		**1,666,949**	1,628,904
Final dividend proposed		**-**	27,000
Interim dividend declared		**4,500**	-
		1,761,449	1,745,904
Minority interests		**79,259**	17,655
Total equity		**1,840,708**	1,763,559
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**27,231**	12,488
Borrowing – secured		**40,839**	-
		68,070	12,488
Current liabilities			
Trade and other payables	*5*	**302,700**	269,496
Income tax payables		**9,866**	5,453
Borrowing – secured		**3,403**	-
		315,969	274,949
Total liabilities		**384,039**	287,437
Total equity and liabilities		**2,224,747**	2,050,996
Net current assets		**574,354**	706,853
Total assets less current liabilities		**1,908,778**	1,776,047

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Note	**2009** **HK$'000**	2008 HK$'000 (Restated)
Revenue	*3*	**367,587**	457,966
Cost of services rendered	*6*	**(296,708)**	(388,273)
Gross profit		**70,879**	69,693
Other income		**4,594**	5,329
Other (losses)/gains – net	*7*	**(1,574)**	24,591
General and administrative expenses	*6*	**(59,943)**	(58,632)
Operating profit		**13,956**	40,981
Finance income		**5,035**	6,261
Finance cost		**(348)**	(183)
Share of profits less losses of jointly controlled entities		**30,282**	35,746
Profit before income tax		**48,925**	82,805
Income tax expense	*8*	**(8,073)**	(9,268)
Profit for the period		**40,852**	73,537
Attributable to:			
Equity holders of the Company		**41,639**	73,646
Minority interests		**(787)**	(109)
		40,852	73,537
Dividends	*9*	**4,500**	18,000
Earnings per share (HK cents)	*10*		
Basic and diluted		**4.63**	8.18

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	2009	2008
	HK$'000	HK$'000
		(Restated)
Profit for the period	**40,852**	73,537
Other comprehensive income:		
Currency translation differences		
- Subsidiaries	**928**	21,994
- Jointly controlled entities	**-**	18,630
Total comprehensive income for the period	**41,780**	114,161
Attributable to:		
Equity holders of the Company	**42,545**	113,761
Minority interests	**(765)**	400
	41,780	114,161

NOTES

1. Basis of preparation

(i) This interim financial information for the six months ended 30th June 2009 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This unaudited consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2008, which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

(ii) On 1st January 2009, Guangdong Province Navigation Holdings Company Limited ("GPNHCL"), the parent company of the Company, underwent a group reorganisation (the "Reorganisation"), pursuant to which the remaining voting right of Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. ("CKIFF"), a then jointly controlled entity, was transferred to the Company. Accordingly, the Company becomes the holding company of CKIFF and its subsidiaries, Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd. and Chu Kong (Guangdong) International Shipping Agency Co., Ltd. (collectively the "Transferred Subsidiaries"), now comprising the Group.

The transactions resulting from the Reorganisation above are regarded as business combinations under common control. Accordingly, the interim financial information for the six months ended 30th June 2009, including the comparative figures, has been prepared on the basis as if the Company had been the holding company of the Transferred Subsidiaries comprising the Group throughout the periods presented or since their respective dates of incorporation, whichever are the shorter period.

2. Principal accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2008, except that the Group has adopted the following new and revised standards and amendments to existing standards (collectively the "new HKFRSs") issued by the HKICPA which are relevant to the Group's operations and mandatory for the financial year beginning 1st January 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 1 and HKAS 27 Amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 7 Amendment	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

<u>Improvements to existing standards (published in October 2008)</u>

HKAS 1 Amendment	Presentation of Financial Statements
HKAS 16 Amendment	Property, Plant and Equipment
HKAS 19 Amendment	Employee Benefits
HKAS 23 Amendment	Borrowing Costs
HKAS 27 Amendment	Consolidated and Separate Financial Statements
HKAS 31 Amendment	Interests in Joint Ventures
HKAS 36 Amendment	Impairment of Assets
HKAS 38 Amendment	Intangible Assets
HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
HKAS 40 Amendment	Investment Property

2. Principal accounting policies (Continued)

The adoption of the above new HKFRSs in the current period did not have any significant effect on the interim financial information or result in any substantial changes in the Group's accounting policies or presentation except that additional disclosures will be made in the 2009 annual financial statements.

The HKICPA has issued certain new and revised standards, interpretations and amendments which are not yet effective for the financial year ending 31st December 2009. The Group has not early adopted these standards, interpretations and amendments in the interim financial information but has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial statements will be resulted.

3. Segment information

The chief operating decision-maker has been identified as the board of directors of the Company, who reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board of Directors of the Company considers the business from business perspectives and assesses the performance of the Group and its jointly controlled entities which are organized into five main businesses:

(i) Cargo transportation - Shipping agency, river trade cargo direct shipment and transshipment

(ii) Cargo handling and storage - Wharf cargo handling, cargo consolidation and godown storage

(iii) Container hauling and trucking

(iv) Expressway operation

(v) Corporate and other businesses

3. Segment information (Continued)

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Container hauling and trucking HK$'000	Expressway operation HK$'000	Corporate and other businesses HK$'000	Total HK$'000
Six months ended 30th June 2009						
Total revenue	308,377	84,891	26,928	-	-	420,196
Inter-segment revenue	(9)	(28,766)	(23,834)	-	-	(52,609)
Revenue (from external customers)	308,368	56,125	3,094	-	-	367,587
Segment profit/(loss) before income tax expense	55,518	1,305	(15,230)	13,949	(6,617)	48,925
Six months ended 30th June 2008 (restated)						
Total revenue	398,586	87,921	28,362	-	-	514,869
Inter-segment revenue	(8)	(32,028)	(24,867)	-	-	(56,903)
Revenue (from external customers)	398,578	55,893	3,495	-	-	457,966
Segment profit/(loss) before income tax expense	57,864	2,863	(15,583)	20,101	17,560	82,805

3. Segment information (Continued)

	Cargo transportation HK$'000	Cargo handling and storage HK$'000	Container hauling and trucking HK$'000	Expressway operation HK$'000	Corporate and other businesses HK$'000	Total HK$'000
As at 30th June 2009						
Total segment assets	259,870	1,180,238	117,108	126,434	541,097	2,224,747
Total segment assets include:						
Jointly controlled entities	978	147,710	24,166	126,434	33,500	332,788
Total segment liabilities	225,493	122,098	15,547	-	20,901	384,039
As at 31st December 2008 (restated)						
Total segment assets	312,627	985,523	124,740	122,374	505,732	2,050,996
Total segment assets include:						
Jointly controlled entities	1,042	161,089	23,424	122,374	33,543	341,472
Total segment liabilities	222,675	41,129	10,398	-	13,235	287,437

4. Trade and other receivables

The normal credit periods granted by the Group to customers on open accounts range from seven days to three months from the date of invoice. The ageing analysis of the trade receivables is as follows:

	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000 (Restated)
Within 3 months	**113,742**	102,656
4 to 6 months	**1,536**	1,169
7 to 12 months	**109**	167
Over 12 months	**3,974**	4,306
	119,361	108,298
Less: Provision for impairment	**(4,150)**	(3,849)
	115,211	104,449

5. Trade and other payables

The ageing analysis of the trade payables is as follows:

	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000 (Restated)
Within 3 months	**157,270**	151,148
4 to 6 months	**16,300**	28,354
7 to 12 months	**299**	173
Over 12 months	**5,450**	1,043
	179,319	180,718

6. Costs and expenses by nature

	Six months ended 30th June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Amortisation of leasehold land and land use rights	**3,938**	3,686
Costs of cargo transportation, handling, storage, container hauling and trucking	**212,791**	306,521
Depreciation of property, plant and equipment	**12,353**	10,291
Depreciation of investment properties	**52**	52
Operating lease rental expenses		
- vessels and barges	**45,367**	41,595
- buildings	**5,839**	6,619
Staff costs (including directors' emoluments)	**58,240**	58,350
Others	**18,071**	19,791
Total cost of services rendered and general and administrative expenses	**356,651**	446,905

7. Other (losses) / gains – net

	Six months ended 30th June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Exchange (losses) / gains, net	**(1,880)**	24,142
Gain / (loss) on disposal / write off of property, plant and equipment	**352**	(22)
Write-back for impairment of trade receivables, net	**14**	250
Fair value (loss) / gain on derivative financial instruments	**(60)**	221
	(1,574)	24,591

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

PRC corporate income tax has been calculated on the estimated assessable profit for the period at the income tax rate of the PRC entities in the range from 20% to 25% (2008: 9% to 25%).

	Six months ended 30th June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Current income tax		
Hong Kong profits tax	**3,494**	4,327
PRC corporate income tax	**1,428**	841
Deferred income tax	**3,151**	4,100
	8,073	9,268

9. Dividends

On 15th September 2009, the Board of Directors declared an interim dividend of HK0.5 cent per ordinary share for the year ending 31st December 2009. This dividend declared is not reflected as dividend payable in this consolidated interim financial information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2009.

10. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2009	2008
Profit attributable to equity holders (HK$'000)	**41,639**	73,646
Weighted average number of ordinary shares in issue (thousands)	**900,000**	900,000
Basic and diluted earnings per share (HK cents)	**4.63**	8.18

The diluted earnings per share for the six months ended 30th June 2009 and 2008 is equal to the basic earnings per share as there are no potential dilutive ordinary shares in issue during both periods.

11. Capital commitments

	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000
Contracted but not provided for in respect of:		
- Land use rights	**55,360**	55,335
- Property, plant and equipment	**33,298**	70,520
Authorised but not contracted for in respect of:		
- Property, plant and equipment	**7,849**	4,892
	96,507	130,747

The Group's share of commitments for capital expenditure of the jointly controlled entities themselves not included in the above is as follows:

	As at 30th June 2009 HK$'000	As at 31st December 2008 HK$'000
Contracted but not provided for	**17,504**	56,790
Authorised but not contracted for	**2,632**	4,037
	20,136	60,827

12. Events after the balance sheet date

On 15th July 2009, an ordinary resolution was passed by way of poll by the independent shareholders in respect of the acquisition of 22.5% equity interest in Foshan Nankong Terminal Co., Ltd. ("Foshan Nankong"), a jointly controlled entity of the Group, at a consideration of RMB 31,680,000 from Guangdong Province Zhujiang Navigation Company Limited, a subsidiary of GPNHCL. After the completion of the acquisition, the Group's interest in Foshan Nankong will increase from 25% to 47.5%, and it will continue to be accounted for as a jointly controlled entity.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

For the six months ended 30th June 2009, the Group recorded a consolidated revenue of HK$367,587,000, a decrease of 19.7% as compared with the prior period. Profit attributable to equity holders of the Company was HK$41,639,000, representing a decrease of 43.5% as compared with the prior period.

Under the impact of the financial tsunami in the forth quarter of 2008, there was still a substantial decline in the global economy in the first quarter of 2009. The weak consumer confidence led to a shrinking demand, Hong Kong's import and export trade volume decreased by 17.5% during the period and a decrease of cargo throughput accordingly. However, as different governments stepped up their efforts to boost measures to save the economy, the economies in Europe and the United State had signs of stabilizing in the second quarter of 2009. Meanwhile, the PRC government launched the plan of revitalizing the ten major industries as well as introduced loose monetary policy to provide large amount of credit in the economy which eased the serious impact of the financial crises.

During the period, with the continuous influence from the financial tsunami, the overall cargo throughput and profit of the Group recorded a decrease, of which container transportation volume recording a decrease of 18.3%, together with the continuous impact of containerization, break bulk cargoes transportation volume recording a substantial decrease of 34.9%. However, as the Group increased the equity holding in the existing investment business and acquired new terminals in 2008, the container handling volume recorded an increase of 24.2%. When comparing with the exchange rate of Renminbi that was stable during the period and the significant increment in the first half of 2008, there was a decrease in exchange gain of HK$26,022,000 in the same period of this year; if eliminating the factor of exchange gains or losses, profit attributable to equity holders of the Company decreased by 12.1% as compared with the prior period while profit from subsidiaries decreased by 3.8% as compared with prior period. The decline of international oil price drove a fall in oil costs by HK$16,413,000, reduced by 42.7% which led to an increase of gross profit. Owing to the different unfavorable economic factors, even though the Group's investment in jointly controlled entities maintained a profit during the period, the Group's share of profit was reduced by 15.3% as compared with prior period.

1. River trade transportation business

The continuing impact of financial tsunami induced a reduction in global demand that led to a drop of the major business operations during the period. However, as the Group well implemented the organizing works of cargo source for the startups entities and strengthened parallel development of domestic and foreign trade cargo source, the market share of container transportation of the Group rose continuously, grew by 0.5%. Performance statistics of our major business operations are as follows:

	For the six months ended 30th June		
Indicators	2009	2008	Change
Container transportation volume (TEU)	343,111	420,198	-18.3%
Container handling volume (TEU)(*Note 1*)	280,865	226,230	24.2%
Volume of container hauling and trucking on land (TEU) (*Note 1*)	70,351	70,601	-0.4%
Break bulk cargoes transportation volume (revenue tons) (*Note 2*)	128,845	197,882	-34.9%
Volume of break bulk cargoes handled (revenue tons) (*Note 1 and 2*)	393,692	491,697	-19.9%
Import and export of shipping agencies business (voyages)	8,372	8,414	-0.5%

Note:

1. *In 2009, the figures of new terminals was included as follows:*
   (i) *Kangzhou port from January 2009;*
   (ii) *Mafang port from March 2009;*
   (iii) *Zhaoqing New port from April 2009.*

   If the data of the above new terminals were eliminated, container handling volume decreased by 0.7% as compared with prior period, volume of container hauling and trucking on land decreased by 0.9% as compared with prior period and volume of break bulk cargoes handled decreased by 38.0% as compared with prior period.
2. *From 2009 onwards, the figures used for statistic changed from weighted tons to revenue tons and the figures for the six months ended 30th June 2008 had been restated to conform with the current period's presentation.*

2. Subsidiary and Investment Business Review

The Group actively drove Chu Kong Transhipment & Logistics Company Limited ("CKTL") and Chu Kong Agency Company Limited to tie in expanding and strengthening the wholly-owned terminals so this led to an increase of the terminals handling volume which contributed higher gross profit margin. At the end of last year, CKTL could not only maintain the original routes but also obtain 6 more routes including Gaoyao and Gaoming in the tender. At the beginning of the year, CKTL successfully bid the original routes of major shipping companies and had introduced the cargo source of Connected Carrier Agreement (CCA) which formerly handled by other terminals to the wholly-owned terminals of the Group. During the period, Chu Kong Cargo Terminals (Gaoming) Co., Ltd. was benefited from the policy of professionalized operations in the consolidation business in ports, freight and logistics of the Group which induced a significant increase in the foreign trade cargo handling volume of the terminal as compared with the prior period; the container handling volume increased by 27.0% when compared with the same period of last year and the profit attributed to the Group was increased by 24.1%. Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd. adopted the way to strive for factory trading cargo and expand the proportion of the trading cargo in the total import and export cargo volume which could ensure the company still maintaining the production and revenue in a more comparatively stable level even though under the rigorous conditions, the profit attributed to the Group was increased by 19.0%

On 26th March 2009, Chu Kong Cargo Terminals (Kangzhou) Co., Ltd. opened the US and Europe routes successfully; the company provided one-stop declaration and customs clearance services. Cargo could be transshipped to the US and Europe countries from Kangzhou via Hong Kong directly that led a substantial increment in the foreign trade containers handling volume.

The procedures for the change of shareholder related to the acquisition of 56.46% interest in Zhaoqing New Port Co., Ltd. in December 2008 were completed on 26th March 2009. The container throughput in the first half of 2009 of the company was 39,120TEU, grew by 22.9% as compared with prior period. The bulk cargo throughput was 24,538 tons, decreased by 31.8% as compared with prior period. After the acquisition, the Group implemented the adjustment and requirement of the bulk cargo handling tariffs of the company to comply with market price. Therefore, the revenue increased by almost 50% even though the bulk cargo handling volume decreased. As the Group has still adjusted and standardized the internal management of the company, so the loss of the company was HK$1,663,000 for the period.

Guangzhou-Foshan Expressway Ltd. was mainly affected by the "Green Lane" policy, continuous improvement of the surrounding road network and diversion of some vehicles resulting from hindered traffic that caused by the expansion project at the interchange of Guang-Fo expressway and Fo-Kai expressway. The traffic volume for the first half of 2009 was decreased by 12.1% as compared with prior period, toll income decreased by 15.1% and profit attributable to the Group decreased by 30.7%.

As influenced by the global economic recession due to the financial tsunami, domestic environmental policies and the Pearl River Delta industrial upgrading, the profit attributable by most of the Group's investment entities was decreased. The container throughput of Foshan New Port Ltd. decreased by 22.1% and profit attributable to the Group was HK$6,395,000, decreased by 33.2%. Foshan Nankong Terminal Co., Ltd. contributed profit of HK$1,799,000 to the Group, representing a decrease of 32.3%. The significant decline of the bulk cargo volume led to a loss to Chu Kong Air-sea Union Transportation Company Limited and Dongguan Humen Great Trade Containers Port Co., Ltd., recording a loss of HK$96,000 and HK$602,000 respectively.

Being benefited by looser customs policies in the first five months, the container throughput of Sanshui Sangang Containers Wharf Co., Ltd. was 78,600TEU, representing an increase of 35.0%, contributed profit of HK$2,105,000, an increase of 342.2%. As the operation volume of empty containers of Shenzhen Yantian Port Chu Kong Logistics Co., Ltd. increased significantly together with an increment of services tariff and controlling the costs vigorously, the net profit of the company was increased and its profit attributable to the Group was HK$599,000, an increase of 30.2%.

On 9th January 2009, the Company entered into the legally binding Confirmation on auction sale with auction companies to acquire the liquidation assets of Mafang ports at the consideration of RMB76,000,000 (equivalent to approximately HK$86,360,000) following a successful bid at the auction held on 9th January 2009. On 4th February 2009, Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd. was established as to take over the related liquidated assets.

On 22nd June 2009, the Board passed the resolution to acquire 22.5% equity interest of Foshan Nankong Terminal Co., Ltd. at a consideration of RMB31,680,000 which also be approved by the independent shareholders on 15th July 2009. The related equity transfer agreement was signed on 27th July 2009.

The other subsidiaries and joint ventures of the Group performed well during the year with no abnormality.

Employees

As at 30th June 2009, the Group employed 325 employees in Hong Kong and remunerated its employees according to the duty of their positions and market condition. Other staff benefits for eligible employees include housing allowances, retirement benefits and bonuses etc.

Liquidity and Financial Resources

The Group monitors its circulating capital and financial resources in an effort to maintain a solid financial position. As at 30th June 2009, the Group secured a total credit limit of HK$4,390,000 granted by bona fide banks.

As at 30th June 2009, the current ratio of the Group, represented by current assets divided by current liabilities, was 2.8 (31st December 2008(restated): 3.6) and the debt ratio, represented by total liabilities divided by total assets, was 17.3% (31st December 2008(restated): 14.0%).

As at 30th June 2009, the Group's cash and bank balances amounted to HK$576,153,000 (31st December 2008(restated): HK$750,379,000), which represents 25.9% (31st December 2008(restated): 36.6%) of the total assets.

After considering its cash and cash flows from operating activities, as well as the credit facilities available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for business expansion and development.

DIRECTORS' AND EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30th June 2009, the Company has not been notified of any interests and short positions of the directors and executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO.

Apart from the share option scheme, at no time during the period, the directors and executives (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations required to be disclosed pursuant to the SFO.

At no time during the period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the directors and executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES OF THE COMPANY

As at 30th June 2009, as recorded in the register required to be kept under Section 336 of the SFO, the following shareholders have 5% or more of the Company's share capital:

Ordinary shares of HK$0.1 each in the Company

	Number of Shares
(i) CKSE	618,496,000
(ii) Guangdong Province Navigation Holdings Company Limited (GPNHCL)	618,496,000

CKSE is wholly owned by GPNHCL. Accordingly, the interests disclosed by shareholders (i) and (ii) above are in respect of the same shareholding.

Save as disclosed above, as at 30th June 2009, the Company has not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register to be kept under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

During the period, no listed securities of the Company were purchased or sold by the Company or any of its subsidiaries. The Company did not redeem any of its shares during the period

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE OF HONG KONG LIMITED'S WEBSITE

The interim report of the Company for the six months ended 30th June 2009 containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK") (the "Listing Rules") will be published on the websites of the SEHK and the Company (www.cksd.com) in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 13th October 2009 (Tuesday) to 16th October 2008 (Friday), both dates inclusive, during which no transfer of shares will be effected. In order to qualify for the interim dividend, all transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, no later than 4:00 p.m. on 12th October 2009 (Monday) for registration. Interim dividend will be payable on or before 30th October 2009.

REVIEW BY AUDIT COMMITTEE

The Company's Audit Committee and the Company's independent auditor, PricewaterhouseCoopers, have reviewed the unaudited interim financial information for the six months ended 30th June 2009.

CORPORATE GOVERNANCE

The Company has adopted the provisions of the Code on Corporate Governance Practices as the principles for its corporate governance since 1st January 2005, and partially adopted and complied with the guidance of the recommended best practices based on its actual needs for the corporate governance.

In the opinion of the Directors, the Company has complied with the Code On Corporate Governance Practices as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the Code) throughout the accounting period covered by the interim report except that independent non- executive Directors of the Company are not appointed for specific terms. They are subject to retirement by rotation at the Company's annual general meeting in accordance with the provisions of the Company's Articles of Association.

The Company has established the Remuneration Committee comprising mostly the independent non-executive Directors. Mr. Chan Kay-cheung, an independent non-executive Director, was appointed as the Chairman, and the company secretary was appointed as secretary of the Remuneration Committee.

The Chairman and chief executive officer of the Company are different persons, with written terms clearly stating their respective duties.

ADOPTION OF MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct prescribing standards and requirements no less than that required by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Directors have complied with such code of conduct throughout the period.

DIRECTORS

As at the date of this announcement, the Company's executive Directors include Mr. Hua Honglin, Mr. Yang Bangming, Mr. Zhang Daowu and Mr. Huang Shuping; and independent non-executive Directors include Mr. Chan Kay-cheung, Mr. Choi Kim-Lui and Ms. Yau Lai Man.

By Order of the Board
Yang Bangming
Managing Director

Hong Kong, 15th September 2009