



News Release

MOU between PYI and Yichang Port Group ***To finance the expansion of Yichang Port in middle reaches of Yangtze River***

“Strengthening PYI’s presence in the Three Gorges Dam region”

(5 September 2007, Hong Kong) – **PYI Corporation Limited** (0498.HK), a bulk cargo port and infrastructure operation group, announced that it has signed a Memorandum of Understanding with **Yichang Port Group** to set up a joint venture for the development and operation of bulk cargo and container terminals, as well as integrated logistics businesses in Yichang, Hubei Province.

Yichang Port Group intends to inject existing operating port assets while PYI intends to inject cash in the new joint venture to finance future expansion plans. The first expansion project will be the Yunchi Terminal (雲池港) which is an integrated terminal for container, coal, minerals, chemicals and petroleum products with 15 berths and annual throughput capacity of 10 million tonnes.

Mr. Chen Fayi, Chairman of Yichang Port Group, said, “Yichang Port Group is well positioned in capturing the growth prospects of Western and Central China, especially the demands in shipping have surged after the formation of Three Gorges Dam. We see this joint venture being a great opportunity to align with PYI’s successful investments and operations in Nantong Port and Yangkou Port.”

Mr. Tom Lau, Managing Director of PYI, said, “Strategically located near the Three Gorges Dam, Yichang Port is a key trans-shipment hub between upstream and the rest of the Yangtze. It will undoubtedly become an important part of our Yangtze network. I look forward to sharing a bright future with Yichang Port Group in our joint venture.”

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Notes to editors:

About PYI Corporation Limited (0498.HK)

Based in Hong Kong, PYI Corporation Limited focuses on infrastructure investment in and the operation of bulk cargo port and logistics facilities in the Yangtze River region in China. It also engages in land and property development in association with port facilities. In addition, PYI provides comprehensive engineering and construction services through Paul Y. Engineering Group Limited (0577.HK).

About Yichang Port Group

Yichang Port Group is the leading port and terminal operator in Yichang engaging in bulk cargo and containers handling, storage, shipping agency, travel, commerce, logistics and real estates services. Throughput of bulk cargo of Yichang Port Group was 5 million tonnes and that of containers increased by 74% to 20,000 TEUs in 2006.

About Yichang

Situated at the west of Hubei, Yichang has been renowned as “Gateway to the Three Gorges” and the “Throat between Chongqing and Hubei”. It is where the middle and upper reaches of the Yangtze River are divided. Given its advantageous geographic location, Yichang has long been defined as a distribution centre, an important trading port and a transportation hub along the Yangtze River linking west Hubei, Chongqing and east Sichuan. It is categorized as one of the 28 important ports by the Ministry of Communications.

Strategic presence of PYI along the Yangtze River

