

YANGTZE STRATEGY
HAS TRANSFORMED
FROM VISION TO
REALITY.

長江策略目標已經實現。



OUR SHAREHOLDERS' FUNDS INCREASED BY HK\$605 MILLION TO HK\$3,377 MILLION, ACHIEVING A GAIN OF 22%.

我們的股東資金增加 6.05 億港元至 33.77 億港元，升幅達 22%。

DEAR SHAREHOLDERS,

It is my pleasure to report our satisfactory performance for the year ended 31 March 2008. Our net profit after taxation is HK\$360 million (2007: HK\$346 million), an increase of 4% year on year. Our shareholders' funds increased by HK\$605 million to HK\$3,377 million, achieving a gain of 22%. In addition to the interim dividend of 1.5 cents paid during the year, the Board has proposed a final dividend in the form of one warrant for every six PYI shares held by our shareholders. Such warrants carry rights for one year to subscribe for new PYI shares at HK\$1/share. Following the significant capital return program during the development phase of our Yangtze Strategy in the past three years, this proposed warrant issue provides our shareholders an attractive opportunity to invest in our future success.

After several years of focused development work, I am very pleased to report that our Yangtze Strategy has transformed from vision to reality. Along the way, many of our most important milestones have been realized.

OUR YANGTZE STRATEGY REALIZED

The year saw significant development of Yangkou Port, both in terms of construction progress and in the vindication of its financial viability. As the most up-and-coming deep-sea port situated nearest to the Yangtze River, Yangkou Port will spearhead our Yangtze Strategy and play a key role in serving the Golden Waterway. With a strong foothold in Nantong and Wuhan and together with other expansion targets, PYI is poised to building a critical mass and to forming an integrated network in all reaches of the Yangtze River region that will deliver long-term value to our shareholders.

各位股東：

本人欣然向閣下呈報集團截至 2008 年 3 月 31 日止財政年度的業績。保華集團年內表現令人滿意，除稅後盈利達 3.6 億港元（2007 年：3.46 億港元），按年增加 4%。股東資金增加 6.05 億港元至 33.77 億港元，錄得 22% 升幅。除了已於年中派發的 1.5 港仙中期股息，董事局建議就股東持有的每 6 股保華股份，派發 1 份認股權證作為末期股息。該股權證為期一年，可按每股 1 港元認購價認購保華集團的新股份。在發展長江策略的三年過程中，股本回報一直理想；董事局建議發行的認股權證，將會為各位股東帶來回報更優厚的投資機會。

經過近幾年來的不懈努力，集團的長江策略目標已經實現。集團在此過程之中，亦得以實現多個主要里程碑。

長江策略 做大做強

洋口港在建設進度與財務可行性兩方面，均在年內取得進展。洋口港作為華東最具發展潛力的深水大港，將驅動整體長江策略，並在長江這黃金水道上取得重要位置。再配合集團在南通、武漢及其他地區的強勢發展，集團將持續強化業務規模，沿長江塑造其物流中轉網絡，為股東帶來長遠價值。

INFRASTRUCTURAL
DEVELOPMENT REQUIRES
CONTINUOUS EFFORT AND
COMMITMENT.

基建發展必須持續努力並且
貫徹始終，才能有成。



CORPORATE GOVERNANCE AND MANAGEMENT EXCELLENCE REALIZED

Excellent corporate governance is the foundation for sustainable business development, as well as maximization of shareholders' benefits. A written corporate governance manual is being compiled to provide clear guidance to our staff at every level, every location. Percentage of independent non-executive directors in the Board remains over 70%, and most of them recorded over 80% attendance at meetings. Their diligence and contributions are greatly appreciated.

COMMITMENT TO OUR COMMUNITIES REALIZED

When PYI formulated the Yangtze Strategy, we made some long-term commitments to the communities where we operate. This included the sponsorship of study tours to Hong Kong and Macau for distinguished students in Nantong and Wuhan secondary schools. More than 100 students from these two cities have now visited Hong Kong, and a bond has been created among these students, as well as between them and PYI.

In response to the devastating earthquake in Sichuan Province on 12 May 2008, PYI joined its nationwide offices, subsidiaries and associates in raising funds for the massive relief effort. Our total donation was over HK\$6 million, which included staff contributions that were doubly matched by the PYI, in addition to the Directors giving a quarter of their annual fees.

獨立管治 卓越營運

卓越的企業管治是業務持續發展的基石，對保障股東利益亦至為重要。集團正編製企業管治手冊，為各階層、各地區的同事提供清晰的指引。另一方面，董事局保持高度獨立，獨立非執行董事所佔比例超過70%；大部份董事出席會議的比率逾80%。各董事的努力與貢獻，對集團發展至為重要。

長遠承擔 回饋社會

集團制訂長江策略之初，已決心對業務所在之社區作出長遠承擔，其中包括贊助南通與武漢市優秀中學生赴香港和澳門進行訪問交流。曾到訪香港的百多名學生不但彼此間增進友誼，亦與集團建立聯繫。

2008年5月12日四川大地震災難發生之後，集團隨即與全國各地辦事處、附屬及聯營公司發起賑災籌款活動。集團捐款總額超過600萬港元，其中包括員工捐款、集團及附屬公司雙倍配對員工捐款、以及董事捐出酬金四分之一之款項等。



THE FUTURE OF OUR LOGISTICS INDUSTRY REALIZED

I would like to take this opportunity to give recognition to my fellow Board members, our executives and staff across the nation for their total dedication and loyal service. Infrastructural development is never a short-term investment - it requires continuous effort and commitment. I am therefore most grateful to our shareholders, clients and partners for their trust over the years in our original vision.

Yours faithfully,

Joseph Chow *OBE, JP*
Chairman

Hong Kong, 18 July 2008

實現物流業未來發展

我謹藉此機會，向董事局全人，以及在各地謹守崗位，竭誠奉獻的管理層及職員致意。基建發展絕非短線投資，必須持續努力並且貫徹始終，方能有成。對於股東、客戶、夥伴多年來對集團方針的信任，我在此表示由衷感激。

主席
周明權 *OBE, JP*
謹啟

香港，2008年7月18日