

CHAIRMAN'S STATEMENT

主席報告書

DEAR SHAREHOLDERS,

I am pleased to present the interim report and condensed consolidated financial statements of PYI Corporation Limited ("PYI") and its subsidiaries for the six-month period ended 30 September 2008.

During the period, revenue grew by 15% to \$2,790 million (2007: \$2,432 million) and a net profit attributable to our shareholders of \$74 million (2007: \$312 million) representing a decrease of 76%, when compared with that of last year. Basic earnings per share declined by 77% to 4.9 cents per share (2007: 20.9 cents per share). Our shareholders' funds stood at \$3,588 million, representing \$2.38 per share.

The board of directors of PYI has resolved not to declare an interim dividend for the six months ended 30 September 2008 (2007: 1.5 cents per share).

The global economic environment has deteriorated tremendously in the last six months. The financial crisis has led to tightening of financial supply and volatility in currency and commodity prices that make the business environment extremely difficult. The Central Government has swiftly reacted with a RMB4 trillion program with a considerable proportion designated for infrastructure development. Numerous social and economic programs are set to be launched with a view to maintain growth momentum through induced expansion in domestic demands. Our Yangtze Strategy will no doubt benefit from these measures. A detailed review of our operations during the period is included in the Managing Director's Report.

Note:

Unless otherwise specified, all financial figures in this statement are expressed in Hong Kong dollars.

各位股東：

本人欣然向閣下提呈保華集團有限公司(「保華」)及其附屬公司截至2008年9月30日止六個月之中期報告及簡明綜合財務報告。

期內，營業額上升15%至27.90億元(2007：24.32億元)。股東應佔溢利則為7,400萬元(2007：3.12億元)，較去年同期減少76%。每股基本盈利下跌77%至每股4.9仙(2007：每股20.9仙)。股東資金為35.88億元，即每股2.38元。

保華董事局決議不宣派截至2008年9月30日止六個月之中期股息(2007：每股1.5仙)。

在過去六個月，全球經濟環境急劇惡化。金融危機導致銀根收緊，貨幣及商品價格波動，令營商環境變得極其困難。然而，中央政府已迅速作出反應，提出總值人民幣4萬億元的方案，其中投放基建發展佔相當大的比重。而一系列帶動社會及刺激經濟的政策措施亦如箭在弦，以透過擴大內需維持經濟平穩增長。我們的長江策略無可置疑將會因而受惠。有關集團期內之業務回顧，詳見《總裁報告書》。

附註：

除另有指明外，本報告書內所有財務數字均以港元為單位。

The Central Government is set to launch numerous social and economic programs with a view to maintain growth momentum through induced expansion in domestic demands. Our Yangtze Strategy will no doubt benefit from these measures.

中央政府正推出多項帶動社會及刺激經濟的政策措施，以透過擴大內需維持經濟平穩增長；我們的長江策略無可置疑將會因而受惠。

Volatility in the global economy is expected to last for a while, but we remain optimistic about the medium to long term outlook of the Mainland market. We remain committed to Yangtze Strategy and to all the communities we serve.

With the approach of the holiday season, I would like to express my heartfelt appreciation to our shareholders, my fellow board members and our staff for their unwavering support and confidence in strategic vision of PYI over the years, and wish them prosperity and continued success in the coming year.

Yours faithfully,

Joseph Chow *OBE, JP*
Chairman

Hong Kong, 12 December 2008

預計全球經濟動盪將會持續一段時間，但我們對內地市場之中長線前景仍然保持樂觀。我們將繼續實踐長江策略，致力參與服務我們發展業務之地區。

節日在即，我謹衷心感謝各位股東、董事局全人及一眾員工，多年來堅定不移支持及信任保華的策略願景，並敬祝來年興旺，萬事順利。

主席
周明權 *OBE, JP*
謹啟

香港，2008年12月12日