

I have pleasure to report to Shareholders the performance of PYI Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30 September 2005.

本人欣然向股東報告保華集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零五年九月三十日止六個月之表現。

FINANCIAL HIGHLIGHTS

> Turnover	HK\$1,792 million	+7%
> Net profit after tax	HK\$149 million	+291%
> EPS	HK10.9 cents	+289%
> Interim DPS	HK1.5 cents	Unchanged
> NAV/S	HK\$1.75	-15%

財務摘要

> 營業額	1,792,000,000 港元	+7%
> 除稅後溢利淨額	149,000,000 港元	+291%
> 每股盈利	10.9 港仙	+289%
> 每股中期股息	1.5 港仙	不變
> 每股資產淨值	1.75 港元	-15%

REVIEW OF FINANCIAL PERFORMANCE AND POSITIONS

Continuous growth

For the six months period under review, the Group's consolidated turnover was approximately HK\$1,792 million (2004: HK\$1,679 million), representing an increase of approximately 7% when compared with that of last corresponding period. The increase was mainly attributable to an increase in the Group's business in treasury investment.

The Group's gross profit rose by 60% to some HK\$146 million (2004: HK\$91 million), representing a gross margin of 8% of the consolidated turnover. Profit before taxation of some HK\$175 million was achieved as compared to some HK\$47 million for the same period last year. The Group's profit before taxation comprised:

- (i) net gain of approximately HK\$57 million in construction and other contracting businesses (2004: HK\$47 million);
- (ii) net gain of approximately HK\$34 million in treasury investment (2004: Nil);
- (iii) net gain of approximately HK\$15 million in property investment (2004: HK\$8 million);
- (iv) interest income of approximately HK\$18 million (2004: HK\$20 million);
- (v) increase in fair value of investment properties of approximately HK\$85 million (2004: Nil);
- (vi) net corporate expenses of approximately HK\$31 million (2004: HK\$36 million);
- (vii) finance costs of approximately 6 million (2004: HK\$3 million); and
- (viii) net gain of approximately HK\$3 million from associates and jointly controlled entities (2004: HK\$11 million).

Profit for the period attributable to shareholders of the Company was approximately HK\$149 million (2004: HK\$38 million) and earnings per share was HK10.9 cents (2004: HK2.8 cents).

When compared with the Group's financial positions as at 31 March 2005, total assets decreased by 17% to some HK\$5,897 million and net current assets decreased by 57% to some HK\$897 million, mainly due to the payment of a special cash dividend totalling approximately HK\$957 million in July 2005. Consequently, current assets decreased from 2.1 times to 1.5 times of current liabilities. After accounting for the net profit of approximately HK\$149 million net of dividends paid/declared of approximately HK\$978 million, equity attributable to shareholders of the Company decreased by 25% to some HK\$2,373 million, representing HK\$1.75 per share as at 30 September 2005 (31.3.2005: HK\$2.32 per share).

財務表現及狀況回顧

持續增長

於本期間六個月內，本集團之綜合營業額約為1,792,000,000港元(2004: 1,679,000,000港元)，較去年同期增加約7%。綜合營業額增加主要是由於本集團之庫務投資業務增加。

本集團之毛利躍升60%至約146,000,000港元(2004: 91,000,000港元)，邊際毛利佔綜合營業額8%。除稅前溢利約為175,000,000港元，而去年同期則錄得約47,000,000港元。本集團之除稅前溢利包括：

- (i) 建築及其他承包業務之收益淨額約57,000,000港元(2004: 47,000,000港元)；
- (ii) 庫務投資之收益淨額約34,000,000港元(2004: 無)；
- (iii) 物業投資之收益淨額約15,000,000港元(2004: 8,000,000港元)；
- (iv) 利息收入約18,000,000港元(2004: 20,000,000港元)；
- (v) 投資物業之公平價值增加約85,000,000港元(2004: 無)；
- (vi) 企業支出淨額約31,000,000港元(2004: 36,000,000港元)；
- (vii) 融資成本約6,000,000港元(2004: 3,000,000港元)；及
- (viii) 聯營公司及共同控制機構之收益淨額約3,000,000港元(2004: 11,000,000港元)。

本公司股東應佔期間溢利約為149,000,000港元(2004: 38,000,000港元)，而每股盈利則為10.9港仙(2004: 2.8港仙)。

與本集團於二零零五年三月三十一日之財政狀況相比，本集團之總資產減少17%至約5,897,000,000港元，流動資產淨值減少57%至約897,000,000港元，主要原因是於二零零五年七月支付特別現金股息合共約957,000,000港元。因此，流動資產由相當於流動負債之2.1倍減少至1.5倍。計及溢利淨額約149,000,000港元(扣除已派付/宣派股息約978,000,000港元)後，於二零零五年九月三十日，本公司股東應佔之權益減少25%至約2,373,000,000港元，相當於每股1.75港元(31.3.2005: 每股2.32港元)。

Net cash inflow from operations was about HK\$167 million and outflow in respect of investing and financing activities was about HK\$764 million, resulting in a net decrease in cash of about HK\$597 million for the period under review.

REVIEW OF OPERATIONS

Port & Infrastructure Development

The rapid economic growth of Mainland China gives rise to a growing demand on the ports and logistics sector which is now the Group's business focus, and it is expected to contribute positively to the Group's future earnings base.

The development of Yangkou Port progressed well during the period under review. In September 2005, an official groundbreaking ceremony was held to signify the commencement of work on the 13-kilometer Yellow Sea Crossing. On completion, the Yellow Sea Crossing will link the 1 square-kilometer man-made island and berthing facilities with the 42 square-kilometer harbour front industrial park. The master planning of the industrial park is also under way.

Completion of the initial phase of Yangkou Port will align with the opening of Sutong Bridge, connecting the Yellow Sea with the southern side of the Yangtze River delta through Nantong. On completion in late 2007, the Sutong Bridge will link up Suzhou and Nantong and cut by half the commuting time between Shanghai and Nantong.

In August 2005, the Group announced a proposed 45% investment in Nantong Port Group at a cost of approximately HK\$417 million. This move fits well into the Group's strategy to develop a comprehensive and integrated transshipment network on the Yangtze River.

At present, Nantong Port Group owns a total of 4 major terminals which together operate more than 20 productive berths at Nantong Port, the first major bulk cargo port in the Yangtze River delta.

In 2004, Nantong Port Group achieved a cargo throughput of approximately 33 million tonnes. Currently, it is undertaking major expansion plans, upon completion of which by mid-2006 throughput capacity will be increased by more than 50%.

The proximity in location and the complementary nature of Nantong Port and Yangkou Port not only will allow the Group to build up an effective logistics network but also will offer a comprehensive spectrum of services to shippers in the Yangtze River delta.

Engineering businesses – Paul Y Engineering

For the period under review, Paul Y. Engineering Group Limited ("Paul Y Engineering") and its subsidiaries (the "Paul Y Engineering Group") achieved a gross profit of some HK\$98 million as compared to some HK\$91 million for the last corresponding period. Net profit after tax attributable to shareholders of Paul Y Engineering for the period was approximately HK\$46 million as compared to some HK\$37 million for the last corresponding period.

經營業務之現金流入淨額約為167,000,000港元，而投資業務及融資活動之現金流出則約為764,000,000港元，導致本期間之現金淨額減少約597,000,000港元。

業務回顧

港口及基建發展

中國內地經濟迅速增長，港口及物流業之需求得以與日俱增，故本集團現將業務重點放於港口及物流業，預期將為其未來盈利基礎帶來貢獻。

於回顧期內，洋口港之發展進度理想。一項標誌著長達13公里之黃海大橋動工興建之正式動土儀式已於二零零五年九月舉行，黃海大橋在竣工後將1平方公里之人工島及泊位設施連接到42平方公里之臨港工業園，而工業園之主要規劃已在草擬中。

洋口港首期之完成將可配合蘇通大橋的啟用，而亦透過南通貫通黃海及長江三角洲之南方地區。蘇通大橋於二零零七年年底竣工後，屆時便可接通蘇州及南通，並將上海與南通兩地之往來時間縮減一半。

於二零零五年八月，本集團宣佈建議以成本約417,000,000港元投資於南通港口集團之45%權益，此舉與本集團在長江流域開發一個全面而整合之中轉網絡之策略配應得宜。

目前，南通港口集團擁有合共四家主要碼頭，該四家公司合共在長江三角洲首個主要大宗散貨港口南通港經營超過20座生產泊位。

於二零零四年，南通港口集團之吞吐量約達3,300萬噸。目前，南通港口集團正著手進行主要擴充計劃，竣工後，貨物裝卸量將於二零零六年年中前增加超過50%。

南通港毗鄰洋口港，兩者結合可達相輔相承之效益，不單能為本集團建立高效之物流網絡，亦為長江三角洲之船務公司提供全面服務。

工程業務 – 保華建業

於本期間內，保華建業集團有限公司（「保華建業」）及其附屬公司（「保華建業集團」）錄得毛利約98,000,000港元，而去年同期則錄得毛利約91,000,000港元。保華建業之股東應佔除稅後溢利淨額約為46,000,000港元，而去年同期則約為37,000,000港元。

During the period, the Paul Y Engineering Group secured new contracts with an aggregate value of approximately HK\$1,734 million. At this period end, the value of work remaining increased by 9% to approximately HK\$4,933 million when compared with that of the last financial year end. Profile of contracts on hand as at the end of this period is as follows:

		Value of contracts on hand As at 30.9.2005 持有工程合約價值 於30.9.2005 HK\$'million 百萬港元	Value of work remaining As at 30.9.2005 餘下工程價值 於30.9.2005 HK\$'million 百萬港元
Building construction	樓宇建築工程	6,096	3,909
Civil engineering	土木工程	2,266	1,024
		8,362	4,933

Subsequent to the period end, the Paul Y Engineering Group has secured further contracts of approximately HK\$165 million.

Property investment

During the period under review, approximately HK\$15 million (2004: HK\$8 million) of the operating profit was contributed from the business of property investment.

Total value of the Group's property portfolio, excluding those self-used properties, amounted to approximately HK\$619 million (31.3.2005: HK\$546 million) as at 30 September 2005, equivalent to about 10% (31.3.2005: 8%) of the total assets of the Group. Included in the property portfolio is mainly Paul Y. Centre, the Group's headquarters in Kwun Tong, Kowloon, Hong Kong. The overall rental rate of Paul Y. Centre has increased when compared with that of last period and occupancy rate was maintained at a satisfactory level of around 95% (31.3.2005: 97%) at 30 September 2005.

Treasury investment

During the period under review, HK\$34 million (31.3.2005: Nil) of the operating profit was contributed from the business of treasury investment.

Total value of the Group's investment securities amounted to approximately HK\$58 million (31.3.2005: HK\$175 million) as at 30 September 2005, equivalent to about 1% (31.3.2005: 2%) of the total assets of the Group. Portfolio of high-yield loan receivable amounted to approximately HK\$489 million (31.3.2005: HK\$668 million) as at 30 September 2005, equivalent to about 8% (31.3.2005: 9%) of the total assets of the Group.

期內，保華建業集團取得之新工程合約總值約1,734,000,000港元。於本期間結束時，尚餘之工程價值相較上一個財政年度結束時上升9%至約4,933,000,000港元。於本期間結束時持有之工程合約如下：

期結日後，保華建業集團再取得約165,000,000港元之合約。

物業投資

回顧期內，15,000,000港元(2004: 8,000,000港元)之經營溢利為來自物業投資業務。

於二零零五年九月三十日，撇除自用物業，本集團物業投資組合之總值約達619,000,000港元(31.3.2005: 546,000,000港元)，相當於本集團總資產約10%(31.3.2005: 8%)。物業投資組合主要包括本集團位於香港九龍觀塘之總部保華企業中心。於二零零五年九月三十日，保華企業中心之整體租金較去年同期上升，而佔用率則維持在95%左右(31.3.2005: 97%)，成績不俗。

庫務投資

回顧期內，34,000,000港元(31.3.2005: 無)之經營溢利來自庫務投資業務。

於二零零五年九月三十日，本集團之投資證券總值約達58,000,000港元(31.3.2005: 175,000,000港元)，相當於本集團總資產約1%(31.3.2005: 2%)。於二零零五年九月三十日，應收高收益貸款組合達約489,000,000港元(31.3.2005: 668,000,000港元)，相當於本集團總資產約8%(31.3.2005: 9%)。

China Strategic

In March 2005, the Company entered into a sale and purchase agreement with an independent third party in relation to the disposal of 135 million shares in China Strategic Holdings Limited ("China Strategic") at HK\$0.193 per share. Upon completion of the disposal, the Group's shareholding interest in China Strategic will decrease from 29.4% to approximately 14%, and China Strategic will cease to be an associated company of the Company.

The disposal is conditional upon, inter alia, the completion of a capital reorganisation (including, inter alia, a consolidation of two existing shares into one consolidated share) and a group reorganisation (the "Group Reorganisation") involving in specie distribution of certain assets to shareholders by China Strategic. Hanny Holdings Limited ("Hanny") has in turn proposed a voluntary offer (the "Hanny Offer") to acquire the assets distributed under the Group Reorganisation. Under this offer, the Company will be entitled to receive one Hanny share plus HK\$1.80 for every 5 consolidated shares of China Strategic.

Currently, the Board continues to favour a possible distribution to shareholders of a significant portion of the value to be derived from the divestment of China Strategic. However, given that the requisite court approval for effecting the proposed capital reorganisation is yet to be obtained by China Strategic and there is still no definite time frame in relation to the effective date of the Group Reorganisation currently, the Board does not consider it appropriate to make any decision regarding the aforesaid distribution at this stage.

MAJOR EVENT SUBSEQUENT

Disposal of Paul Y. Centre

Subsequent to 30 September 2005, the Group entered into a conditional sale and purchase agreement with a joint venture company effectively owned by Lehman Brothers Holdings Inc., Capital Strategic Investment Limited and Paul Y Engineering for the disposal of Paul Y. Centre (through disposing 100% of the subsidiaries owning Paul Y. Centre) at an agreed gross value of HK\$780 million. Such agreed value is derived from a yield rate of 6.28% based on the rental income of approximately HK\$49 million for the year ended 31 March 2005. The disposal constitutes a major transaction of the Company and is subject to approval by shareholders in a special general meeting to be convened. Details of this transaction were set out in an announcement of the Company dated 24 November 2005.

中策

二零零五年三月，本公司與一名獨立第三方就以每股0.193港元出售135,000,000股中策集團有限公司（「中策」）股份訂立買賣協議。於出售事項完成時，本集團於中策之持股權益將由約29.4%減至約14%，而中策將不再為本公司之聯營公司。

出售事項須待（其中包括）中策之股本重組（其中包括將兩股現有股份合併為一股合併股份）及集團重組（「集團重組」）（涉及中策向股東實物分派若干資產）完成後方可作實。錦興集團有限公司（「錦興」）轉而提出自願性收購建議（「錦興收購建議」）以收購根據集團重組獲分派之資產。根據此項收購建議，本公司將有權收取一股錦興股份連1.80港元（按每5股中策合併股份所收取）。

現時，董事局仍然有意將本公司在撤資中策所帶來之大部份收益分發予股東。然而，鑑於中策尚未取得使建議股本重組生效之所需法院批准，及現時尚未落實有關集團重組生效日期之具體時間表，故董事局認為不適宜在現階段就上述分派作出任何決定。

主要結算日後事項

出售保華企業中心

於二零零五年九月三十日後，本集團與由 Lehman Brothers Holdings Inc.、資本策略投資有限公司及保華建業實益擁有之合夥經營公司訂立一項有條件買賣協議，按780,000,000港元之協定總值，（透過全數出售擁有保華企業中心之附屬公司）出售保華企業中心。該筆協定價值乃以截至二零零五年三月三十一日止年度之租金收入約49,000,000港元為基準之6.28厘回報率釐定。出售事項構成本公司之主要交易，並須於將召開之股東特別大會上取得股東批准。有關此項交易之詳情載於本公司於二零零五年十一月二十四日發表之公佈內。

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

The Group continues to adopt a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities are maintained to meet its working capital requirements. During the period under review, the Group obtained new bank facilities in the amount of HK\$45 million, of which HK\$22.5 million were used to finance the purchase of a property in Hong Kong and the remaining balance for general working capital purpose. The loans of the Group bear interest at market rates and are with terms of repayment within five years.

As at 30 September 2005, the Group's total borrowings amounted to approximately HK\$729 million (31.3.2005: HK\$831 million), with HK\$432 million (31.3.2005: HK\$290 million) repayable within one year and HK\$297 million (31.3.2005: HK\$541 million) repayable after one year. Cash balances as at 30 September 2005 amounted to approximately HK\$672 million (31.3.2005: HK\$1,255 million).

As at the period end, HK\$662 million (31.3.2005: HK\$765 million) of the Group's borrowings bore interest at floating rates and were denominated in Hong Kong dollars, and HK\$67 million (31.3.2005: HK\$66 million) of the Group's borrowings bore interest at a fixed rate and were denominated in Reminbi. The Group's gearing ratio was 0.31 (31.3.2005: 0.26) which is calculated based on total borrowings of HK\$729 million (31.3.2005: HK\$831 million) and equity attributable to shareholders of the Company of HK\$2,373 million (31.3.2005: HK\$3,179 million).

CONTINGENT LIABILITIES

As at 30 September 2005, the Group had contingent liabilities in respect of outstanding performance bonds on construction contracts of approximately HK\$131 million (31.3.2005: HK\$310 million).

PLEDGE OF ASSETS

As at 30 September 2005, certain of the Group's properties and investment securities with an aggregate value of approximately HK\$834 million (31.3.2005: HK\$753 million) and the issued shares of certain subsidiaries of the Company and its benefits under certain construction contracts have been pledged to banks and financial institutions to secure general credit facilities granted to the Group.

流動資金、財務來源、資本架構及資本負債比率

本集團繼續就其整體業務營運採納審慎之資金及財務政策，設有多項信貸作為其所需之營運資金。於本期間，本集團取得45,000,000港元之新訂銀行融資，其中22,500,000港元已用作撥付收購一項香港物業之資金，餘額用作一般營運資金。本集團之貸款按市場息率計息，還款期為五年內。

於二零零五年九月三十日，本集團借款共約729,000,000港元(31.3.2005: 831,000,000港元)，其中432,000,000港元(31.3.2005: 290,000,000港元)須於一年內償還，另外297,000,000港元(31.3.2005: 541,000,000港元)須於一年後償還。於二零零五年九月三十日之現金結餘約為672,000,000港元(31.3.2005: 1,255,000,000港元)。

於本期間結束時，本集團借款中之662,000,000港元(31.3.2005: 765,000,000港元)乃按浮動息率計息，並以港元為單位，67,000,000港元(31.3.2005: 66,000,000港元)乃按固定息率計息，並以人民幣為單位。按借款總額729,000,000港元(31.3.2005: 831,000,000港元)及本公司股東應佔之權益2,373,000,000港元(31.3.2005: 3,179,000,000港元)計算，本集團之資本負債比率為0.31(31.3.2005: 0.26)。

或然負債

於二零零五年九月三十日，本集團就仍然有效之建築合約履約擔保書有131,000,000港元(31.3.2005: 310,000,000港元)之或然負債。

資產抵押

於二零零五年九月三十日，本集團總值約834,000,000港元(31.3.2005: 753,000,000港元)之若干物業及投資證券，以及本公司若干附屬公司之已發行股份連同若干建築合約之收益已抵押予銀行及財務機構，為本集團取得一般信貸融資。

COMMITMENTS

As at 30 September 2005, the Group had expenditure contracted but not provided for in the financial statements in respect of acquisition of certain property, plant and equipment in an amount of approximately HK\$41 million (31.3.2005: HK\$91 million in respect of certain property, plant and equipment and HK\$48 million in respect of certain equity investment).

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 September 2005, the Group employed a total of approximately 1,235 full time employees (among which about 1,090 were employed by Paul Y Engineering) (31.3.2005: 1,163). Remuneration packages comprised salary and performance-based bonus. Details of the share option scheme were discussed in the Group's Annual Report for the year ended 31 March 2005. No share option was granted or exercised during the period under review.

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK1.5 cents per share for the six months ended 30 September 2005 (2004: HK1.5 cents per share) to shareholders whose names appear on the register of members of the Company as at the close of business on 11 January 2006. The interim dividend is expected to be paid to shareholders by post on or around 13 February 2006.

The Board has also proposed that the interim dividend should be satisfied by way of a scrip dividend of shares, with an option to elect cash in respect of all or part of such dividend. The market value of the shares to be issued under the scrip dividend proposal will be fixed by reference to the average of the close prices of the Company's shares for the three consecutive trading days ending 11 January 2006 less a discount of five per cent. of such average price or to the par value of the shares, whichever is the higher. The proposed scrip dividend is conditional upon The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the new shares. A circular giving full details of the scrip dividend proposal and a form of election will be sent to shareholders in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from 9 January 2006 to 11 January 2006, both dates inclusive, during which period no transfer of share(s) of the Company will be effected. In order to qualify for the interim dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the completed transfer form(s) with overleaf or separately, must be lodged with the Company's branch share registrars in Hong Kong, Secretaries Limited at its new address at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (effective on 3 January 2006, formerly at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong), for registration not later than 4:00 p.m. on 6 January 2006.

承擔

於二零零五年九月三十日，本集團就收購若干物業、機械及設備之已訂約但未於財務報表內撥備之開支約為41,000,000港元(31.3.2005: 若干物業、機械及設備91,000,000港元及若干股本投資48,000,000港元)。

僱員人數、酬金政策及購股權計劃

於二零零五年九月三十日，本集團共聘用約1,235名(其中約1,090名乃由保華建業聘用)(31.3.2005: 1,163名)全職僱員。酬金包括薪金及與表現掛鈎之花紅。購股權計劃之詳情請參閱本集團截至二零零五年三月三十一日止年度之年報，期內概無任何購股權獲授出或行使。

中期股息

董事局已決議向於二零零六年一月十一日辦公時間結束時名列本公司股東名冊之股東派付截至二零零五年九月三十日止六個月之中期股息每股1.5港仙(2004: 每股1.5港仙)。中期股息預計於二零零六年二月十三日左右以郵寄方式向股東派付。

董事局亦已建議按以股代息方式派發中期股息，股東可選擇就全部或部份股息選擇收取現金。根據以股代息建議將予發行之股份之市值將參照本公司股份於截至二零零六年一月十一日止連續三個交易日之平均收市價減按該平均價格之5%或股份面值(以較高者為準)計算之折讓而釐定。建議之以股代息須待香港聯合交易所有限公司批准新股份上市及買賣後方可作實。本公司將於適當時間向股東寄發載有有關以股代息建議詳情之通函及選擇表格。

暫停辦理股東登記手續

本公司將於二零零六年一月九日至二零零六年一月十一日(包括首尾兩日)暫停辦理股東登記手續，期內將不會登記任何本公司股份之轉讓。如欲獲派中期股息，所有股份過戶文件連同有關股票及已填妥背頁或獨立之過戶表格，最遲須於二零零六年一月六日下午四時前交回本公司之香港股份過戶登記分處秘書商業服務有限公司以供登記，新地址為香港灣仔皇后大道東28號金鐘匯中心26樓(由二零零六年一月三日起生效，以往之地址為香港灣仔告士打道56號東亞銀行港灣中心地下)。

OUTLOOK

China's GDP grew 9.4% in the first nine months of 2005, while its consumer price index rose 2%. China's central bank sees a continuation of GDP growth and expects it to surpass 9% for 2005.

The momentum of global economic growth is likely to remain relatively steady over the next six months, though moderated somewhat by oil-price volatility and US interest rates rising at a measured pace.

A relatively stable global environment should underpin external demand in China, thus creating a favourable environment for our ports and infrastructure business in the Mainland.

Having secured the spearheading position in the Yangtze River delta, the Group will focus on the development of Yangkou Port as well as the enhancement of capacity and efficiency of Nantong Port Group. In addition to the dry bulk operational skill at Nantong Port Group, the Group is exploring opportunities to invest in liquid bulk terminals in the upper stream of Yangtze River.

With our well defined business focus and a highly liquid balance sheet, we are fully committed to redeploying our resources to the ports and logistics sector in the Mainland and are prepared to maximize the opportunities that lie ahead.

Tom Ko Yuen Lau

Deputy Chairman & Managing Director

13 December 2005

展望

中國之國內生產總值於二零零五年首九個月急升9.4%，而其消費物價指數上升2%，中國中央銀行喜見國內生產總值持續增長，預期二零零五年之國內生產總將超逾9%。

儘管受到油價波動及美國息率溫和上升之輕微影響，全球經濟增長動力有可能於未來六個月內保持穩定。

相當穩定之全球環境將為中國帶來外來需求，從而為本集團之中國內地港口及基建業務締造有利環境。

在長江三角洲取得先峰位置後，本集團將專注於發展洋口港，以及加強吞吐量及南通港口集團之效率。除於南通港口集團之乾貨營運技巧外，本集團正積極研究在長江上游之濕貨碼頭的投資機會。

憑藉本集團之具體業務目標及高流通性之資產負債表，本集團承諾將重新調配資源至中國內地之港口及物流業，並已蓄勢待發，緊抓未來商機。

副主席兼董事總經理

劉高原

二零零五年十二月十三日