

### Review of Financial Performance and Position

For the year ended 31 March 2007, the Group recorded a consolidated turnover of about HK\$4,782 million (2006: HK\$3,540 million), representing an increase of about 35% when compared with that of last corresponding year. The increase was mainly attributable to the increase in the Group's business in management contracting.

### Profit

Profit before taxation of about HK\$327 million was achieved as compared with about HK\$367 million for last year. The Group's profit before taxation was composed of:

- (i) net gain of about HK\$59 million in management contracting, project management and facilities management businesses (2006: HK\$138 million);
- (ii) net gain of about HK\$3 million in LPG distribution (2006: Nil);
- (iii) net gain of about HK\$174 million in treasury investment (2006: HK\$80 million);
- (iv) net gain of about HK\$14 million in property investment (2006: HK\$12 million);
- (v) interest income and other income of about HK\$42 million (2006: HK\$108 million);
- (vi) discount on acquisition of LPG business of about HK\$4 million (2006: Nil);
- (vii) gain on disposal of interest in an associate of about HK\$5 million (2006: Nil);
- (viii) net gain of about HK\$223 million from associates and jointly controlled entities (2006: HK\$10 million);
- (ix) development costs of about HK\$14 million in port and infrastructure development and logistics business (2006: Nil);
- (x) net corporate and other expenses of about HK\$159 million (2006: HK\$128 million), of which HK\$23 million (2006: HK\$3 million) was attributed to share-based payment expense for share options granted to directors and employees. Higher corporate costs were employed to support the business expansion and the growing turnover during the year; and
- (xi) finance costs of about HK\$24 million (2006: HK\$17 million).

### 財務表現及狀況回顧

截至2007年3月31日止年度，本集團錄得綜合營業額約47.82億港元（2006：35.4億港元），與去年同期數字比較上升約35%，此升幅主要由於本集團承建管理業務之收益增加所致。

### 溢利

本集團之除稅前溢利約達3.27億港元，去年則為3.67億港元。本集團之除稅前溢利包括：

- (i) 承建管理、項目管理及設施管理業務之收益淨額約5,900萬港元 (2006：1.38億港元)；
- (ii) 液化石油氣分銷收益淨額約300萬港元 (2006：無)；
- (iii) 庫務投資之收益淨額約1.74億港元 (2006：8,000萬港元)；
- (iv) 物業投資之收益淨額約1,400萬港元 (2006：1,200萬港元)；
- (v) 利息收入及其他收入約4,200萬港元 (2006：1.08億港元)；
- (vi) 收購液化石油氣業務之負商譽約400萬港元 (2006：無)；
- (vii) 出售聯營公司權益之收益約500萬港元 (2006：無)；
- (viii) 攤佔聯營公司及共同控制機構所得淨額約2.23億港元 (2006：1,000萬港元)；
- (ix) 港口及基建發展與物流業務之發展成本約1,400萬港元 (2006：無)；
- (x) 公司及其他開支之淨額約1.59億港元 (2006：1.28億港元)，其中2,300萬港元 (2006：300萬港元) 來自以股份支付款項（授予董事及僱員購股權）之開支。公司成本上升乃因業務擴充及年內營業額增長所致；及
- (xi) 融資成本約2,400萬港元 (2006：1,700萬港元)。

The amount of profit before taxation in last year included increase in fair value of derivative financial instruments of about HK\$18 million, increase in fair value of investment properties of about HK\$85 million and gain on disposal of subsidiaries of about HK\$61 million. None of these items occurred in the current year.

Net profit for the year attributable to the shareholders of PYI was about HK\$346 million (2006: HK\$279 million) and basic earnings per share was HK23.6 cents (2006: HK20.4 cents). Such improvement was mainly due to deferred tax credit of HK\$63 million arising from a reduction of the PRC enterprise income tax rate from 33% to 25% as promulgated in March 2007.

### Financial Position

When compared with the Group's financial position as at last year end, total assets increased by 27% to about HK\$7,621 million (2006: HK\$5,982 million) and net current assets decreased by 36% to about HK\$824 million (2006: HK\$1,284 million). These changes were mainly attributed to the Group's further capital injection into developing projects relating to its port and infrastructure development and logistics business, as well as its fund contribution to the acquisition of LPG distribution business which started to operate during the current year. Consequently, current assets decreased from 1.7 times to 1.3 times of current liabilities. After accounting for the net profit of about HK\$346 million net of dividends paid/declared of about HK\$370 million, equity attributable to shareholders of PYI increased by 8% to about HK\$2,772 million (2006: HK\$2,571 million), representing HK\$1.86 per share as at 31 March 2007 (2006: HK\$1.86 per share).

Net cash inflow from operating activities was about HK\$375 million, and net cash outflow in respect of investing and financing activities was about HK\$333 million, resulting in a net increase in available cash and cash equivalents of about HK\$42 million for the year.

Total shareholder return for the year ended 31 March 2007, representing the increase in share price of PYI during the year plus dividends paid during the year, is about 38% (2006: 37%).

去年除稅前溢利款項包括衍生金融工具公平值約1,800萬港元、投資物業公平值增加約8,500萬港元及出售附屬公司之收益約6,100萬港元，本年度並無有關款項。

保華股東應佔年內溢利淨額約為3.46億港元 (2006 : 2.79億港元)，每股基本盈利為23.6港仙 (2006 : 20.4港仙)。此改進主要因為2007年3月所頒布中國企業所得稅率由33%降至25%，而產生6,300萬港元之遞延稅項抵免。

### 財政狀況

與本集團於去年底之財政狀況相比，本集團之總資產上升27%至約76.21億港元 (2006 : 59.82億港元)，而流動資產淨值則減少36%至約8.24億港元 (2006 : 12.84億港元)，主要原因是本集團對港口及基建發展與物流業務有關之發展中項目進一步注資及收購年內開始營運之液化石油氣分銷業務之支出。因此，流動資產由相當於流動負債之1.7倍減少至約1.3倍。計及溢利淨額約3.46億港元 (扣除已派付／宣派之股息約3.7億港元)後，保華股東應佔之權益上升約8%至約27.72億港元 (2006 : 25.71億港元)，折合於2007年3月31日每股1.86港元 (2006 : 每股1.86港元)。

經營業務之現金流入淨額約為3.75億港元，而投資及融資活動之現金流出淨額則約為3.33億港元，導致年內現金及現金等值項目淨額上升約4,200萬港元。

於截至2007年3月31日止年度之股東總回報 (即保華股價於年內之增長加年內派付之股息) 約為38% (2006 : 37%)。

## Liquidity and Capital Resources

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 and committed capital expenditures. The loans of the Group bear interest at market rates and are with terms of repayment ranging from one year to seven years. In an effort to minimize the adverse impact of exchange rate and interest rate fluctuations on the Group's earnings, assets and liabilities, the Group continues to manage the fluctuation exposures on specific transactions.

As at 31 March 2007, the Group's total borrowings amounted to about HK\$1,024 million (2006: HK\$688 million) with HK\$597 million (2006: HK\$523 million) repayable within one year and HK\$427 million (2006: HK\$165 million) repayable after one year. Out of the Group's total borrowings of about HK\$1,024 million as at 31 March 2007, about HK\$226 million was non-recourse to the Group (excluding Paul Y. Engineering Group Limited and its subsidiaries).

As at 31 March 2007, HK\$262 million (2006: HK\$404 million) of the Group's borrowings bore interest at floating rates and were denominated in Hong Kong dollars, HK\$600 million (2006: HK\$142 million) bore interest at floating rates and were denominated in Renminbi, and HK\$162 million (2006: HK\$142 million) bore interest at a fixed rate and were denominated in Renminbi. The Group's gearing ratio was 0.37 (2006: 0.27), which is calculated based on the total borrowings of HK\$1,024 million (2006: HK\$688 million) and the Group's shareholders' fund of HK\$2,772 million (2006: HK\$2,571 million).

Cash balances as at 31 March 2007 amounted to about HK\$779 million (2006: HK\$785 million), of which about HK\$43 million (2006: HK\$119 million) has been pledged to banks to secure general credit facilities granted to the Group. As at the year end, the Group has a net debt position (being cash balances net of bank borrowings) of HK\$185 million (2006: net cash of HK\$313 million).

During the current year, PYI issued and allotted 68,500,000 ordinary shares as consideration for acquiring a further 7.4% indirect interest in the Yangkou Port project.

## 流動資金及資本來源

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及資本開支承擔的支持。本集團之貸款按市場息率計息，還款期為一至七年。為盡量減低匯率及利率波動對本集團盈利、資產及負債之不利影響，本集團持續管理特定交易之市場波動風險。

於2007年3月31日，本集團借款共達約10.24億港元(2006：6.88億港元)，其中5.97億港元(2006：5.23億港元)須於一年內償還，另4.27億港元(2006：1.65億港元)須於一年後償還。本集團於2007年3月31日約10.24億港元之總借貸中，約2.26億港元對本集團(不包括保華建業集團有限公司及其附屬公司)並無追索權。

於2007年3月31日，本集團借款中有2.62億港元(2006：4.04億港元)按浮動息率計息並以港元為單位。本集團借款中有6億港元(2006：1.42億港元)按浮動利率計息並以人民幣為單位，另有1.62億港元(2006年：1.42億港元)按固定利率計息並以人民幣為單位。本集團之資本負債比率為0.37(2006：0.27)，該項比率乃根據本集團10.24億港元(2006：6.88億港元)之總借款及27.72億港元(2006：25.71億港元)之股東資金計算。

於2007年3月31日之現金結餘約為7.79億港元(2006：7.85億港元)，當中約4,300萬港元(2006：1.19億港元)已抵押予銀行以取得本集團所獲給予之一般信貸融資。於年末，本集團處於淨負債狀況(即扣除銀行借貸後之現金結餘)1.85億港元(2006：淨現金3.13億港元)。

於本年度，保華發行及配發6,850萬股普通股，作為進一步收購洋口港項目7.4%間接權益的代價。

In addition, the Group contracted to pay for the consideration of acquiring the LPG assets and business in Wuhan, as to RMB350 million in cash and RMB120 million by way of convertible notes, which were issued subsequent to the year end. The Group also obtained a 7-year bank term loan in principal amount of RMB300 million as the primary facility to finance this acquisition. As at 31 March 2007, the Group utilised the said bank term loan in an aggregate amount of RMB262 million.

### Contingent Liabilities

As at 31 March 2007, the Group has contingent liabilities in respect of guarantee given to a bank for banking facilities to an associate of about HK\$9 million (2006: HK\$9 million), which was non-recourse to the Group (excluding Paul Y. Engineering Group Limited and its subsidiaries).

### Pledge of Assets

As at 31 March 2007, certain property, plant and equipment, land and sea use rights and bank deposits of the Group with an aggregate value of about HK\$644 million (2006: HK\$197 million) and benefits under certain construction contracts have been pledged to banks and financial institutions to secure general credit facilities granted to the Group. As at 31 March 2007, about HK\$53 million (2006: HK\$76 million) of these pledged assets used to secure credit facilities which were non-recourse to the Group (excluding Paul Y. Engineering Group Limited and its subsidiaries).

### Commitments

As at 31 March 2007, the Group has expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of certain property, plant and equipment, project under development and properties under development in the amount of about HK\$1,520 million (2006: HK\$92 million).

此外，本集團已訂約支付收購於武漢液化石油氣相關資產及業務之代價，其中3.5億人民幣以現金支付，而1.2億人民幣則以可換股票據方式支付，並已於年結日後發出。本集團亦已獲取一筆本金額3億人民幣之7年期銀行有期貨款，作為支持該宗收購之主要信貸融資。於2007年3月31日，本集團已取用銀行有期貨款合共2.62億人民幣。

### 或然負債

於2007年3月31日，本集團就聯營公司獲授之銀行信貸給予銀行之擔保，有約900萬港元 (2006：900萬港元) 之或然負債，其對本集團 (不包括保華建業集團有限公司及其附屬公司) 並無追索權。

### 資產抵押

於2007年3月31日，本集團總值約6.44億港元 (2006：1.97億港元) 之若干物業、機械及設備、土地及海域使用權及銀行存款，以及於若干建築合約之利益，已抵押予銀行及財務機構，以取得對本集團所給予之一般信貸融資。於2007年3月31日，約5,300萬港元 (2006：7,600萬港元) 的已抵押資產已作為對本集團 (不包括保華建業集團有限公司及其附屬公司) 並無追索權之信貸融資的抵押品。

### 承擔

於2007年3月31日，本集團就收購若干物業、機械及設備、發展中項目及發展中物業有約15.2億港元 (2006：9,200萬港元) 之已簽訂但並未於綜合財務報表撥備之開支。