

FINANCIAL REVIEW

財務回顧

REVIEW OF FINANCIAL PERFORMANCE

For the year ended 31 March 2008, the Group recorded a consolidated turnover of about HK\$5,503 million (2007: HK\$4,644 million), representing an increase of about 18% when compared with that of last corresponding year. The increase was mainly attributable to the increase in the Group's business in management contracting.

The Group's gross profit increased by 56% to about HK\$427 million (2007: HK\$274 million) as compared with last year. Such gross profit represented a gross margin of 8% (2007: 6%) of the consolidated turnover. Profit before taxation of about HK\$833 million was achieved as compared with about HK\$327 million for the last year. The Group's profit before taxation was composed of:

- (i) net gain of about HK\$129 million in management contracting and property development management businesses (2007: HK\$59 million);
- (ii) net gain of about HK\$66 million in port and infrastructure development and logistics business (2007: net loss of HK\$14 million);
- (iii) net loss of about HK\$8 million in LPG distribution (2007: net gain of HK\$7 million, including discount on acquisition of LPG business of about HK\$4 million);
- (iv) net gain of about HK\$42 million in treasury investment (2007: HK\$84 million);
- (v) net gain of about HK\$670 million in property investment (2007: HK\$14 million), including increase in fair value of investment properties of about HK\$669 million (2007: Nil);
- (vi) interest income of about HK\$47 million (2007: HK\$42 million);
- (vii) gain on disposal of interests in associates of about HK\$4 million (2007: HK\$5 million);
- (viii) increase in fair value of derivative financial instruments of about HK\$11 million (2007: Nil);
- (ix) net gain of about HK\$56 million (2007: HK\$223 million) from share of results of associates and jointly controlled entities;
- (x) net loss in investments held for trading and available-for-sale investments of about HK\$11 million (2007: net gain of about HK\$89 million);
- (xi) net corporate and other expenses of about HK\$120 million (2007: HK\$158 million); and
- (xii) finance costs of about HK\$53 million (2007: HK\$24 million).

財務表現回顧

於截至2008年3月31日止年度，本集團錄得綜合營業額約55.03億港元(2007：46.44億港元)，與去年同期數字比較上升約18%，此升幅主要由於本集團承建管理業務之收益增加所致。

與去年比較，本集團之毛利上升56%至約4.27億港元(2007：2.74億港元)。該毛利額顯示毛利率約為綜合營業額之8%(2007：6%)。本集團之除稅前溢利約達8.33億港元(去年則為3.27億港元)。本集團之除稅前溢利包括：

- (i) 承建管理及物業發展管理業務之收益淨額約1.29億港元(2007：5,900萬港元)；
- (ii) 港口及基建發展與物流業務之收益淨額約6,600萬港元(2007：虧損淨額1,400萬港元)；
- (iii) 液化氣分銷虧損淨額約800萬港元(2007：收益淨額700萬港元，包括收購液化氣業務之負商譽約400萬港元)；
- (iv) 庫務投資之收益淨額約4,200萬港元(2007：8,400萬港元)；
- (v) 物業投資之收益淨額約6.70億港元(2007：1,400萬港元)，包括投資物業之公平價值增加約6.69億港元(2007：無)；
- (vi) 利息收入約4,700萬港元(2007：4,200萬港元)；
- (vii) 出售聯營公司權益之收益約400萬港元(2007：500萬港元)；
- (viii) 衍生金融工具公平價值增加約1,100萬港元(2007：無)；
- (ix) 攤佔聯營公司及共同控制機構收益淨額約5,600萬港元(2007：2.23億港元)；
- (x) 持作買賣投資及可供出售投資的虧損淨額約1,100萬港元(2007：收益淨額約8,900萬港元)；
- (xi) 公司及其他開支之淨額約1.20億港元(2007：1.58億港元)；及
- (xii) 融資成本約5,300萬港元(2007：2,400萬港元)。

Net profit for the year attributable to the shareholders of PYI was about HK\$360 million (2007: HK\$346 million) and basic earnings per share was HK24.0 cents (2007: HK23.6 cents). Such improvement was mainly due to the commencement of profit contribution from the port and infrastructure development business in Yangkou Port during the year.

REVIEW OF FINANCIAL POSITION

When compared with the Group's financial position as at last year end, total assets increased by 36% to about HK\$10,361 million (2007: HK\$7,621 million) and net current assets decreased by 83% to about HK\$137 million (2007: HK\$824 million). These changes were mainly attributable to the Group's further capital expenditure in Yangkou Port. Consequently, current assets decreased from 1.29 times to 1.04 times of current liabilities. After accounting for the net profit of about HK\$360 million net of dividends declared of about HK\$45 million as well as surplus arising from RMB exchange translation of about HK\$221 million, equity attributable to shareholders of PYI increased by 22% to about HK\$3,377 million (2007: HK\$2,772 million), representing HK\$2.24 per share as at 31 March 2008 (2007: HK\$1.86 per share).

Net cash inflow from operating activities was about HK\$263 million and that from financing activities was about HK\$749 million, and net cash outflow from investing activities was about HK\$1,131 million, resulting in a net decrease in available cash and cash equivalents of about HK\$119 million for the year.

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 six 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.

保華集團股東應佔年內溢利淨額約為3.60億港元(2007: 3.46億港元)，每股基本盈利為24港仙(2007: 23.6港仙)。溢利改善主要由於洋口港的港口及基建發展業務於本年度開始貢獻溢利所致。

財務狀況回顧

與本集團於去年底之財政狀況相比，本集團之總資產增加約36%至約103.61億港元(2007: 76.21億港元)，而流動資產淨值則減少約83%至約1.37億港元(2007: 8.24億港元)，主要原因是本集團增加對洋口港之資本支出。因此，流動資產由相當於流動負債之1.29倍減少至約1.04倍。計入溢利淨額約3.60億港元(扣除已宣派之股息約4,500萬港元以及因匯兌人民幣所引致的盈餘約2.21億港元)後，保華集團增加股東應佔之權益約22%至約33.77億港元(2007: 27.72億港元)，折合於2008年3月31日為每股2.24港元(2007: 每股1.86港元)。

經營業務及融資活動之現金流入淨額分別約為2.63億港元及7.49億港元，而投資活動之現金流出淨額則約為11.31億港元，導致年內現金及現金等值項目淨額減少約1.19億港元。

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，設有多項信貸以支持其所需之營運資金及資本開支承擔。本集團之貸款按市場息率計息，還款期為一至六年。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所面對之市場波動風險。

As at 31 March 2008, the Group's total borrowings amounted to about HK\$2,046 million (2007: HK\$1,024 million) with HK\$959 million (2007: HK\$597 million) repayable within one year and HK\$1,087 million (2007: HK\$427 million) repayable after one year. Out of the Group's total borrowings of about HK\$2,046 million, about HK\$204 million was non-recourse to the Group (excluding the Paul Y. Engineering Group).

As at 31 March 2008, HK\$337 million (2007: HK\$262 million) of the Group's borrowings bore interest at floating rates and were denominated in Hong Kong dollars, HK\$121 million (2007: Nil) bore interest at fixed rates and were denominated in Hong Kong dollars, HK\$1,362 million (2007: HK\$600 million) bore interest at floating rates and were denominated in Renminbi, and HK\$226 million (2007: HK\$162 million) bore interest at a fixed rate and were denominated in Renminbi. The Group's gearing ratio was 0.61 (2007: 0.37), which is calculated based on the total borrowings of HK\$2,046 million (2007: HK\$1,024 million) and the Group's shareholders' fund of HK\$3,377 million (2007: HK\$2,772 million).

Cash balances at 31 March 2008 amounted to about HK\$636 million (2007: HK\$779 million), of which about HK\$34 million (2007: HK\$43 million) has been pledged to banks to secure general credit facilities granted to the Group. As at 31 March 2008, the Group has a net debt position (being cash balances net of bank borrowings) of HK\$1,143 million (2007: HK\$185 million).

During the year, the Group issued a zero coupon, 3-year convertible note of HK\$122 million at a conversion price of HK\$4.25 per share. Redemption amount will be 114.167% of par value at maturity.

In July 2007, the Group, through its 75% owned subsidiary Jiangsu Yangkou Port Development and Investment Co., Ltd., entered into a 7-year project loan facility agreement for RMB960 million with a syndicate of eight domestic banks in Nanjing, the PRC. This syndicated loan, bearing the current Renminbi long-term loan benchmark interest rate as announced by the People's Bank of China, will be used to fund construction of the 13km Yellow Sea Crossing and the 1.4sq km man-made island at Yangkou Port. As at 31 March 2008, the Group utilised the syndicated loan in an aggregate amount of RMB600 million.

於2008年3月31日，本集團借款共達約20.46億港元(2007：10.24億港元)，其中9.59億港元(2007：5.97億港元)須於一年內償還，另10.87億港元(2007：4.27億港元)須於一年後償還。本集團於2008年3月31日約20.46億港元之總借貸中，約2.04億港元對本集團(不包括保華建業集團)並無追索權。

於2008年3月31日，在本集團借款中，有3.37億港元(2007：2.62億港元)按浮動息率計息並以港元為單位，有1.21億港元(2007：無)按固定利率計息並以港元為單位，有13.62億港元(2007：6億港元)按浮動利率計息並以人民幣為單位，另有2.26億港元(2007：1.62億港元)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0.61(2007：0.37)，該項比率乃根據本集團20.46億港元(2007：10.24億港元)之總借款及33.77億港元(2007：27.72億港元)之股東資金計算。

於2008年3月31日之現金結餘約為6.36億港元(2007：7.79億港元)，當中約3,400萬港元(2007：4,300萬港元)已抵押予銀行以取得本集團所獲給予之一般信貸融資。於2008年3月31日，本集團處於淨負債(即扣除銀行借貸後之現金結餘)11.43億港元(2007：1.85億港元)。

於本年度內，本集團以每股4.25港元之兌換價發行為數1.22億港元之零息三年期可換股票據。到期日時之贖回金額將為面值之114.167%。

本集團於2007年7月，透過其擁有75%權益之洋口港投資開發有限公司與由中國工商銀行牽頭的八間位於中國南京市之本地銀行簽訂一項人民幣9.6億元，為期七年之項目貸款協議。該項銀團貸款之利率為中國人民銀行公布的同期人民幣長期貸款基準利率，用作建設洋口港長達13公里的陸島通道—黃海大橋和面積1.4平方公里的人工島基礎設施。截至2008年3月31日，本集團已動用銀團貸款當中合共人民幣6億元之款項。

CONTINGENT LIABILITIES

As at 31 March 2008, the Group has contingent liabilities in respect of guarantee given to a bank for banking facilities given to an associate of about HK\$10 million (2007: HK\$9 million) which was non-recourse to the Group (excluding the Paul Y. Engineering Group).

PLEDGE OF ASSETS

As at 31 March 2008, certain property, plant and equipment, land and sea use rights, investment property, properties under development and bank deposits of the Group with an aggregate value of about HK\$916 million (2007: HK\$644 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 2008, about HK\$43 million (2007: HK\$53 million) of these pledged assets were used to secure credit facilities which were non-recourse to the Group (excluding the Paul Y. Engineering Group).

COMMITMENTS

As at 31 March 2008, 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\$1,155 million (2007: HK\$1,520 million).

或然負債

於2008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1,000萬港元(2007：900萬港元)之或然負債，其對本集團(不包括保華建業集團)並無追索權。

資產抵押

於2008年3月31日，本集團總值約9.16億港元(2007：6.44億港元)之若干物業、機械及設備、土地及海域使用權、投資物業、發展中物業及銀行存款，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2008年3月31日，約4,300萬港元(2007：5,300萬港元)的已抵押資產已作為對本集團(不包括保華建業集團)並無追索權之信貸融資的抵押品。

承擔

於2008年3月31日，本集團就收購若干物業、機械及設備、發展中項目以及發展中物業有約11.55億港元(2007：15.20億港元)之已簽訂但並未於綜合財務報表撥備之開支。