

Making the right decisions
at the right time is key to
our success.

業務成功有賴於在適當時機作出
適當的決定。

Chairman's Statement

主席報告書

Maximizing shareholder value lies at the heart of all PYI's business decisions. This dedication to shareholders drives the Group to set high level of transparency and accountability.

保華以高度透明的管治及負責任的態度為股東增值。

Dear Shareholders,

I am pleased to report that our growth for the year ended 31 March 2007 met our expectations. Delivering satisfactory performance, PYI achieved a net profit after taxation of HK\$346 million (2006: HK\$279 million) - an increase of 24% compared with the previous year. Return on your equity was 12%, and total shareholder return was 38% for the year.

The Board has proposed a final dividend of HK1.5 cents/share. Together with the interim dividend of HK1.5 cents/share and the special dividend of HK22.2 cents/share, total dividend for shareholders amounts to HK25.2 cents/share or an aggregate sum of HK\$370 million for this year.

One of the keys to success is making the right decisions at the right time, and the timely completion of our divestment programme enabled us to invest in projects that will meet the booming demand for ports and logistics services in the Yangtze River region. Please refer to the Managing Director's Report for a review of our operations.

Focus for the future

As we were completing our divestment programme for non-core assets, we raised our stake in Yangkou Port and acquired Nantong Port Group and Minsheng gas terminal. Armed with an organic growth strategy that is supplemented by strategic acquisitions, PYI is well-positioned to further expand on the Yangtze. The construction of Yangkou Port is progressing well and Nantong Port Group reached record high cargo throughput in 2006 and again, in the first half of 2007.

These achievements were made possible by the ceaseless efforts of our executives and staff. Our investment strategies have played an important role in our success and I want to express my appreciation to the talented people who not only share our vision but are able to implement the many details necessary to achieving it.

各位股東：

本人欣然向閣下呈報集團截至2007年3月31日止財政年度的業績，保華年內表現令人滿意，除稅後盈利達3.46億港元（2006年：2.79億港元），較去年增加24%。年內股本權益回報為12%，股東總收益達38%。

董事局宣布派發每股1.5港仙末期股息，連同每股1.5港仙之中期股息及22.2港仙之特別股息，本財政年度每股共派息25.2港仙，公司合共派息3.7億港元。

業務成功有賴適時適當之決定，集團在適當時候完成出讓資產計劃，有利於迅速把握投資機會，全力開拓長江流域一帶需求日益蓬勃的港口及物流業務。業務回顧之詳情，請參閱董事總經理報告。

高瞻遠矚 成就佳績

本集團在完成出讓非核心資產計劃之同時，一方面增持在洋口港的權益，另一方面則收購南通港及民生石油氣碼頭。我們相信，集團港口業務的自然增長再輔以策略性的併購行動，可進一步鞏固在長江流域的業務發展。建設洋口港進展順利，南通港之吞吐量亦在2006年及2007年上半年屢創新高。

能夠創下如此佳績，有賴我們的行政人員及員工努力不懈。投資策略有助我們達致成功，我謹在此向表現出色的團隊表示謝意，他們不僅與我們有共同的理念，並能貫徹實踐。

Corporate governance

The Group is committed to achieving high standards of corporate governance to enhance corporate value and to safeguard our shareholders' interests. Full details of our corporate governance practices, as well as the initiatives taken by us during the year towards achieving this important mission, are set out in the Corporate Governance Report.

Just as important as making decisions is to have people understand why they were made. That's why our management culture puts such emphasis on transparency and accountability. We want our business overseen by people with broad experience, objectivity and independent views.

The Board was pleased to welcome two new independent non-executive directors (INED) – Mr Bowen Joseph Leung Po Wing *GBS, JP*, in August 2006, and Mr Li Chang An in January 2007. Mr Leung and Mr Li bring with them a wealth of experience, a deep understanding of national policies, and extensive network in the Mainland. Their appointments have strengthened the Board's overall capabilities and brought our INED percentage to over 70%.

In order to better understand the new business dynamics of the Group and assess the economic environment in the regions where we operate, Board members conducted several site visits during the year to inspect the operations and received briefings from all major business units. Board members also took an active role in overseeing the development and implementation of the internal control and risk management systems. I would like to thank them for their diligence and collective input.

Our role in the community

The official term is "corporate social responsibility" or CSR in short, but to us it's simply people. Keeping people in mind is just good business - that's why we consider everyone's interests in everything we do.

優良管治 集思廣益

集團一向致力維持高質素的企業管治，以提高企業價值，保障股東利益。有關我們企業管治實務的詳細內容，以及在年內為達致此重要目標所採取的措施，請參閱「企業管治報告」部份。

為了確保外界明白我們作出的決定，集團的管理文化特別著重透明度及問責性，借助富於經驗而意見獨立的人士，本著不偏不倚的原則來監察我們的業務。

董事局歡迎梁寶榮先生 *GBS, JP* 與李昌安先生分別於2006年8月與2007年1月出任本公司獨立非執行董事。梁先生與李先生經驗豐富，對內地政策了解透徹，在內地人脈亦廣，令我們獲益良多。兩位加盟不單加強了董事局的實力，亦令獨立非執行董事所佔比例超過70%。

此外，董事局亦非常重視集團業務發展的最新形勢，年內多次巡視旗下的項目，聽取各主要業務單位的匯報，以深入了解有關的營運狀況及當地的經濟環境。此外，董事局成員亦對公司發展及推行內部監控、風險管理系統扮演積極監察的角色。對於董事局各成員的勤勉盡職及作出之共同努力，本人謹此深表感謝。

社會責任 以人為本

對保華而言，「企業社會責任」不只是專有名詞，而是真正做到以人為本，所有業務都以公眾利益為出發點。

The timely completion of our divestment programme enabled us to capture attractive investment opportunities on the Yangtze.

本集團已適時完成出讓非核心資產，使我們可以更專注地把握在長江流域的發展良機。



Inside the company, we do our best to ensure the health and safety of all our staff and we care about their career development. We are conscious about environmental protection as well as energy conservation.

In the community, we sponsor study tours to Hong Kong and Macau for distinguished students in Nantong and Wuhan secondary schools. In addition, we supported the launch of a local TV programme by Wuhan Taxi Industry Association promoting the use of LPG as a clean and energy efficient fuel. We also sponsored the 16th Jiangsu Provincial Games in October 2006 and the list goes on.

We consider ourselves long-term members of the communities we operate in and we let that belief guide us. Whether it's hiring locally, giving back to the community, or setting long-range business goals, we look at the impact our decisions will have on people.

The people who support us

Moving forward, I am confident that, with the inspiring leadership of my fellow board members, the ongoing support of all our shareholders and business partners, and the marvellous efforts of our dedicated executives and staff, PYI is well positioned to deliver further growth on our shareholders' value.

Yours faithfully,

Joseph Chow OBE, JP
Chairman

Hong Kong, 20 July 2007

在公司內，我們固然盡力確保所有員工的健康與職業安全、並關心員工的職業培訓與發展；而推廣環保與節約能源亦是我們的議題。

在社區層面，我們贊助了一系列的項目，其中包括南通市和武漢市優秀中學生來香港和澳門進行交流訪問；武漢市出租汽車協會播放專題電視節目，以推廣使用液化石油氣這種更潔淨又節省能源的燃料；及2006年10月舉辦的江蘇省第十六屆運動會等。

我們一向視自己為業務所在社區的一分子，並以此信念引導我們的業務發展。不論是本地化的人力資源政策、回饋社區的理念，還是制定長遠業務目標，我們都首先考慮所作出的決定對人們帶來的影響。

同心協力 邁步向前

回顧我們過往的發展歷程，再展望未來的發展路向，我深信憑著董事局各成員富有啟發性的領導、股東與業務夥伴的鼎力支持、公司行政人員及員工的竭誠奉獻，保華定可為股東進一步提升價值。

主席
周明權 OBE, JP
謹啟

香港，2007年7月20日

