

# FINANCIAL REVIEW

## 財務回顧

### REVIEW OF FINANCIAL PERFORMANCE

For the year ended 31 March 2009, the Group recorded a consolidated turnover of about HK\$4,836 million (2008: HK\$5,503 million), representing a decrease of about 12% when compared with last year. The decrease was mainly attributable to the decrease in the Group's business in management contracting.

The Group's gross profit decreased by 16% to about HK\$360 million (2008: HK\$427 million) as compared with last year. Such gross profit represented a gross margin of 7% (2008: 8%) of the consolidated turnover. Profit before taxation of about HK\$577 million was achieved as compared with about HK\$833 million for the last year. The Group's profit before taxation was composed of:

- (i) net gain of about HK\$80 million in management contracting and property development management businesses (2008: HK\$129 million);
- (ii) net gain of about HK\$18 million in port and infrastructure development and logistics business (2008: HK\$66 million);
- (iii) net gain of about HK\$26 million in LPG distribution (2008: net loss of HK\$8 million);
- (iv) net gain of about HK\$33 million in treasury investment (2008: HK\$42 million);
- (v) net gain of about HK\$672 million in property investment (2008: HK\$670 million);
- (vi) net loss of about HK\$10 million in property trading (2008: HK\$1 million);
- (vii) interest income and other income of about HK\$19 million (2008: HK\$84 million);
- (viii) net gain of about HK\$39 million from share of results of associates and jointly controlled entities (2008: HK\$56 million);
- (ix) net loss in investments held for trading and available-for-sale investments of about HK\$87 million (2008: HK\$11 million);
- (x) corporate and other expenses of about HK\$136 million (2008: HK\$141 million); and
- (xi) finance costs of about HK\$77 million (2008: HK\$53 million).

Net profit for the year attributable to the shareholders of PYI was about HK\$139 million (2008: HK\$360 million) and basic earnings per share was HK3.9 cents (2008: HK10.3 cents). The performance was adversely affected by the set back in contribution from the Group's engineering arm - Paul Y. Engineering and its subsidiaries (the "Paul Y. Engineering Group"), the drop in port-related project management income, as well as the increase in net loss arising from fair value reduction in trading securities.

### 財務表現回顧

截至2009年3月31日止年度，本集團錄得綜合營業額約48.36億港元（2008：55.03億港元），與去年同期數字比較減少約12%。此減幅主要由於本集團承建管理業務之收益減少所致。

與去年比較，本集團之毛利減少16%至約3.6億港元（2008：4.27億港元）。該毛利顯示毛利率約為綜合營業額之7%（2008：8%）。本集團之除稅前溢利約5.77億港元（去年則為8.33億港元）。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8,000萬港元（2008：1.29億港元）；
- (ii) 港口及基建發展與物流業務之收益淨額約1,800萬港元（2008：6,600萬港元）；
- (iii) 液化石油氣分銷收益淨額約2,600萬港元（2008：虧損淨額約800萬港元）；
- (iv) 庫務投資之收益淨額約3,300萬港元（2008：4,200萬港元）；
- (v) 物業投資之收益淨額約6.72億港元（2008：6.70億港元）；
- (vi) 物業買賣之虧損淨額約1,000萬港元（2008：100萬港元）；
- (vii) 利息收入及其他收入約1,900萬港元（2008：8,400萬港元）；
- (viii) 攤佔聯營公司及共同控制機構收益淨額約3,900萬港元（2008：5,600萬港元）；
- (ix) 持作買賣之投資及可供出售投資的虧損淨額約8,700萬港元（2008：1,100萬港元）；
- (x) 公司及其他開支約1.36億港元（2008：1.41億港元）；及
- (xi) 融資成本約7,700萬港元（2008：5,300萬港元）。

保華集團股東應佔年內溢利淨額約為1.39億港元（2008：3.60億港元），每股基本盈利為3.9港仙（2008：10.3港仙）。有關表現乃受到一系列負面因素，包括本集團之工程業務保華建業及其附屬公司（「保華建業集團」）貢獻倒退、港口相關之項目管理收入減少，及買賣證券公平價值減值之淨虧損增加之影響所致。

## REVIEW OF FINANCIAL POSITION

When compared with the Group's financial position as at last year end, total assets increased by 19% to about HK\$12,316 million (2008: HK\$10,361 million) and net current assets increased by 69% to about HK\$232 million (2008: HK\$137 million). These changes were mainly attributable to the fair value appreciation of the investment properties in Yangkou Port, and the finance of capital expenditure by long term borrowings. Consequently, current assets increased from 1.04 times to 1.05 times of current liabilities. After accounting for the net profit of about HK\$139 million net of dividends declared of about HK\$13 million, the share of other reserves of associates of about HK\$47 million, as well as surplus arising from RMB exchange translation of about HK\$65 million, equity attributable to shareholders of PYI increased by 8% to about HK\$3,647 million (2008: HK\$3,377 million), representing HK\$2.42 (2008: HK\$2.24) per share as at 31 March 2009 (equivalent to HK\$0.88 (2008: HK\$0.82) per share after adjustments of the estimated net proceeds from the rights issue of HK\$350 million and the 3,019,350,218 rights shares in issue as a result of the rights issue completed in July 2009).

Net cash inflow from operating activities was about HK\$76 million and that from financing activities was about HK\$742 million, and net cash outflow for investing activities was about HK\$682 million, resulting in a net increase in available cash and cash equivalents of about HK\$136 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 expenditure. The loans of the Group bear interest at market rates and are with terms of repayment ranging from one year to ten 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 2009, the Group's total borrowings amounted to about HK\$3,023 million (2008: HK\$2,046 million) with about HK\$1,272 million (2008: HK\$959 million) repayable on demand or within one year and about HK\$1,751 million (2008: HK\$1,087 million) repayable after one year. Out of the Group's total borrowings of about HK\$3,023 million, about HK\$316 million was non-recourse to the Group (excluding the Paul Y. Engineering Group).

## 財務狀況回顧

與本集團於去年年底之財政狀況相比，本集團之總資產增加約19%至約123.16億港元（2008：103.61億港元），而流動資產淨值則增加69%至約2.32億港元（2008：1.37億港元）。主要原因是洋口港投資物業之公平價值上升，以及以長期借貸為資本開支融資。因此，流動資產由相當於流動負債之1.04倍上升至1.05倍。計及溢利淨額約1.39億港元（扣除已宣派之股息約1,300萬港元）、分佔聯營公司之其他儲備約4,700萬港元，以及人民幣匯兌產生之盈餘約6,500萬港元後，保華集團股東應佔之權益增加8%至約36.47億港元（2008：33.77億港元），折合於2009年3月31日為每股2.42港元（2008：每股2.24港元）（因於2009年7月完成供股，經供股之估計所得款項淨額3.50億港元及已發行3,019,350,218股供股股份所調整後，則每股為0.88港元（2008：每股0.82港元））。

經營業務之現金流入淨額約為7,600萬港元，融資活動之現金流入淨額則約為7.42億港元，而投資活動之現金流出淨額約為6.82億港元，導致年內現金及現金等值項目淨額增加約1.36億港元。

## 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，還款期為一至十年。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2009年3月31日，本集團借款共達約30.23億港元（2008：20.46億港元），其中約12.72億港元（2008：9.59億港元）須隨時按要求或於一年內償還，另約17.51億港元（2008：10.87億港元）須於一年外償還。本集團於2009年3月31日約30.23億港元之總借貸中，約3.16億港元對本集團（不包括保華建業集團）並無追索權。

As at 31 March 2009, HK\$476 million (2008: HK\$337 million) of the Group's borrowings bore interest at floating rates and were denominated in Hong Kong dollars, HK\$129 million (2008: HK\$121 million) bore interest at fixed rates and were denominated in Hong Kong dollars, HK\$2,267 million (2008: HK\$1,362 million) bore interest at floating rates and were denominated in Renminbi, and HK\$151 million (2008: HK\$226 million) bore interest at a fixed rate and were denominated in Renminbi. The Group's gearing ratio was 0.83 (2008: 0.61), which is calculated based on the total borrowings of HK\$3,023 million (2008: HK\$2,046 million) and the Group's shareholders' fund of HK\$3,647 million (2008: HK\$3,377 million).

Cash balances at 31 March 2009 amounted to about HK\$922 million (2008: HK\$636 million), of which about HK\$183 million (2008: HK\$34 million) has been pledged to banks to secure general credit facilities granted to the Group. As at 31 March 2009, the Group has a net debt position (being cash balances net of bank borrowings) of HK\$1,718 million (2008: HK\$1,143 million).

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, has been used to fund construction of the 13-km Yellow Sea Crossing and the 1.4 sq km man-made island at Yangkou Port. As at 31 March 2009, the outstanding balance of the syndicated loan amounted to RMB800 million.

In April 2009, the Company proposed the Rights Issue to raise fund for investment in port and port-related projects and as general working capital. Please refer to note 57(a) to the consolidated financial statements for details. Having taken into account of the net proceeds of HK\$350 million from the Rights Issue which was completed in July 2009, the Group's gearing ratio as at 31 March 2009 would be improved to 0.76.

### CONTINGENT LIABILITIES

As at 31 March 2009, the Group has contingent liabilities in respect of guarantee given to a bank for banking facilities given to an associate of about HK\$12 million (2008: HK\$10 million) which was non-recourse to the Group (excluding the Paul Y. Engineering Group), and guarantee given to a third party of about HK\$23 million (2008: Nil).

於2009年3月31日，在本集團借款中，有4.76億港元（2008：3.37億港元）按浮動息率計息並以港元為單位，有1.29億港元（2008：1.21億港元）按固定利率計息並以港元為單位，有22.67億港元（2008：13.62億港元）按浮動利率計息並以人民幣為單位，另有1.51億港元（2008：2.26億港元）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0.83（2008：0.61），該項比率乃根據本集團30.23億港元（2008：20.46億港元）之總借款及36.47億港元（2008：33.77億港元）之股東資金計算。

於2009年3月31日之現金結餘約為9.22億港元（2008：6.36億港元），當中約1.83億港元（2008：3,400萬港元）已抵押予銀行以取得本集團所獲給予之一般信貸融資。於2009年3月31日，本集團處於淨負債狀況（即扣除銀行借貸後之現金結餘）17.18億港元（2008：11.43億港元）。

本集團於2007年7月，透過其擁有75%權益之江蘇洋口港投資開發有限公司與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佈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2009年3月31日，銀團貸款之未償還結餘為人民幣8億元。

在2009年4月，本公司建議進行供股，為港口及港口相關項目之投資集資，及作為一般營運資金。詳情請參閱綜合財務報表附註57(a)。計及於2009年7月完成之供股所得款項淨額3.5億港元，本集團於2009年3月31日之資本負債比率將改善至0.76。

### 或然負債

於2009年3月31日，本集團就一家聯營公司獲授之銀行信貸給予銀行之擔保，分別有約1,200萬港元（2008：1,000萬港元）之或然負債，其對本集團（不包括保華建業集團）並無追索權，另有給予第三方之擔保約2,300萬港元（2008：無）。

## PLEDGE OF ASSETS

As at 31 March 2009, certain property interests, property, plant and equipment and bank balances of the Group with an aggregate value of about HK\$1,676 million (2008: HK\$916 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 2009, about HK\$83 million (2008: HK\$43 million) of these pledged assets was used to secure credit facilities which were non-recourse to the Group (excluding the Paul Y. Engineering Group).

## COMMITMENTS

As at 31 March 2009, the Group has expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of certain property interests, property, plant and equipment and non-wholly owned subsidiary in the amount of about HK\$541 million (2008: HK\$1,155 million).

## 資產抵押

於2009年3月31日，本集團總值約16.76億港元（2008：9.16億港元）之若干物業權益、物業、機械及設備及銀行存款，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2009年3月31日，約8,300萬港元（2008：4,300萬港元）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2009年3月31日，本集團就收購若干物業權益、物業、機械及設備及非全資附屬公司有約5.41億港元（2008：11.55億港元）之已簽訂但並未於綜合財務報表撥備之開支。