

FINANCIAL REVIEW

財務回顧

REVIEW OF FINANCIAL PERFORMANCE

For the year ended 31 March 2010, the Group recorded a consolidated turnover of about HK\$4,260 million (2009: HK\$4,836 million), representing a decrease of about 12% when compared with last year. The decrease was mainly attributable to the decrease in turnover of the Group's engineering arm - Paul Y. Engineering and its subsidiaries (the "Paul Y. Engineering Group").

The Group's gross profit increased by 6% to about HK\$383 million (2009: HK\$360 million) as compared with the last year. Such gross profit represented a gross margin of 9% (2009: 7%) of the consolidated turnover. Profit before taxation of about HK\$402 million was achieved as compared with about HK\$577 million for the last year. The Group's profit before taxation was composed of:

- (i) net gain of about HK\$61 million in Paul Y. Engineering Group engaged in management contracting and property development management businesses (2009: HK\$58 million);
- (ii) net gain of about HK\$405 million in ports development business (2009: HK\$375 million);
- (iii) net gain of about HK\$67 million in ports and logistics business (2009: HK\$39 million);
- (iv) net gain of about HK\$34 million in property business (2009: HK\$328 million);
- (v) net gain of about HK\$38,000 in treasury business (2009: net loss of HK\$54 million);
- (vi) net corporate and other expenses (including inter-segment profit eliminations) of about HK\$99 million (2009: HK\$92 million) of which about HK\$22 million was acquisition-related costs (2009: HK\$11 million); and
- (vii) finance costs of about HK\$66 million (2009: HK\$77 million).

Net profit for the year attributable to the owners of PYI was about HK\$149 million (2009: HK\$139 million) and basic earnings per share was 3.5 HK cents (2009: 3.9 HK cents). The improved net profit was mainly attributable to (a) the increase in profit contribution from the ports and logistics business, as benefited from the growth in share of profit from Nantong Port Group by 55% to HK\$59 million (2009: HK\$38 million) despite facing the global financial tsunami; (b) gain on bargain purchase of 51% interest in Yichang Port Group of HK\$13 million (2009: Nil); and (c) continuous cost control measures.

財務表現回顧

於截至2010年3月31日止年度，本集團錄得綜合營業額約42.6億港元（2009：48.36億港元），與去年比較下降約12%。此營業額下降主要由於本集團之工程業務保華建業及其附屬公司（「保華建業集團」）之營業額減少所致。

與去年比較，本集團之毛利上升6%至約3.83億港元（2009：3.6億港元）。該毛利顯示毛利率約為綜合營業額之9%（2009：7%）。本集團之除稅前溢利約達4.02億港元，而去年則約為5.77億港元。本集團之除稅前溢利包括：

- (i) 保華建業集團所從事承建管理及物業發展管理業務之收益淨額約6,100萬港元（2009：5,800萬港元）；
- (ii) 港口發展業務之收益淨額約4.05億港元（2009：3.75億港元）；
- (iii) 港口與物流業務之收益淨額約6,700萬港元（2009：3,900萬港元）；
- (iv) 物業業務之收益淨額約3,400萬港元（2009：3.28億港元）；
- (v) 庫務業務之收益淨額約38,000港元（2009：虧損淨額5,400萬港元）；
- (vi) 公司及其他開支淨額（包含分部間溢利對銷）約9,900萬港元（2009：9,200萬港元），其中約2,200萬港元為與收購有關之成本（2009：1,100萬港元）；及
- (vii) 融資成本約6,600萬港元（2009：7,700萬港元）。

保華擁有人應佔年度溢利淨額約為1.49億港元（2009：1.39億港元），每股基本盈利為3.5港仙（2009：3.9港仙）。純利改善之主因為(a)儘管面對金融海嘯，港口及物流業務受惠於應佔南通港口集團溢利上升55%至5,900萬港元（2009：3,800萬港元）所影響，導致溢利貢獻增加；(b) 購買宜昌港務集團51%權益產生1,300萬港元（2009：無）之議價收購收益；及(c)持續控制成本措施所致。

REVIEW OF FINANCIAL POSITION

When compared with the Group's financial position as at last year end, total assets increased by 14% to about HK\$14,041 million (2009: HK\$12,316 million) and net current assets increased by 333% to about HK\$1,004 million (2009: HK\$232 million). These changes were mainly attributable to the fair value appreciation of investment properties and the completion in development of certain properties held for sale located at Yangkou Port. Consequently, current assets increased from 1.05 times to 1.21 times of current liabilities. After accounting for the net profit of about HK\$149 million, net proceeds of about HK\$350 million from issue of shares on subscription of rights issue completed in July 2009 and surplus arising from RMB exchange translation of about HK\$15 million, equity attributable to owners of PYI increased by 13% to about HK\$4,130 million (2009: HK\$3,647 million), representing HK\$0.91 per share as at 31 March 2010 (2009: HK\$2.42 per share, equivalent to HK\$0.88 per share after adjustments of the net proceeds from rights issue of about 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\$44 million (2009: HK\$76 million) and that from financing activities was about HK\$444 million (2009: HK\$742 million). Net cash outflow from investing activities was about HK\$229 million (2009: HK\$682 million), resulting in a net increase in available cash and cash equivalents of about HK\$259 million (2009: 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 have 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 2010, the Group's total borrowings amounted to about HK\$3,049 million (2009: HK\$3,023 million) with about HK\$1,563 million (2009: HK\$1,272 million) repayable on demand or within one year and about HK\$1,486 million (2009: HK\$1,751 million) repayable after one year. Out of the Group's total borrowings of about HK\$3,049 million (2009: HK\$3,023 million), about HK\$322 million (2009: HK\$316 million) was non-recourse to the Group (excluding the Paul Y. Engineering Group).

財務狀況回顧

與本集團於上個財政年度年結日之財政狀況相比，本集團之總資產增加14%至約140.41億港元（2009：123.16億港元），而流動資產淨值則增加333%至約10.04億港元（2009：2.32億港元）。主要原因是位於洋口港的投資物業之公平價值上升，以及洋口港若干開發待售物業竣工所致。因此，流動資產由相當於流動負債之1.05倍上升至1.21倍。計及溢利淨額約1.49億港元、於2009年7月完成之供股中就認購事項發行股份之所得款項淨額約3.5億港元，以及人民幣匯兌產生之盈餘約1,500萬港元後，保華擁有人應佔之權益增加13%至約41.3億港元（2009：36.47億港元），折合於2010年3月31日為每股0.91港元（2009：每股2.42港元，經調整於2009年7月完成之供股所得款項淨額約3.5億港元及已發行3,019,350,218股供股股份後，則每股為0.88港元）。

經營業務之現金流入淨額約為4,400萬港元（2009：7,600萬港元），融資活動之現金流入淨額則約為4.44億港元（2009：7.42億港元），而投資活動之現金流出淨額約為2.29億港元（2009：6.82億港元），因此年內現金及現金等值項目淨額增加約2.59億港元（2009：1.36億港元）。

流動資金與資本來源

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2010年3月31日，本集團借款共達約30.49億港元（2009：30.23億港元），其中約15.63億港元（2009：12.72億港元）須隨時按要求或於一年內償還，另約14.86億港元（2009：17.51億港元）須於一年後償還。本集團約30.49億港元（2009：30.23億港元）之總借貸中，約3.22億港元（2009：3.16億港元）對本集團（不包括保華建業集團）並無追索權。

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As at 31 March 2010, about HK\$461 million (2009: HK\$476 million) of the Group's borrowings bore interest at floating rates and were denominated in Hong Kong dollars, about HK\$144 million (2009: HK\$129 million) bore interest at fixed rates and were denominated in Hong Kong dollars, about HK\$2,161 million (2009: HK\$2,267 million) bore interest at floating rates and were denominated in Renminbi, and about HK\$283 million (2009: HK\$151 million) bore interest at a fixed rate and were denominated in Renminbi. The Group's gearing ratio was 0.74 (2009: 0.83), which was calculated based on the total borrowings of about HK\$3,049 million (2009: HK\$3,023 million) and the Group's shareholders' fund of about HK\$4,130 million (2009: HK\$3,647 million).

Cash balance as at 31 March 2010 amounted to about HK\$1,033 million (2009: HK\$922 million), of which about HK\$34 million (2009: HK\$183 million) has been pledged to banks to secure general credit facilities granted to the Group. As at 31 March 2010, the Group has a net debt position (being cash balances net of bank borrowings) of about HK\$1,453 million (2009: HK\$1,718 million).

In July 2007, the Group, through Yangkou Port Co, entered into a 7-year project loan facility agreement for RMB960 million with a syndicate of eight domestic banks in Nanjing, China. 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 2010, the outstanding balance of the syndicated loan amounted to RMB600 million (2009: RMB800 million).

In July 2009, PYI completed a rights issue by issuing and allotting 3,019,350,218 rights shares at a subscription price of HK\$0.12 each on the basis of two rights shares for every share of PYI held on 9 June 2009. The net proceeds of about HK\$350 million were intended to be used on PYI's investment in port and port-related projects and as general working capital of PYI.

In December 2009, the Group disposed an aggregate of 15% interest in Yangkou Port Co and a net proceed of about HK\$316 million was received.

於2010年3月31日，在本集團借款中，有約4.61億港元（2009：4.76億港元）按浮動利率計息並以港元為單位，有約1.44億港元（2009：1.29億港元）按固定利率計息並以港元為單位，有約21.61億港元（2009：22.67億港元）按浮動利率計息並以人民幣為單位，另有約2.83億港元（2009：1.51億港元）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0.74（2009：0.83），該項比率乃根據本集團有約30.49億港元（2009：30.23億港元）之總借款及有約41.3億港元（2009：36.47億港元）之股東資金計算。

於2010年3月31日之現金結餘約為10.33億港元（2009：9.22億港元），當中約3,400萬港元（2009：1.83億港元）已抵押予銀行以取得本集團所獲給予之一般信貸融資。於2010年3月31日，本集團處於淨負債（即扣除銀行借款後之現金結餘）約14.53億港元（2009：17.18億港元）。

本集團於2007年7月，透過洋口港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告的同期人民幣長期貸款基準利率，用作建設洋口港長達13公里的黃海大橋和面積1.4平方公里的人工島。於2010年3月31日，銀團貸款之未償還結餘為人民幣6億元（2009：人民幣8億元）。

於2009年7月保華完成供股，以於2009年6月9日每持有一股保華股份可認購兩股供股股份之基準，按認購價每股供股股份0.12港元進行供股，發行及配發3,019,350,218股供股股份。所得款項淨額約為3.5億港元，擬用作保華於港口及港口相關項目之投資及保華之一般營運資金。

於2009年12月，本集團出售洋口港公司合共15%權益，並已收取所得款項淨額約3.16億港元。

CONTINGENT LIABILITIES

As at 31 March 2010, the Group has contingent liabilities in respect of guarantees given to banks for banking facilities given to third parties of about HK\$46 million (2009: HK\$23 million for a third party and HK\$12 million for an associate).

PLEDGE OF ASSETS

As at 31 March 2010, certain property interests, property, plant and equipment, trade receivables and bank balances of the Group with an aggregate value of about HK\$1,980 million (2009: HK\$1,676 million) and benefits over certain construction contracts were pledged to banks and financial institutions to secure general credit facilities granted to the Group. As at 31 March 2010, about HK\$48 million (2009: HK\$83 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 2010, 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 and project under development in the amount of about HK\$97 million (2009: HK\$541 million).

或然負債

於2010年3月31日，本集團就第三方獲授之銀行信貸給予銀行之擔保，有約4,600萬港元（2009：2,300萬港元為第三方作出及1,200萬港元為聯營公司作出）之或然負債。

資產抵押

於2010年3月31日，本集團總值約19.8億港元（2009：16.76億港元）之若干物業權益、物業、機械及設備、應收貿易賬款及銀行結餘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2010年3月31日，約4,800萬港元（2009：8,300萬港元）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2010年3月31日，本集團就收購若干物業、機械及設備以及發展中之項目有約9,700萬港元（2009：5.41億港元）之已簽訂但並未於綜合財務報表撥備之開支。