PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

(Financial figures in this announcement are expressed in Hong Kong dollars ("$") unless otherwise specified)

2012 FINAL RESULTS

The board of directors (the "Board") of PYI Corporation Limited ("PYI" or the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012.

FINANCIAL HIGHLIGHTS

	2012	Change
Turnover	$5,208 million	-3%
Gross profit	$439 million	–
Profit attributable to shareholders	$334 million	+67%
EPS	7.4 cents	+68%
Final DPS	0.5 cent	-50%
Special DPS (paid in October 2011)	2 cents	N/A
Shareholders' funds	$4,610 million	+2%
NAV per share	$1.01	+2%

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	**2012** ***$'000***	2011 *$'000*
Turnover			
The Company and its subsidiaries	*3*	**5,207,922**	5,357,200
Share of associates and jointly controlled entities		**1,132,412**	667,198
		6,340,334	6,024,398
Group turnover	*3*	**5,207,922**	5,357,200
Cost of sales		**(4,769,041)**	(4,916,287)
Gross profit		**438,881**	440,913
Other income	*4*	**82,064**	52,408
Administrative expenses		**(311,657)**	(295,415)
Distribution and selling expenses		**(85,268)**	(91,014)
Other expenses		**(22,527)**	(14,172)
Finance costs	*6*	**(77,660)**	(86,282)
Gain on fair value changes of investment properties		**83,680**	316,214
Gain on disposal of a subsidiary	*15*	**389,061**	–
Other gains and losses	*5*	**5,603**	3,682
Share of results of associates		**45,379**	136,814
Share of results of jointly controlled entities		**13,056**	2,892
Profit before taxation	*7*	**560,612**	466,040
Taxation	*8*	**(191,595)**	(166,852)
Profit for the year		**369,017**	299,188
Profit for the year attributable to:			
Owners of the Company		**334,072**	200,104
Non-controlling interests		**34,945**	99,084
		369,017	299,188
Basic and diluted earnings per share	*9*	**7.4 cents**	4.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	2012	2011
	$'000	*$'000*
Profit for the year	**369,017**	299,188
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Exchange differences arising from translation of foreign operations	**163,581**	233,282
Reclassification adjustment of translation reserve upon disposal of a subsidiary	**(230,797)**	–
Gain (loss) on fair value changes of available-for-sale investments	**12**	(177)
Reclassification adjustment on disposal of available-for-sale investments	**(365)**	(66)
Other comprehensive (expensive) income for the year	**(67,569)**	233,039
Total comprehensive income for the year	**301,448**	532,227
Total comprehensive income for the year attributable to:		
Owners of the Company	**236,528**	367,450
Non-controlling interests	**64,920**	164,777
	301,448	532,227

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012

	Notes	2012 $'000	2011 $'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,561,175**	1,369,085
Investment properties	*11*	**855,244**	727,811
Project under development		**493,267**	490,121
Prepaid lease payments		**314,329**	312,864
Goodwill		**61,646**	61,646
Other intangible assets		**155,620**	171,990
Interests in associates		**1,189,262**	1,132,027
Interests in jointly controlled entities		**31,314**	4,065
Available-for-sale investments		**363,726**	1,270
Loans receivable – due after one year		**16,020**	–
Other debtors – non-current portion		**628,467**	196,319
		5,670,070	4,467,198
CURRENT ASSETS			
Stock of properties	*12*	**1,087,769**	1,098,800
Prepaid lease payments		**4,197**	4,229
Inventories of finished goods		**22,880**	29,240
Loans receivable – due within one year		**86,616**	113,147
Amounts due from associates		**35,819**	42,929
Amounts due from jointly controlled entities		**52,921**	22,956
Amount due from a non-controlling interest		**1,233**	1,188
Amounts due from customers for contract works		**376,446**	258,350
Trade and other debtors, deposits and prepayments	*13*	**2,688,836**	1,651,066
Investments held for trading		**60,439**	46,942
Available-for-sale investments		**75**	91
Taxation recoverable		**—**	2
Pledged bank deposits		**732,226**	83,532
Short term bank deposits		**450,579**	371,277
Bank balances and cash		**557,656**	657,799
		6,157,692	4,381,548
Assets classified as held for sale	*15*	**—**	6,046,209
		6,157,692	10,427,757
CURRENT LIABILITIES			
Amounts due to customers for contract works		**716,288**	947,938
Trade and other creditors and accrued expenses	*14*	**2,249,521**	1,230,931
Deposits received for pre-sale of properties		**41,950**	237,048
Amounts due to associates		**108,059**	66,268
Amounts due to jointly controlled entities		**95,401**	45,000
Amounts due to non-controlling interests		**7,583**	24,276
Amount due to a related company		**—**	233
Taxation payable		**16,030**	20,213
Bank and other borrowings – due within one year		**1,714,567**	1,255,304
		4,949,399	3,827,211
Liabilities associated with assets classified as held for sale	*15*	**—**	3,301,463
		4,949,399	7,128,674
NET CURRENT ASSETS		**1,208,293**	3,299,083
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,878,363**	7,766,281

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012

	2012 **$'000**	2011 *$'000*
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**920,437**	738,585
Amounts due to non-controlling interests	**33,144**	19,002
Deferred tax liabilities	**537,021**	484,377
Deferred income	**40,349**	25,181
Other payables	**59,154**	173,576
	1,590,105	1,440,721
	5,288,258	6,325,560
CAPITAL AND RESERVES		
Share capital	**455,849**	452,913
Reserves	**4,154,090**	4,047,700
Equity attributable to owners of the Company	**4,609,939**	4,500,613
Non-controlling interests	**678,319**	1,824,947
TOTAL EQUITY	**5,288,258**	6,325,560

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2012

	Note	**2012** **$'000**	2011 *$'000*
Net cash (used in) from operating activities		**(496,237)**	459,877
Net cash from (used in) investing activities		**28,975**	(639,651)
Net cash from financing activities		**308,882**	331,072
Net (decrease) increase in cash and cash equivalents		**(158,380)**	151,298
Effect of foreign exchange rate changes		**9,198**	7,087
Cash and cash equivalents brought forward		**1,157,417**	999,032
Cash and cash equivalents carried forward	*16*	**1,008,235**	1,157,417
Analysis of the balances of cash and cash equivalents			
Short term bank deposits		**450,579**	371,277
Bank balances and cash		**557,656**	786,140
		1,008,235	1,157,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. *Basis of preparation*

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and by the Hong Kong Companies Ordinance.

2. *Principal accounting policies*

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties which are measured at fair values.

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised in 2009)	Related Party Disclosures
Amendments to HK(IFRIC) - Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

Other than the retrospective application of HKAS 24 (as revised in 2009) for related party disclosures set out in the consolidated financial statements, the application of these new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures - Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax : Recovery of Underlying Assets[5]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2015.
[4] Effective for annual periods beginning on or after 1 July 2012.
[5] Effective for annual periods beginning on or after 1 January 2012.
[6] Effective for annual periods beginning on or after 1 January 2014.

2. *Principal accounting policies - continued*

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (Revised in 2011) and HKAS 28 (Revised in 2011).

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) - Int 12 *Consolidation - Special Purpose Entities.* HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC) - Int 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated. In addition, the application of HKFRS 11 might result in changes in the classification of the Group's joint arrangements, depending on the rights and obligations of the parties to the joint arrangement. However, the directors of the Company have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

Amendments to HKAS 12 Deferred Tax - Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

Currently, the directors of the Company have made a best estimate that half of the property interests may be realised through sale in the long term. If the presumption that the investment properties to be realised through sale is not rebutted, the directors of the Company anticipate that the application of the amendments to HKAS 12 may increase the deferred tax liability as the changes in fair value of investment properties would be subject to both The People's Republic of China (the "PRC") Land Appreciation Tax ("LAT") and Enterprise Income Tax. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Other than described above, the directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. *Segment information*

The operating segments of the Group is determined based on information reported to the Group's chief operating decision maker (the Managing Director of the Company) for the purposes of resources allocation and performance assessment.

The information focuses more specifically on the strategic operation and development of each business unit and its performance is evaluated through organising similar business units into an operating segment. The Group’s operating and reportable segments are as follows:

Paul Y. Engineering Group Limited ("PYE") and its subsidiaries ("Paul Y. Engineering Group") - The Group's subsidiary listed on the Hong Kong Stock Exchange and principally engaged in building construction, civil engineering, development management, project management, facilities and asset management services and investment in properties

Ports development - Development of ports facilities and ports related properties

Ports and logistics - Operation of ports, liquefied petroleum gas and logistics businesses

Property - Development, sale and leasing of real estate properties and formed land and provision of project consultancy service

Treasury - Provision of credit services and securities trading

The Managing Director of the Company assesses the performance of the operating segments based on a measure of earnings before interest expense and tax ("EBIT") and earnings before interest expense, tax, depreciation and amortisation ("EBITDA").

Inter-segment revenue is charged at market price or, where no market price is available, at terms determined and agreed by both parties.

3. Segment information - continued

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segment:

For the year ended 31 March 2012

	Paul Y. Engineering Group $'000	Ports develop-ment $'000	Ports and logistics $'000	Property $'000	Treasury $'000	Segment total $'000	Elimin-ations $'000	Consolid-ated $'000
TURNOVER								
External revenue	**4,280,115**	**9,090**	**484,211**	**425,358**	**9,148**	**5,207,922**	**–**	**5,207,922**
Inter-segment revenue	**24,132**	**–**	**–**	**208**	**–**	**24,340**	**(24,340)**	**–**
Total	**4,304,247**	**9,090**	**484,211**	**425,566**	**9,148**	**5,232,262**	**(24,340)**	**5,207,922**
EBITDA	**71,354**	**390,941**	**102,205**	**157,028**	**74,628**	**796,156**	**(8,523)**	**787,633**
Depreciation and amortisation**	**(23,577)**	**(1,212)**	**(45,930)**	**(1,466)**	**(3)**	**(72,188)**	**–**	**(72,188)**
Segment result – EBIT*	**47,777**	**389,729**	**56,275**	**155,562**	**74,625**	**723,968**	**(8,523)**	**715,445**
Corporate and other expenses***								**(77,173)**
Finance costs								**(77,660)**
Profit before taxation								**560,612**
Taxation								**(191,595)**
Profit for the year								**369,017**

For the year ended 31 March 2011

	Paul Y. Engineering Group $'000	Ports develop-ment $'000	Ports and logistics $'000	Property $'000	Treasury $'000	Segment total $'000	Elimin-ations $'000	Consolid-ated $'000
TURNOVER								
External revenue	4,365,590	65,223	538,291	379,235	8,861	5,357,200	–	5,357,200
Inter-segment revenue	(31,799)	–	–	237	–	(31,562)	31,562	–
Total	4,333,791	65,223	538,291	379,472	8,861	5,325,638	31,562	5,357,200
EBITDA	68,064	357,502	212,682	86,903	5,976	731,127	(9,846)	721,281
Depreciation and amortisation**	(16,330)	(28,131)	(57,728)	(502)	(3)	(102,694)	–	(102,694)
Segment result – EBIT*	51,734	329,371	154,954	86,401	5,973	628,433	(9,846)	618,587
Corporate and other expenses***								(66,265)
Finance costs								(86,282)
Profit before taxation								466,040
Taxation								(166,852)
Profit for the year								299,188

* During the year ended 31 March 2012, segment result of ports development included the gain on disposal of a subsidiary of about $389,061,000 (2011: Nil) (note 15).

** Including depreciation of property, plant and equipment and amortisation of other intangible assets.

*** Including acquisition-related costs of about $18,455,000 (2011: $14,172,000).

3. Segment information - continued

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

At 31 March 2012

	Paul Y. Engineering Group $'000	Ports develop-ment $'000	Ports and logistics $'000	Property $'000	Treasury $'000	Segment total $'000	Elimin-ations $'000	Consolid-ated $'000
ASSETS								
Segment assets	**3,328,640**	**719,013**	**3,142,875**	**2,792,697**	**1,945,067**	**11,928,292**	**(127,086)**	**11,801,206**
Unallocated assets								**26,556**
Consolidated total assets								**11,827,762**
LIABILITIES								
Segment liabilities	**2,687,589**	**316,378**	**1,209,433**	**1,346,223**	**1,054,803**	**6,614,426**	**(96,345)**	**6,518,081**
Unallocated liabilities								**21,423**
Consolidated total liabilities								**6,539,504**

At 31 March 2011

	Paul Y. Engineering Group $'000	Ports develop-ment $'000	Ports and logistics $'000	Property $'000	Treasury $'000	Segment total $'000	Elimin-ations $'000	Consolid-ated $'000
ASSETS								
Segment assets	2,771,648	276,131	3,002,888	2,617,633	164,352	8,832,652	(148,764)	8,683,888
Assets classified as held for sale	-	4,950,579	-	1,095,630	-	6,046,209	-	6,046,209
Unallocated assets								164,858
Consolidated total assets								14,894,955
LIABILITIES								
Segment liabilities	2,167,327	146,320	1,332,870	1,179,544	84,003	4,910,064	(111,184)	4,798,880
Liabilities associated with assets classified as held for sale	-	3,093,302	-	208,161	-	3,301,463	-	3,301,463
Unallocated liabilities								469,052
Consolidated total liabilities								8,569,395

Segment assets and liabilities comprise assets and liabilities of the operating subsidiaries that are engaged in different businesses. Accordingly, segment assets exclude corporate assets which are mainly bank balances and cash and other receivables, and segment liabilities exclude corporate liabilities which are mainly other payables.

3. *Segment information - continued*

Geographical information

The Group's operations are mainly located in Hong Kong, Macau and the PRC other than Hong Kong and Macau.

The following is an analysis of the Group's turnover by geographical market based on location of customers, irrespective of the origin of the goods/services:

	2012 ***$'000***	2011 *$'000*
Hong Kong	**3,354,435**	4,094,304
The PRC other than Hong Kong and Macau	**1,296,710**	1,149,299
Macau and others	**556,777**	113,597
	5,207,922	5,357,200

4. *Other income*

Other income includes:

	2012 ***$'000***	2011 *$'000*
Interest income from deferred consideration receivable (note 13)	**54,451**	–
Other interest income	**20,422**	8,997
Rental income from short term leasing of stock of properties	**4,855**	30,417
Write-back of aged payables	**—**	7,804

5. *Other gains and losses*

	2012 ***$'000***	2011 *$'000*
Change in fair value of investments held for trading	**(22,023)**	(2,581)
Exchange gain arising from deferred consideration receivable	**25,578**	–
Gain on disposal of an associate	**5,565**	–
Gain (loss) on disposal of property, plant and equipment	**483**	(257)
Gain on disposal of prepaid lease payments and related other intangible assets	**505**	4,104
Gain on disposal of available-for-sale investments	**365**	47
Impairment loss recognised in respect of goodwill	**—**	(74)
Impairment loss (recognised) recovered on receivables	**(4,870)**	2,443
	5,603	3,682

6. *Finance costs*

	2012 **$'000**	2011 $'000
Borrowing costs on:		
Bank borrowings wholly repayable within five years	**102,057**	132,280
Bank borrowings not wholly repayable within five years	**19,454**	16,513
Amounts due to non-controlling interests wholly repayable within five years	**3,243**	571
Amounts due to non-controlling interests not wholly repayable within five years	**215**	224
Imputed interest expense on other payables	**2,310**	2,678
Effective interest on convertible notes wholly repayable within five years	**—**	549
Other borrowings wholly repayable within five years	**5,728**	15,106
	133,007	167,921
Less: Amount capitalised in respect of contracts in progress	**(2,045)**	(207)
Amount capitalised in respect of project under development	**(9,095)**	(38,221)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(31,569)**	(21,286)
Amount capitalised in respect of properties under development for sale	**(12,638)**	(21,925)
	77,660	86,282

The capitalised borrowing costs represent the borrowing costs incurred by the entities on borrowings whose funds were specifically invested in the project and properties during the year.

7. *Profit before taxation*

	2012 **$'000**	2011 $'000
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of intangible assets (included in distribution and selling expenses)	**13,376**	12,787
Cost of inventories recognised as an expense	**516,651**	565,480
Cost of construction works recognised as an expense	**4,115,362**	4,173,286
Depreciation of property, plant and equipment		
Amount provided for the year	**64,997**	94,804
Less: Amount capitalised in respect of contracts in progress	**(2,755)**	(1,414)
Amount capitalised in respect of project under development	**(2)**	(449)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(1,027)**	(509)
Amount capitalised in respect of properties under development for sale	**(2,401)**	(2,525)
	58,812	89,907
Release of prepaid lease payments	**4,239**	4,124
Total interest income (included in turnover and other income)	**(84,021)**	(17,858)

8. *Taxation*

	2012 **$'000**	2011 *$'000*
The charge comprises:		
Hong Kong Profits Tax:		
Underprovision in prior years	**—**	2
Taxation arising in jurisdictions outside Hong Kong:		
Current year	**160,213**	44,341
(Over)underprovision in prior years	**(2,372)**	6,313
	157,841	50,654
Deferred taxation		
LAT	**20,352**	55,793
Others	**13,402**	60,403
	33,754	116,196
Taxation attributable to the Company and its subsidiaries	**191,595**	166,852

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the Group's subsidiaries in the PRC is 25% from 1 January 2008 onwards. Pursuant to the relevant laws and regulations in the PRC, a PRC subsidiary of the Group was exempted from PRC income tax for two years starting from its first profit making year, followed by a 50% reduction for the next three years which expired in 2010.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The current year taxation arising in jurisdictions outside Hong Kong includes an income tax charge of about $126,832,000 (2011: Nil), which represents the PRC income tax charged on the gain on disposal of 50.1% equity interest in Jiangsu YangKou Port Development and Investment Co., Ltd. ("Yangkou Port Co") (see note 15 for details). According to the EIT Law effective from 1 January 2008 and its Implementation Regulation, the capital gain derived from equity rights transfer by a non-resident enterprise, representing the difference between the transfer price and the cost of equity rights, is subject to a tax rate of 10%.

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995 as well, all income from the sale or transfer of land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as calculated according to the Provisional Regulations of the PRC on LAT and its Detailed Implementation Rules.

9. *Basic and diluted earnings per share*

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2012 **$'000**	2011 *$'000*
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**334,072**	200,104

	2012 **Number of shares**	2011 Number of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**4,541,642,831**	4,529,125,134

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for Company's shares for both years.

For the year ended 31 March 2011, the computation of diluted earnings per share did not assume the conversion of the Company's outstanding convertible loan notes since their exercise would result in an increase in earnings per share for that year. The convertible loan notes were redeemed during the year ended 31 March 2011.

10. *Distribution*

	2012 **$'000**	2011 *$'000*
Dividends recognised as distribution during the year:		
Final dividend declared for the year ended 31 March 2011 – HK1 cent (2011: Nil) per share	**45,291**	–
Special cash dividend declared for the year – HK2 cents (2011: Nil) per share	**90,583**	–
	135,874	–
Dividends proposed in respect of current year:		
Final dividend proposed for the year ended 31 March 2012 – HK0.5 cent (2011: HK1 cent) per share	**22,792**	45,291

The amount of the final dividend proposed for the year ended 31 March 2012, which will be in the form of cash with a scrip option, has been calculated by reference to the 4,558,493,575 issued shares as at the date of this announcement.

11. Investment properties

	2012 **$'000**	2011 *$'000*
Leasehold land and buildings	**280,497**	259,736
Formed land (note a)	**485,968**	2,509,215
Land under development (note b)	**88,779**	352,732
	855,244	3,121,683
Less : classified as held for sale	**—**	(2,393,872)
	855,244	727,811

Notes:

a. The balance represents formed land held for future development as investment property amounting to $485,968,000 (2011: $2,509,215,000) as at 31 March 2012. During the year ended 31 March 2011, the Group completed the reclamation of certain sea area and obtained the certificate of completion of land reclamation (the "Certificate") issued by qualified project engineering and construction manager in respect of certain land area (the "Formed Land") in Jiangsu Province, the PRC. Upon obtaining the Certificate, such Formed Land had been recognised as land held under operating lease and classified and accounted for as investment properties as the Formed Land is held for capital appreciation purpose. The relevant costs, which included the development expenditure, borrowing costs capitalised and other directly attributable expenses, amounting to about $16,732,000, had been transferred from project under development to investment properties. No land reclamation process was completed in 2012.

b. As at 31 March 2012, in connection with the reclamation of certain area in Jiangsu Province, the PRC, the Group commenced, but not yet completed, the land leveling process (mainly representing the sand filling work to achieve leveling of the area) (the "Land Being Formed"). Upon the commencement of land leveling process, such Land Being Formed has been recognised as land being developed for future use as investment property and classified and accounted for as investment properties. The relevant costs, which include the development expenditure, borrowing costs capitalised and other directly attributable expenses, amounting to about $14,772,000 (2011: $94,959,000), have been transferred from project under development to investment properties.

The fair values of the Group's investment properties at 31 March 2012 and 31 March 2011 have been arrived at on the basis of a valuation carried out as at those dates by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group. In determining the fair value of leasehold land and buildings and Formed Land held for future development as investment property, the comparison method is adopted under which comparison based on information of recent transacted prices of comparable property is made. Comparable property of similar size, character and location are analysed in order to arrive at a fair comparison of capital values. The valuation as at 31 March 2011 regarding the investment properties classified as held for sale also took into account the further increment arising from the approval obtained from the respective government authority during the prior period for certain portion of the Formed Land to be used for specified purposes. In determining the fair value of land under development, the same comparison method is adopted and valuation has been allowed for further costs to be expended for the development of the Land Being Formed into Formed Land. During the year, the total gain on fair value changes of Land Being Formed of about $73,032,000 (2011: $241,396,000), and during the year ended 31 March 2011, the total gain on fair value changes of Formed Land where land leveling process was completed as at 31 March 2011 of about $45,611,000 (2012: Nil), have been recognised in the consolidated income statement.

11. Investment properties - continued

Deferred tax consequences in respect of the revalued investment properties are assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the carrying amounts of the property at the end of the reporting period. For Formed Land and Land Being Formed located in the PRC, management of the Company, for the purpose of deferred tax calculation, has made a best estimate that half of the Formed Land and Land Being Formed will be realised through sale in the long term. The temporary difference of the relevant portion between the tax base of the revalued investment properties and their carrying amounts therefore would be subject to PRC LAT in addition to enterprise income tax.

As at 31 March 2012, the balance of investment properties included Formed Land of about $485,968,000 (2011: $2,509,215,000). The Group has to obtain certain appropriate certificates for the disposal of the Formed Land. Based on past experience, the directors of the Company consider that there is no material impediment to obtain these certificates for the Group.

12. Stock of properties

	2012	2011
	$'000	*$'000*
Properties under development for sale	**324,353**	946,951
Properties held for sale	**763,416**	1,247,478
	1,087,769	2,194,429
Less : classified as held for sale	**—**	(1,095,629)
	1,087,769	1,098,800

Land Being Formed which are developed for future sale are recognised as properties under development for sale in stock of properties upon the commencement of the land leveling process.

At 31 March 2012, the balance of properties held for sale included Formed Land of about $404,460,000 (2011: $1,079,158,000) and the balance of properties under development for sale included Land Being Formed of about $410,620,000 as at 31 March 2011 (2012: Nil). The Group has to obtain certain appropriate certificates before it can dispose of the Formed Land. Based on past experience, the directors of the Company consider that there is no material impediment to obtain these certificates for the Group.

At 31 March 2012, stock of properties includes an amount of about $208,628,000 (2011: $189,328,000) which is expected to be realised after more than twelve months from the end of the reporting period.

13. *Trade and other debtors, deposits and prepayments*

The Group's credit terms for the Paul Y. Engineering Group segment are negotiated at terms determined and agreed with its customers. Credit terms for ports development segment are negotiated at specific terms with customers or in connection with the completion of underlying construction work. Credit terms for customers of ports and logistics segment normally range from 30 days to 90 days. Rental income for property business is receivable according to the agreements and the credit terms granted by the Group to other debtors normally range from 30 days to 90 days.

Included in trade and other debtors, deposits and prepayments are trade debtors of about $799,658,000 (2011: $672,365,000, including trade debtors classified as held for sale of about $61,998,000). The Group does not hold any collateral over these balances. Their aged analysis, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

	2012 **$'000**	2011 $'000
Within 90 days	**692,861**	519,179
More than 90 days and within 180 days	**25,550**	27,587
More than 180 days	**81,247**	125,599
	799,658	672,365

Included in trade and other debtors, deposits and prepayments in the consolidated statement of financial position is an aggregate sum of about $262,865,000 (2011: $253,211,000) which mainly represents amounts recoverable (together with interest thereon) from an independent third party which is a property developer, in respect of amounts paid by the Group in previous years for financing a property development project in Beijing, the PRC (the "Project"). The principal amount was about $184,733,000 (2011: $177,932,000) and recoverable with the interest calculated at the benchmark lending interest rate as announced by the People's Bank of China ("PBC") plus 8% per annum.

Included in trade and other debtors, deposits and prepayments is also an aggregate sum of about $16,394,000 (2011: $16,394,000) which represents an advance (together with interest thereon) made to a related company of the above independent third party in Hong Kong in previous years. The principal amount of $10,000,000 (2011: $10,000,000) carries interest at the best lending rate plus 8% per annum and was due on 25 February 2006.

To protect the Group's interest, the Group has entered into presale contracts with the property developer for certain property units in this Project. The Group is in the course of negotiation with an asset management company in the PRC, which has certain interests in the above Project, for the purpose of realising the properties under presale contracts held for full recovery of the amounts of $262,865,000 and $16,394,000 outstanding as at 31 March 2012. On the basis that the fair value of the properties under pre-sale contracts (according to a valuation report issued by an independent property valuer) is higher than the advances and accrued interest, the directors are of the view that the amounts will be recovered in full and as such no impairment loss on these has been recognised. The estimated portion of such amounts which is expected to be recovered after twelve months from the end of the reporting period, amounting to about $184,733,000 (2011: $153,211,000), has been classified as a non-current asset.

A writ of summons was served on 28 July 2011 upon PYE and two of its subsidiaries claiming for, amongst others, damages in a sum of about RMB780 million related to the Project. It is stated in the writ of summons that PYE and two of its subsidiaries were alleged to be in breach of certain terms contained in an alleged oral master agreement (which is denied). Taken into consideration of a legal opinion, PYE is of the view that PYE and two of its subsidiaries would put up a respectable defence against the alleged claim and that it is probable that there would not be material adverse impact on the financial position of the Group.

Included in trade and other debtors, deposits and prepayments as at 31 March 2012 is an amount of $50,000,000 which represents a refundable earnest money made to an independent third party for undertaking a potential property redevelopment project in the PRC. In the opinion of directors of the Company, the amount is refundable upon request, therefore, it is classified as a current asset.

13. Trade and other debtors, deposits and prepayments - continued

Included in other debtors is an aggregate amount of about RMB602,800,000 as at 31 March 2012 (equivalent to about $743,284,000) (2011: Nil), which represents remaining balance of the consideration receivable from disposal of 50.1% equity interest in Yangkou Port Co during the current year amounting to about RMB753,500,000 (equivalent to about $903,482,000 as at 26 May 2011) (note 15) to be satisfied by instalments, remaining instalments being RMB301,400,000 (equivalent to about $371,642,000) and RMB301,400,000 (equivalent to about $371,642,000) to be paid on or before 31 December 2012 and 2013, respectively. As at 31 March 2012, the consideration receivable in the amount of about $371,642,000 due after one year was shown under non-current assets and about $371,642,000 due within one year was shown under current assets. The deferred consideration receivable bears interest equivalent to the benchmark lending rate announced by the PBC at 6.65% per annum as at 31 March 2012 and is secured by a charge on the 50.1% sale interest in Yangkou Port Co. During the year ended 31 March 2012, interest income of about $54,451,000 is recognised in profit or loss and a deferred consideration receivable of about RMB150,700,000 (equivalent to about $184,909,000) is received by the Group.

14. Trade and other creditors and accrued expenses

Included in trade and other creditors and accrued expenses are trade creditors of about $603,198,000 (2011: $468,532,000) and their aged analysis at the end of the reporting period is as follows:

	2012 ***$'000***	2011 *$'000*
Within 90 days	**551,136**	396,464
More than 90 days and within 180 days	**957**	11,566
More than 180 days	**51,105**	60,502
	603,198	468,532

15. Disposal of a subsidiary

On 26 May 2011, the Group disposed of 50.1% equity interest in Yangkou Port Co, which is engaged in the business of development of port and related infrastructures, at a consideration of about RMB1,507 million (equivalent to about $1,807 million). Yangkou Port Co ceased to be a subsidiary of the Company and the remaining 9.9% interest in Yangkou Port Co retained by the Group is accounted for as an available-for-sale investment upon and after completion of the disposal. As at 31 March 2011, assets and liabilities of Yangkou Port Co after elimination of inter-company balances were classified as "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale", respectively.

	$'000
Net assets disposed of:	
Property, plant and equipment	**1,082,312**
Investment properties	**2,416,835**
Project under development	**1,196,116**
Stock of properties	**1,124,698**
Trade and other debtors, deposits and prepayments	**544,299**
Bank balances and cash	**69,554**
Trade and other creditors and accrued expenses	**(224,081)**
Taxation payable	**(70,535)**
Bank and other borrowings	**(1,258,993)**
Deferred tax liabilities	**(1,627,091)**
Total net assets	**3,253,114**
Less: non-controlling interests	**(1,252,559)**
	2,000,555

15. *Disposal of a subsidiary - continued*

	$'000
Gain on disposal of a subsidiary:	
Consideration received and receivable	**1,806,964**
Levies paid	**(903)**
Net assets disposed of	**(3,253,114)**
Non-controlling interests	**1,252,559**
Initial recognition at fair value of 9.9% interest in Yangkou Port Co retained by the Group as an available-for-sale investment	**352,758**
Gain on disposal before taxation and release of attributable reserve	**158,264**
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of subsidiary	**230,797**
Gain on disposal before taxation	**389,061**
Less: taxation (note 8)	**(126,832)**
Gain on disposal after taxation	**262,229**

Net cash inflow arising on disposal:	
Consideration received and receivable	**1,806,964**
Less: levies and income tax withheld	**(127,735)**
Less: deferred sales proceeds classified as other receivables (note 13)	**(903,482)**
Cash consideration received	**775,747**
Less: bank balances and cash disposed of	**(69,554)**
	706,193

The subsidiary disposed of during the year ended 31 March 2012 contributed about $9,090,000 (2011:$65,223,000) to the revenue of the Group during the year. It did not contribute significantly to the net profit attributable to owners of the Company for the year ended 31 March 2012 (2011:$105,074,000). The cash flow contributed or utilised by this subsidiary for the year was not significant.

Capital reserve in relation to the above subsidiary amounting to about $247,958,000 has been charged to the retained profits upon disposal of the subsidiary.

16. *Cash and cash equivalents*

Cash and cash equivalents at the end of the reporting period as shown in the condensed consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2012 **$'000**	2011 $'000
Short term bank deposits	**450,579**	371,277
Bank balances and cash	**557,656**	657,799
	1,008,235	1,029,076
Cash and bank balances classified as held for sale	**—**	128,341
	1,008,235	1,157,417

SPECIAL DIVIDEND

Following the completion of the disposal of 50.1% interest in Yangkou Port Co in May 2011 and taken into account of the gross proceeds of the 50% consideration, PYI has strengthened its cash position. On 24 June 2011, the Board resolved to recommend the payment of a special cash dividend of HK2 cents per share. The special dividend was approved by PYI's shareholders in the 2011 Annual General Meeting held on 16 September 2011 and paid to shareholders by post on 28 October 2011.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK0.5 cent per share (which, together with the above special cash dividend of HK2 cents, amounts to a total dividend of HK2.5 cents per share, representing a paid-out ratio of 34%) for the year ended 31 March 2012 (2011: HK1 cent per share) to shareholders whose names appear on PYI's register of members as at the close of business on Wednesday, 10 October 2012. Subject to the approval of PYI's shareholders in the 2012 Annual General Meeting to be held on Monday, 10 September 2012, the final dividend in cash is expected to be paid to shareholders by post on or around Friday, 9 November 2012, with PYI's shareholders being offered an opportunity to re-invest in PYI by receiving shares of PYI in lieu of cash in respect of part or all of such dividend. The market value of the shares to be issued under the proposal will be fixed by reference to the average of the closing prices of PYI's shares for the three consecutive trading days ending Wednesday, 10 October 2012 less a discount of five per cent. of such average price or the par value of shares, whichever is the higher. The proposed scrip dividend is conditional upon The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of, and permission to deal in, the new shares to be issued.

A circular giving full details of the cash dividend with scrip proposal and a form of election will be sent to PYI's shareholders in due course.

The Board will consider additional capital return to and/or repurchase of PYI's shares from shareholders of PYI in the financial year ending 31 March 2013 taking into account the receipt of cash proceeds arising from the disposal of 50.1% interest in Yangkou Port Co by the end of December 2012.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of PYI will be closed during the period from Monday, 8 October 2012 to Wednesday, 10 October 2012, both dates inclusive, during which period no transfer of share(s) of PYI will be effected. In order to qualify for the final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the completed transfer form(s) with overleaf or separately, must be lodged with PYI's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 5 October 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31 March 2012, the Group recorded a consolidated turnover of about $5,208 million (2011: $5,357 million), representing a decrease of about 3% when compared with last year. The decrease was mainly attributable to the drop in turnover of the engineering arm - Paul Y. Engineering and its subsidiaries (the "Paul Y. Engineering Group") as certain of its management contracting business was carried out through joint ventures with other contractors. Also, there was no contribution in turnover from Yangkou Port Co after the disposal of 50.1% interest in Yangkou Port Co in May 2011.

The Group's gross profit remained stable at about $439 million (2011: $441 million) as compared with the last year and represented a gross margin of 8% (2011: 8%) of the consolidated turnover. The Group's administrative expenses increased by 6% to about $312 million (2011: $295 million), which was mainly attributable to the increase in administrative expenses from Paul Y. Engineering Group. Profit before taxation of about $561 million was achieved as compared with about $466 million for the last year. The Group's profit before taxation was composed of:

(i) net gain of about $48 million in Paul Y. Engineering Group engaged in management contracting and property development management businesses (2011: $52 million);
(ii) net gain of about $390 million in ports development business (2011: $329 million);
(iii) net gain of about $56 million in ports and logistics business (2011: $155 million);
(iv) net gain of about $156 million in property business (2011: $86 million);
(v) net gain of about $75 million in treasury business (2011: $6 million);

(vi) net corporate and other expenses (including inter-segment profit eliminations) of about $86 million (2011: $76 million) of which about $18 million was acquisition-related costs (2011: $14 million); and

(vii) finance costs of about $78 million (2011: $86 million).

Net profit for the year attributable to the owners of PYI was about $334 million (2011: $200 million) and basic earnings per share was 7.4 cents (2011: 4.4 cents). The increase in net profit for the year was mainly attributable to the gain on disposal of 50.1% interest in Yangkou Port Co of $389 million (2011: Nil) less related income tax charge of $127 million (2011: Nil).

When compared with the Group's financial position as at last year end, total assets decreased by 21% to about $11,828 million (2011: $14,895 million) and net current assets decreased by 63% to about $1,208 million (2011: $3,299 million). The changes were mainly attributable to about $372 million of deferred consideration in disposal of 50.1% interest in Yangkou Port Co being due after one year from 31 March 2012, whereas all assets of Yangkou Port Co disposed during the year was classified as current assets held for sale as at 31 March 2011. Consequently, current assets decreased from 1.46 times to 1.24 times of current liabilities. After accounting for the net profit of about $334 million, surplus arising from RMB exchange translation of about $134 million net of release of translation reserve of $231 million upon disposal of Yangkou Port Co, and dividend distribution of about $136 million to PYI's shareholders, equity attributable to owners of PYI increased by 2% to about $4,610 million (2011: $4,501 million), representing $1.01 (2011: $0.99) per share as at 31 March 2012.

Net cash outflow from operating activities was about $496 million (2011: inflow of $460 million), mainly due to utilization of more funds for mobilizing new construction projects by Paul Y. Engineering and receipt of lesser deposits for pre-sale of properties in Nantong, the PRC during the year. Net cash inflow from investing activities was about $29 million (2011: outflow of $640 million) and that from financing activities was about $309 million (2011: $331 million), resulting in a net decrease in available cash and cash equivalents of about $158 million (2011: increase of $151 million) for the year after excluding net increase in pledged bank deposits of about $648 million (2011: $50 million). The net increase in cash and cash equivalents for the year would be about $490 million (2011: $201 million) after adding back net increase in pledged bank deposits.

REVIEW OF OPERATIONS
Ports Development

Yangkou Port (9.9% owned)

Yangkou Port contributed about $390 million (2011: $329 million) to the Group's operating profit for the year. The profit was mainly attributable to the gain on disposal of 50.1% interest in Yangkou Port Co of $389 million (before related PRC income tax charge of $127 million but including release of cumulative exchange gain of $231 million reclassified from equity to profit or loss upon loss of control of subsidiary) (2011: Nil), whereas profit of the last year mainly represented gain on revaluation from land bank situated at the harbour-front industrial zone of Yangkou Port.

In order to keep in line with the PRC government plans and policies and to meet market demand, Yangkou Port has entered a stage of accelerated development. As such, extensive funding is required for the financing of the ongoing capital expenditure program. It was envisaged by the PYI's directors that earnings and cash flow in Yangkou Port Co is unlikely to be channeled to PYI and the PYI's shareholders in the short or medium term. Therefore, on 31 January 2011, the Group entered into a conditional agreement to dispose of 50.1% of its equity interest in Yangkou Port Co at a consideration of RMB1,507 million. The disposal was completed on 26 May 2011 and the Group received net cash amount of RMB647 million (being 50% of the consideration of RMB753.5 million after deduction of PRC tax and levy in the sum of RMB106.5 million). The remaining 50% of the consideration of RMB753.5 million will be satisfied by instalments, namely, RMB150.7 million, RMB301.4 million and RMB301.4 million to be paid on or before 31 December 2011, 2012 and 2013, respectively. The deferred consideration bears interest equivalent to the Standard Lending Rate announced by the PBC and is secured by a charge on the 50.1% sale interest. The first instalment of RMB150.7 million together with interest concerned (after net of PRC tax and levies) of about RMB5.4 million were received during the year.

The directors consider the disposal a good opportunity for PYI to further crystallise its investment value in Yangkou Port Co, to realise the accumulated unrealised profit arising from gain on revaluation of land in cash and to focus its resources in the operation and development of other ports and port-related business along the Yangtze River in the future. PYI will continue to enjoy the future growth of Yangkou Port through the remaining 9.9% equity interest, which is intended to be held for long term investment purpose and is classified as an available-for-sale investment with carrying value of about $363 million as at 31 March 2012.

Ports and Logistics

PYI achieved satisfactory progress in implementing its Yangtze Strategy during the year. The Group's network of cargo ports was strengthened and generating synergy value.

Nantong Port Group (45% owned)

Nantong Port Group contributed about $35 million (2011: $50 million) to the segment's operating profit for the year. Its net profit amounted to about $78 million (2011: $111 million) for the year ended 31 December 2011, which was affected by the expiration of certain income tax exemption benefits and the increasing operating and financing costs.

Nantong Port is a major river port in the Yangtze Delta, one of China's category-one national ports opened to foreign trade and an important hub port of the country. The main cargoes handled by Nantong Port Group are iron ore, minerals, cement, steel, coal, fertilizers, grains and edible oil. Nantong Port provides easy access to the Yangtze region by road and waterway and is an ideal hub port for cargo trans-shipment.

Annual cargo throughput of Nantong Port Group grew by 7% reaching about 59 million tonnes in 2011 (2010: 55 million tonnes), while the container throughput in 2011 increased by 14% to 446,000 TEUs (2010: 392,000 TEUs).

Yichang Port Group (51% owned)

Yichang Port Group contributed about $33 million (2011: $21 million) to the segment's operating profit for the year. Its operating result was benefited from improved profit margin.

Yichang Port Group is principally engaged in transport logistics and properties investments, providing transportation, cargo loading and discharging, storage, shipping agent, cargo agent, port logistics and port equipment rental services in Yichang Port, which is situated on the Yangtze River near the Three Gorges Dam in Yichang, Hubei.

Annual cargo throughput of Yichang Port Group for the year ended 31 March 2012 dropped by 4% to about 7.6 million tonnes (2011: 7.9 million tonnes). Its annual container throughput increased by 19% to 62,000 TEUs (2011: 52,000 TEUs).

Jiangyin Sunan Container Terminal (40% owned)

Jiangyin Sunan contributed about $12 million (2011: $94 million, of which about $90 million was resulted from the Group's bargain purchase of additional 15% interest in Jiangyin Sunan) to the segment's operating profit for the year. Despite a drop in container throughput in 2011, Jiangyin Sunan achieved an improvement in turnover and gross margin by focusing on higher margin service mix.

Jiangyin Sunan is principally engaged in containers loading and unloading, storage, maintenance, washing and leasing of containers. The container terminal operated by Jiangyin Sunan is the only container terminal in Jiangyin. Its annual container throughput in 2011 decreased by 12% to 485,000 TEUs (2010: 554,000 TEUs).

Jiaxing Feeder Port (90% owned)

Jiaxing Feeder Port multi-functional zone is a core infrastructure project in Zhejiang province and a pilot feeder port under the plans of Ministry of Transport.

Situated at Nanhu district of Jiaxing city, Jiaxing Feeder Port occupies a shoreline of 570 m and a land mass of 326,000 sq m. Currently, the port has 10 berths with total annual throughput capacity of 100,000 TEUs. A customs office is located in port area for efficient consignment, declaration and clearance at one stop. The port also features a range of logistics supporting services such as examination, steam sterilization facilities, storage and information services etc.

The port declared soft open in mid 2010 and is still in the stage of trial run. As such, no operating result was contributed by the port during the year. The port is expected to start commercial operation in late 2012 and target to become the first container feeder port in the Yangtze Delta with comprehensive customs and logistics services.

LPG and Logistics (100% owned)
The LPG distribution and logistics businesses of Minsheng Gas recorded an operating loss of about $24 million (2011: $10 million) for the year. Competition from Compressed Natural Gas continued to put pressure on sale volume as well as margin in Wuhan. A slight operating profit was recorded by its LPG distribution business, whereas continuing research costs incurred by its logistics business to enhance the product performance and logistics efficiency had resulted in an overall operating loss.

Engineering Business – Paul Y. Engineering (62% owned)
Paul Y. Engineering Group achieved turnover of $4,304 million (2011: $4,334 million) during the year, representing a decrease of about 1% as compared with the last year. It contributed about $48 million (2011: $52 million) to the Group's operating profit during the year and proposed a final dividend of HK1 cent (2011 HK1 cent) per share, or a pay-out ratio of 20% (2011: 20%). The decrease in turnover was mainly attributable to certain major infrastructure projects being carried out by its joint ventures with other contractors and were excluded from the turnover of Paul Y. Engineering Group. Margin was affected by the rise of labour and material costs.

During the year, the management contracting division of Paul Y. Engineering Group secured new contracts totaling $8,891 million (2011: $4,669 million) in aggregate value. Subsequent to the end of the reporting period, additional contracts of about $887 million was secured. As at 31 March 2012, the total value of contracts on hand of Paul Y. Engineering Group was about $15,106 million (2011: $10,406 million).

Paul Y. Engineering Group has benefited from the increase in capital works expenditure in both Hong Kong and Macau markets, despite a restraint in profit margin improvement owing to inflated labour and material costs. Paul Y. Engineering Group will strive to maintain a balance between risk and return, and keep seizing opportunities to expand and diversify its business. With its solid foundation and professional expertise, Paul Y. Engineering Group remains confident in increasing its order book and continues to strive for more premium projects to bring substantial return.

Property
The property business contributed about $156 million (2011: $86 million) to the Group's operating profit for the year. The profit was mainly attributable to contribution from sale of units in Nantong International Trade Center of about $71 million (2011: $38 million) and the gain on revaluation of investment properties from about 0.35 sq km Land Being Formed located at Xiao Yangkou of about $73 million (2011: $19 million from investment properties situated at Yichang). Deferred tax of about $34 million (2011: $5 million) relevant to the revaluation gain was charged to the income statement.

As at 31 March 2012, about 2.3 sq km (2011: 2 sq km) of the 12 sq km land bank situated at Xiao Yangkou have reached the forming stage or formed and serviced stage. About 1.89 sq km of the Formed Land and 0.35 sq km of the Land Being Formed at Xiao Yangkou were classified as investment properties and measured at fair value of about $575 million (2011: $468 million), whereas the remaining 0.1 sq km Formed Land at Xiao Yangkou was classified as trading stock.

Nantong International Trade Center is a commercial and office development in the heart of Nantong with a gross floor area of some 80,000 sq m. The office tower and commercial podium were completed in October 2010 and September 2011, respectively, which contributed turnover of about $303 million (2011: $212 million) during the year. A cumulative area of about 42,000 sq m with a total contract value of about RMB465 million has been sold or pre-sold up to 31 March 2012, representing about 66% of its total saleable area.

Wanhua Zijin Garden, a residential property development near Yangkou Port with a gross floor area of 65,000 sq m, was completed and contributed turnover of about $61 million (2011: $156 million) during the year. A cumulative area of about 55,000 sq m with a total contract value of about RMB319 million has been sold or pre-sold up to 31 March 2012, representing about 93% of its total saleable area.

In Hangzhou, the Group holds an investment property, the Pioneer Technology Building, which is an office building with gross floor area of some 20,000 sq m. The building contributed rental income of about $10 million (2011: $8 million) and its occupancy was about 97% as at 31 March 2012.

In Yichang, the Group holds certain commercial properties of about 5,000 sq m through Yichang Port Group. Total rental income contributed from the Yichang investment properties amounted to about $4 million (2011: $3 million).

Treasury
The treasury investments contributed about $75 million (2011: $6 million) towards the Group's operating profit for the year. Despite the trading securities recorded a fair value loss of about $22 million (2011: $3 million) during the year, the overall performance of the treasury segment was improved after accounting for the high-yield loans and other interest net income of about $17 million (2011: $9 million) as well as the interest income and relevant RMB translation gain derived from the deferred consideration receivable for disposal of Yangkou Port Co of about $80 million (2011: Nil).

As at 31 March 2012, total value of the Group's portfolio of trading securities amounted to about $60 million (2011: $47 million), equivalent to about 0.5% (2011: 0.3%) of the Group's total assets. Portfolio of high-yield loans receivable amounted to about $103 million (2011: $113 million), equivalent to about 1% (2011: 1%) of the Group's total assets.

MATERIAL ACQUISITION AND DISPOSAL
In May 2011, the Group completed the disposal of 50.1% interest in Yangkou Port Co to a shareholder of Yangkou Port Co at a consideration of RMB1,507 million. Yangkou Port Co ceased to be a subsidiary of PYI and its financial result had been deconsolidated from the Group during the year.

Apart from the above, there are no other material acquisition and disposal of subsidiaries and associates during the year.

EVENT AFTER THE REPORTING PERIOD
There are no major subsequent events since the end of the reporting period and up to the date of this announcement.

OUTLOOK
The global economy remained overshadowed by uncertainties and market volatility. The pace of recovery of United States remained lagging, and fears on the sovereign debt crisis in Europe spiraling out of control were intensified, which faltered global economic environment. Despite the uncertain global economic situation, China registered another year of stable growth in 2011. The Central Government rolled out various austerity measures aiming to effectively dampen inflation and ensure balanced and sustainable economic growth.

Looking ahead, the global economic outlook remains challenging. The downward adjustment by the Central Government on the GDP growth target indicates the economic growth of China will experience a slow down trend in 2012.

PYI remains confident in the medium to long-term prospects of the Yangtze River region despite the challenging global environment. In China's Twelfth Five-year Plan, consolidation of ports for an efficient integrated transport system and accelerating the development of Yangtze River region and inland waterways become the strategic focus in the country. We will keep on refining our Yangtze Strategy to maximize shareholder value by driving long-term sustainable growth and will continue to take a cautious and prudent approach in responding to the challenge of the ever-changing market.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2012, the Group had total assets of $11,828 million (2011: $14,895 million) which were financed by shareholders' funds and credit facilities. A variety of credit facilities were maintained to meet its working capital requirements and committed capital expenditure, which bore interest at market rates and had contracted terms of repayment ranging from on demand to ten years. The Group mainly generated revenue and incurred costs in Hong Kong dollar and Renminbi, and no financial instruments had been used for hedging purpose during the year. The Group adopts a prudent funding and treasury policy and manages the fluctuation exposures of exchange rate and interest rate on specific transactions.

As at 31 March 2012, the Group's total borrowings amounted to about $2,653 million (2011: $3,298 million, including amounts reclassified as held for sale of about $1,283 million) with about $1,715 million (2011: $1,667 million, including about $410 million reclassified as held for sale) repayable on demand or within one year and about $938 million (2011: $1,631 million, including about $873 million reclassified as held for sale) repayable after one year. Out of the Group's total borrowings of about $2,653 million (2011: $3,298 million), about $339 million (2011: $254 million) was non-recourse to the Group (excluding the Paul Y. Engineering Group).

As at 31 March 2012, borrowings denominated in Hong Kong dollar of about $1,255 million (2011: $583 million) bore interest at floating rates and no balance (2011: $2 million) bore interest at fixed rates. Borrowings denominated in Renminbi of about $1,071 million (2011: $2,543 million, including about $1,283 million reclassified as held for sale) bore interest at floating rates and about $327 million (2011: $170 million) bore interest at fixed rates. The Group's gearing ratio was 0.58 (2011: 0.73), which was calculated based on the total borrowings of about $2,653 million (2011: $3,298 million) and the Group's shareholders' fund of about $4,610 million (2011: $4,501 million).

Bank balances and cash of the Group as at 31 March 2012 amounted to about $1,740 million (2011: $1,241 million, including about $128 million reclassified as held for sale), of which about $1,289 million (2011: $767 million) was denominated in Renminbi, about $428 million (2011: $464 million) was denominated in Hong Kong dollar and about $23 million (2011: $10 million) was denominated in other currencies. Also, about $732 million (2011: $84 million) had been pledged to banks to secure general credit facilities granted to the Group, which included about RMB575 million (equivalent to about $709 million) (2011: Nil) deposited in Hong Kong to secure banking facilities denominated in Hong Kong dollar and available in Hong Kong. As at 31 March 2012, the Group had a net debt position (being bank balances and cash net of bank borrowings) of about $649 million (2011: $1,821 million).

CONTINGENT LIABILITIES

Apart from the claim described in note 13 to the condensed consolidated financial statements, as at 31 March 2012, the Group had contingent liabilities in respect of guarantees given to banks for banking facilities given to third parties of about $70 million (2011: $65 million) and an investee of about $336 million (2011: Nil), and indemnities issued to banks for performance bond of construction contracts undertaken by an associate and jointly controlled entities of about $39 million (2011: 37 million).

PLEDGE OF ASSETS

As at 31 March 2012, certain property interests, property, plant and equipment, trade receivables and bank balances of the Group with an aggregate value of about $2,246 million (2011: $2,093 million), as well as the Company's investment in certain subsidiaries of about $296 million (2011: $141 million) and the Group's 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 2012, about $97 million (2011: $110 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 2012, the Group had 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 $97 million (2011: $190 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

Including the directors of the Group, as at 31 March 2012, the Group employed a total of 3,121 full time employees (2011: 3,296). Remuneration packages consisted of salary as well as performance-based and equity-based bonuses. Further, the Company has implemented three share-related incentive schemes to provide alternative means to motivate employees and promote their loyalty in line with the Group's strategy. Such schemes benefited the Group's staff both in Hong Kong and the Mainland.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year, neither PYI nor any of its subsidiaries purchased, sold or redeemed any of PYI's listed securities.

CORPORATE GOVERNANCE

In the corporate governance report published in PYI's 2011 annual report (the "2011 Annual Report") (which can be viewed on PYI's website), we reported that PYI has applied the principles and complied with all applicable code provisions of the Code on Corporate Governance Practices in the old Appendix 14 to the Listing Rules ("CG Code") which were in effect up till 31 March 2012, and adopted some of the recommended best practices for the year ended 31 March 2011. Throughout the year ended 31 March 2012, PYI continued to comply with CG Code and adopt some of the recommended best practices, except for certain deviations which are summarised below:

(a) Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of the chairman and chief executive officer ("CEO") should be separated and performed by different individuals. Following the retirement of Dr. Chow Ming Kuen, Joseph on 16 September 2011, Mr Lau Ko Yuen, Tom, the Managing Director (equivalent to CEO) of PYI, has been appointed as chairman of PYI ("Chairman") and has performed the roles of Chairman and CEO with effect from 26 September 2011.

The Board believes that it is appropriate and in the interests of PYI for Mr Lau Ko Yuen, Tom to take up both roles at the present stage as it helps to ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with half the number thereof being independent non-executive directors.

(b) Rule 3.21 of the Listing Rules

The Audit Committee of the Company was comprised of at least three independent non-executive directors except for the period from 29 September 2011 to 20 November 2011.

Following the resignation of Mr Kwok Shiu Keung, Ernest as an independent non-executive director of the Company on 29 September 2011, the Audit Committee of the Company was comprised of two members which number fell below the minimum number of three as required under Rule 3.21 of the Listing Rules. Upon the appointment of Mr Li Chang An as a member of the Audit Committee of the Company on 21 November 2011, the Company was in strict compliance with Rule 3.21 of the Listing Rules.

During the year, except that (i) Dr Chow Ming Kuen, Joseph retired as an independent non-executive director of the Company at the conclusion of PYI's annual general meeting held on 16 September 2011, and ceased to be the Chairman of the Board, chairman and member of the Company's Remuneration Committee, Nomination Committee and Corporate Governance and Compliance Committee and member of the Company's Audit Committee and Share Repurchase Committee (alternate to Mr Chan Shu Kin) upon his retirement; (ii) Mr Lau Ko Yuen, Tom was appointed as Chairman of the Board with effect from 26 September 2011; (iii) Mr Kwok Shiu Keung, Ernest resigned as an independent non-executive director of the Company with effect from 29 September 2011, and also ceased to be a member of the Company's Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance and Compliance Committee with effect from 29 September 2011; (iv) Mr Chan Shu Kin ceased to act as an alternate to Mr Kwok Shiu Keung, Ernest as member of the Company's Nomination Committee with effect from 29 September 2011; (v) Mr Li Chang An was appointed as a member of the Audit Committee of the Company with effect from 21

November 2011; (vi) Mr Chan Shu Kin was appointed as the chairman and member of the Company's Remuneration Committee and Nomination Committee; and the chairman of the Company's Corporate Governance and Compliance Committee with effect from 21 November 2011; (vii) Mr Leung Po Wing, Bowen Joseph was appointed as a member of the Company's Nomination Committee and Corporate Governance and Compliance Committee; and an alternate member to Mr Chan Shu Kin of the Share Repurchase Committee of the Company with effect from 21 November 2011; and (viii) Mr Chan Yiu Lun, Alan was appointed as an executive director and Director of Corporate Finance of the Company with effect from 23 November 2011, the functions and composition of the Board and all Board committees remain the same as those set out in the Corporate Governance Report on pages 44 to 67 of the 2011 Annual Report.

Except the above and the fact that (i) Mr Lau Ko Yuen, Tom, the Chairman and Managing Director of the Company, retired as an independent non-executive director of China National Building Material Company Limited (3323.HK) on 15 November 2011; and (ii) the securities of Burcon NutraScience Corporation of which Mr Chan Yiu Lun, Alan (an executive director of the Company and alternate director to Dr Chan Kwok Keung, Charles) is a director, became listed on NASDAQ Global Market (BUR) on 27 October 2011, there were no changes to the information of directors of PYI as disclosed on pages 36 to 40 of the 2011 Annual Report.

At the PYI's annual general meeting held on 16 September 2011, PYI's shareholders approved the remuneration of the directors of $4,000,000 per annum. During the year, there has been no change to the basis of determining the directors' remuneration. The level of fee payable to all directors of PYI for serving on the Board and board committees remains unchanged to those set out on page 147 of the 2011 Annual Report except for the following changes:

Directors	New position(s) held	Additional director's fee
Mr Chan Yiu Lun, Alan *(Note 1)*	Executive director	$300,000 per annum
Mr Chan Shu Kin *(Note 2)*	Chairman and member of the Remuneration Committee and Nomination Committee; and chairman of the Corporate Governance and Compliance Committee	$100,000 per annum
Mr Leung Po Wing, Bowen Joseph	Member of the Nomination Committee and Corporate Governance and Compliance Committee; and alternate member to Mr Chan Shu Kin of the Share Repurchase Committee	$60,000 per annum
Mr Li Chang An	Member of the Audit Committee	$20,000 per annum

Note 1: With effect from 23 November 2011, Mr Chan Yiu Lun, Alan was also entitled to a monthly salary of $100,000 for the position of Director of Corporate Finance.

Note 2: With effect from 29 September 2011, Mr Chan Shu Kin was not entitled to a fee of $20,000 per annum for serving as an alternate to Mr Kwok Shiu Keung, Ernest as member of the Company's Nomination Committee upon the cessation of Mr Chan to hold this position.

At the same meeting, shareholders of PYI also approved the reappointment of Deloitte Touche Tohmatsu as PYI's external auditor for the financial year ended 31 March 2012.

During the year ended 31 March 2012, the Board of PYI continued its progressive effort to maintain and enhance the effectiveness of the Group's system of internal control covering all material areas, including its financial, operational and compliance controls and its risk management functions.

During the year ended 31 March 2012, PYI has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for dealing in the securities of PYI by the PYI directors and relevant employees of the Group. According to specific enquiries made by PYI, all PYI directors and relevant employees of the Group have confirmed their compliance with the required standard set out in the Model Code throughout the year.

PYI's directors have complied with the requirement of Securities and Futures Ordinance regarding disclosure of their respective interests in PYI and its associated corporations during the year ended 31 March 2012.

PROPOSED AMENDMENTS TO BYE-LAWS

The Board proposes to seek approval of the shareholders at the 2012 Annual General Meeting of PYI to amend the existing Bye-laws of the Company (the "Bye-laws") and adopt an amended and restated Bye-laws, in order to reflect the changes brought about by the amendments to the applicable laws and regulations including the Companies Act 1981 of Bermuda and the Listing Rules and to provide PYI with more flexibility to adapt to market practices.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31 March 2012 have been reviewed by the Audit Committee of PYI.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended 31 March 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

APPRECIATION

We would like to take this opportunity to express our appreciation to shareholders for their support, to the management and staff for their dedicated efforts and to our clients, consultants and partners for all their valuable assistance offered during the past year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on PYI's corporate website at www.pyicorp.com under "Investors" and the HKExnews at www.hkexnews.hk under "Listed Company Information". The 2012 Annual Report will be dispatched to shareholders of PYI and posted at the aforesaid websites in July 2012.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting of PYI is scheduled to be held on Monday, 10 September 2012. A circular containing the notice of Annual General Meeting, details of the proposed amendments to the Bye-laws and information concerning, inter alia, the re-election of retiring directors, directors' remuneration, the grant of general mandates to issue new shares and repurchase shares, and adoption of new share option scheme will be dispatched to PYI's shareholders in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the composition of the Board of PYI is as follows:

Mr Lau Ko Yuen, Tom	:	Chairman and Managing Director
Mr Chan Yiu Lun, Alan	:	Executive Director
Dr Chan Kwok Keung, Charles *(with Mr. Chan Yiu Lun, Alan as alternate)*	:	Non-Executive Director
Mr Chan Shu Kin	:	Independent Non-Executive Director
Mr Leung Po Wing, Bowen Joseph *GBS, JP*	:	Independent Non-Executive Director
Mr Li Chang An	:	Independent Non-Executive Director

On behalf of the Board
PYI Corporation Limited
Lau Ko Yuen, Tom
Chairman and Managing Director

Hong Kong, 22 June 2012