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)

2013 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 2013.

FINANCIAL HIGHLIGHTS

	2013	Change
Turnover	$6,498 million	+26%
Gross profit	$329 million	-21%
Profit attributable to shareholders	$262 million	-21%
EPS	5.7 cents	-23%
Interim DPS	1 cent	N/A
Final DPS	0.5 cent	—
Total DPS	1.5 cents	-40%
Shareholders' funds	$4,841 million	+5%
NAV per share	$1.06	+5%

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Notes	**2013 $'000**	2012 $'000
Turnover			
The Company and its subsidiaries	*3*	**6,497,590**	5,159,142
Share of associates and jointly controlled entities		**1,527,932**	1,132,412
		8,025,522	6,291,554
Group turnover	*3*	**6,497,590**	5,159,142
Cost of sales		**(6,168,342)**	(4,743,208)
Gross profit		**329,248**	415,934
Other income	*4*	**62,936**	105,011
Administrative expenses		**(319,534)**	(331,742)
Distribution and selling expenses		**(81,763)**	(85,268)
Other expenses		**(19,470)**	(22,527)
Finance costs	*6*	**(70,366)**	(77,660)
Gain on fair value changes of investment properties		**190,410**	83,680
Fair value gain on transfer of completed properties held for sale to investment properties		**34,568**	–
Gain on deemed disposal/disposal of subsidiaries	*16(b)(c)*	**170,021**	389,061
Other gains and losses	*5*	**27,217**	25,688
Share of results of associates		**84,914**	45,379
Share of results of jointly controlled entities		**10,575**	13,056
Profit before taxation	*7*	**418,756**	560,612
Taxation	*8*	**(114,230)**	(191,595)
Profit for the year		**304,526**	369,017
Profit for the year attributable to:			
Owners of the Company		**262,343**	334,072
Non-controlling interests		**42,183**	34,945
		304,526	369,017
Basic and diluted earnings per share	*9*	**5.7 cents**	7.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2013

	2013 **$'000**	2012 $'000
Profit for the year	**304,526**	369,017
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Exchange differences arising from translation of foreign operations	**39,137**	163,581
Reclassification adjustment of translation reserve upon deemed disposal/disposal of subsidiaries	**(24,859)**	(230,797)
Gain on fair value changes of available-for-sale investments	**28,425**	12
Reclassification adjustment on disposal of available-for-sale investments	**(2,596)**	(365)
Other comprehensive income (expense) for the year	**40,107**	(67,569)
Total comprehensive income for the year	**344,633**	301,448
Total comprehensive income for the year attributable to:		
Owners of the Company	**296,712**	236,528
Non-controlling interests	**47,921**	64,920
	344,633	301,448

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2013

	Notes	2013 $'000	2012 $'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,517,924**	1,561,175
Investment properties	*11*	**975,658**	855,244
Project under development		**637,648**	493,267
Prepaid lease payments		**350,582**	314,329
Goodwill		**–**	61,646
Other intangible assets		**74,680**	155,620
Interests in associates		**1,549,656**	1,189,262
Interests in jointly controlled entities		**91,696**	31,314
Available-for-sale investments		**667,724**	363,726
Loans receivable – due after one year		**–**	16,020
Other debtors – non-current portion		**–**	628,467
		5,865,568	5,670,070
CURRENT ASSETS			
Stock of properties	*12*	**1,130,558**	1,087,769
Prepaid lease payments		**3,307**	4,197
Inventories of finished goods		**63,430**	22,880
Loans receivable – due within one year		**106,425**	86,616
Amounts due from associates		**19,102**	35,819
Amounts due from jointly controlled entities		**19**	52,921
Amount due from a non-controlling interest		**1,248**	1,233
Amounts due from customers for contract works		**–**	376,446
Trade and other debtors, deposits and prepayments	*13*	**400,855**	2,688,836
Investments held for trading		**64,225**	60,439
Available-for-sale investments		**82**	75
Pledged bank deposits		**646,520**	732,226
Short term bank deposits		**790,593**	450,579
Bank balances and cash		**445,013**	557,656
		3,671,377	6,157,692
Assets classified as held for sale	*14*	**88,383**	–
		3,759,760	6,157,692
CURRENT LIABILITIES			
Amounts due to customers for contract works		**–**	716,288
Trade and other creditors and accrued expenses	*15*	**864,736**	2,249,521
Deposits received for pre-sale of properties		**25,974**	41,950
Amounts due to associates		**110,630**	108,059
Amounts due to jointly controlled entities		**112**	95,401
Amounts due to non-controlling interests		**16,854**	7,583
Taxation payable		**9,806**	16,030
Bank and other borrowings – due within one year		**1,720,531**	1,714,567
		2,748,643	4,949,399
Liabilities associated with assets classified as held for sale	*14*	**25,331**	–
		2,773,974	4,949,399
NET CURRENT ASSETS		**985,786**	1,208,293
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,851,354**	6,878,363

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2013

	2013 **$'000**	2012 *$'000*
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**764,702**	920,437
Amounts due to non-controlling interests	**17,952**	33,144
Deferred tax liabilities	**582,582**	537,021
Deferred income	**50,896**	40,349
Other payables	**62,873**	59,154
	1,479,005	1,590,105
	5,372,349	5,288,258
CAPITAL AND RESERVES		
Share capital	**457,736**	455,849
Reserves	**4,383,439**	4,154,090
Equity attributable to owners of the Company	**4,841,175**	4,609,939
Non-controlling interests	**531,174**	678,319
TOTAL EQUITY	**5,372,349**	5,288,258

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2013

	2013 **$'000**	2012 *$'000*
Net cash used in operating activities	**(426,978)**	(496,237)
Net cash from investing activities	**334,870**	28,975
Net cash from financing activities	**312,338**	308,882
Net increase (decrease) in cash and cash equivalents	**220,230**	(158,380)
Effect of foreign exchange rate changes	**7,141**	9,198
Cash and cash equivalents brought forward	**1,008,235**	1,157,417
Cash and cash equivalents carried forward	**1,235,606**	1,008,235
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	**790,593**	450,579
Bank balances and cash	**445,013**	557,656
	1,235,606	1,008,235

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") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "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 HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The Group has applied for the first time the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* in the current year. 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 entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors have re-assessed the amount of deferred tax provision on changes in fair value of Formed Land and Land Being Formed (all as defined in note 11) based on the best estimate of the tax consequence upon sale of these properties directly or sale through entities holding these properties, and conclude that the adoption of the amendment has no material effect on the amounts reported in these consolidated financial statements.

In addition, the Group considers that majority of the leasehold land and buildings classified as investment properties are to be consumed substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, and that the presumption set out in the amendments to HKAS 12 is rebutted. The Group continues to recognise deferred taxes on changes in fair value of these leasehold land and buildings on the basis that the carrying amounts of these properties were recovered through use and hence, the adoption of the amendments to HKAS 12 has no material effect on the amounts reported in these consolidated financial statements.

Other than described above, the application of the amendments to standards 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.

2. *Principal accounting policies - continued*

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle[1]
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

2. *Principal accounting policies - continued*

HKFRS 9 Financial Instruments - continued

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC)-Int 12 *Consolidation - Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, 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*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) - Int 13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of HKFRS 11. 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 consolidation.

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.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors of the Company anticipate that the application of HKFRS 10 will have no material impact on the consolidated financial statements whereas the application of remaining four standards may have significant impact on amounts reported in the consolidated financial statements. 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, it is not practicable to provide a reasonable estimate of those effects 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 - 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, LPG and logistics businesses

Property - Development, sale and leasing of real estate properties and Formed Land

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 2013

	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	**5,950,602**	**–**	**421,512**	**119,387**	**6,089**	**6,497,590**	**–**	**6,497,590**
Inter-segment revenue	**–**	**–**	**–**	**74**	**–**	**74**	**(74)**	**–**
Total	**5,950,602**	**–**	**421,512**	**119,461**	**6,089**	**6,497,664**	**(74)**	**6,497,590**
EBITDA	**295,067**	**–**	**51,621**	**229,768**	**70,995**	**647,451**	**(3,652)**	**643,799**
Depreciation and amortisation***	**(24,470)**	**–**	**(39,748)**	**(4,312)**	**(3)**	**(68,533)**	**–**	**(68,533)**
Segment result – EBIT*	**270,597**	**–**	**11,873**	**225,456**	**70,992**	**578,918**	**(3,652)**	**575,266**
Corporate and other expenses****								**(86,144)**
Finance costs								**(70,366)**
Profit before taxation								**418,756**
Taxation								**(114,230)**
Profit for the year								**304,526**

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	376,578	9,148	5,159,142	–	5,159,142
Inter-segment revenue	24,132	–	–	208	–	24,340	(24,340)	–
Total	4,304,247	9,090	484,211	376,786	9,148	5,183,482	(24,340)	5,159,142
EBITDA	71,354	390,941	102,205	157,028	94,713	816,241	(8,523)	807,718
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	94,710	744,053	(8,523)	735,530
Corporate and other expenses****								(97,258)
Finance costs								(77,660)
Profit before taxation								560,612
Taxation								(191,595)
Profit for the year								369,017

* During the year ended 31 March 2013, results of the Paul Y. Engineering Group segment and the property segment included gain on deemed disposal of subsidiaries before taxation of about $164,121,000 (2012: Nil) and $5,900,000 (2012: Nil) (note 16 (b)), respectively.

** During the year ended 31 March 2012, segment result of ports development included the gain on disposal of a subsidiary before taxation of about $389,061,000 (note 16(c)).

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

**** Including acquisition - related costs for potential projects of about $19,470,000 (2012: $18,455,000).

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 2013

	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	**608,108**	**802,288**	**3,353,479**	**3,176,370**	**1,580,685**	**9,520,930**	**–**	**9,520,930**
Assets classified as held for sale (note 14)								**88,383**
Unallocated assets								**16,015**
Consolidated total assets								**9,625,328**
LIABILITIES								
Segment liabilities	**–**	**489,113**	**1,252,216**	**1,351,353**	**1,107,726**	**4,200,408**	**–**	**4,200,408**
Liabilities associated with assets classified as held for sale (note 14)								**25,331**
Unallocated liabilities								**27,240**
Consolidated total liabilities								**4,252,979**

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

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 People's Republic of China (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:

	2013 **$'000**	2012 $'000
Hong Kong	**3,353,577**	3,354,435
The PRC other than Hong Kong and Macau	**905,694**	1,247,930
Macau	**2,236,253**	555,883
Others	**2,066**	894
	6,497,590	5,159,142

4. *Other income*

Other income includes:

	2013 **$'000**	2012 $'000
Interest income from deferred consideration receivable	**27,875**	54,451
Other interest income	**23,311**	20,422
Write-back of overprovision of deferred consideration payable	**9,683**	–
Rental income from short term leasing of stock of properties	**1,252**	4,855
Income from an one-off property consultancy project	**—**	22,947

5. *Other gains and losses*

	2013 **$'000**	2012 $'000
Change in fair value of investments held for trading	**3,713**	(22,023)
Exchange gain arising from deferred consideration receivable	**—**	25,578
Gain on disposal of an associate	**—**	5,565
Gain on disposal of property, plant and equipment	**1,316**	483
Gain on disposal of prepaid lease payments and related other intangible assets	**—**	505
Gain on disposal of available-for-sale investments	**2,596**	365
Impairment loss recovered (recognised) on receivables	**881**	(4,870)
Other net exchange gain	**18,711**	20,085
	27,217	25,688

6. *Finance costs*

	2013 **$'000**	2012 $'000
Borrowing costs on:		
Bank borrowings wholly repayable within five years	**93,972**	102,057
Bank borrowings not wholly repayable within five years	**26,224**	19,454
Amounts due to non-controlling interests wholly repayable within five years	**—**	3,243
Amounts due to non-controlling interests not wholly repayable within five years	**178**	215
Imputed interest expense on other payables	**2,064**	2,310
Amounts due to associates wholly repayable within five years	**1,123**	–
Other borrowings wholly repayable within five years	**5,496**	5,728
	129,057	133,007
Less: Amount capitalised in respect of contracts in progress	**(5,582)**	(2,045)
Amount capitalised in respect of project under development	**(2,970)**	(9,095)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(35,189)**	(31,569)
Amount capitalised in respect of properties under development for sale	**(14,950)**	(12,638)
	70,366	77,660

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*

	2013 **$'000**	2012 $'000
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of other intangible assets (included in distribution and selling expenses)	**3,675**	13,376
Cost of inventories recognised as an expense	**283,557**	516,651
Cost of construction works recognised as an expense	**5,767,991**	4,115,362
Depreciation of property, plant and equipment:		
Amount provided for the year	**69,556**	64,997
Less: Amount capitalised in respect of contracts in progress	**(1,338)**	(2,755)
Amount capitalised in respect of project under development	**(7)**	(2)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(1,082)**	(1,027)
Amount capitalised in respect of properties under development for sale	**(2,271)**	(2,401)
	64,858	58,812
Release of prepaid lease payments	**4,060**	4,239
Total interest income (included in turnover and other income)	**(57,275)**	(84,021)

8. *Taxation*

	2013 **$'000**	2012 $'000
The charge comprises:		
Taxation arising in jurisdictions outside Hong Kong:		
Current year	**27,836**	160,213
Overprovision in prior years	**(1,181)**	(2,372)
	26,655	157,841
Deferred taxation		
Land Appreciation Tax (the "LAT")	**49,005**	20,352
Others	**38,570**	13,402
	87,575	33,754
Taxation attributable to the Company and its subsidiaries	**114,230**	191,595

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.

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

During the year ended 31 March 2012, taxation arising in jurisdictions outside Hong Kong included an income tax charge of about $126,832,000, which represented 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 16(c) 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, was 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:

	2013 **$'000**	2012 $'000
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**262,343**	334,072

	2013 **Number of shares**	2012 Number of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**4,565,885,302**	4,541,642,831

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

10. *Distribution*

	2013 **$'000**	2012 $'000
Dividends recognised as distribution during the year:		
Final dividend declared for the year ended 31 March 2012 – HK0.5 cent (2012: HK1 cent for the year ended 31 March 2011) per share	**22,792**	45,291
Special cash dividend declared for the year ended 31 March 2012 – HK2 cents per share	**—**	90,583
Interim cash dividend declared for the year ended 31 March 2013 – HK1 cent (2012: Nil) per share	**45,774**	–
	68,566	135,874
Dividends:		
Cash	**65,479**	128,865
Scrip dividend	**3,087**	7,009
	68,566	135,874
Dividends proposed in respect of current year:		
Final dividend proposed for the year ended 31 March 2013 – HK0.5 cent (2012: HK0.5 cent) per share	**22,887**	22,792

The amount of the final cash dividend proposed for the year ended 31 March 2013 has been calculated by reference to the 4,577,360,572 issued shares as at the date of this announcement.

11. *Investment properties*

	2013 **$'000**	2012 $'000
Leasehold land and buildings in the PRC	**251,562**	280,497
Formed land (note a)	**491,885**	485,968
Land under development (note b)	**258,427**	88,779
	1,001,874	855,244
Less : classified as held for sale (note 14)	**(26,216)**	–
	975,658	855,244

Notes:

a. In prior years, the Group completed the reclamation of certain 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.

b. 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 had been recognised as land being developed 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 $28,670,000 (2012: $14,772,000), have been transferred from project under development to investment properties during the year.

The fair values of the Group's investment properties at the dates of transfer, 31 March 2013 and 31 March 2012 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, 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. 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. Further costs for completing the land leveling process at 31 March 2013 is minimal. During the year, the gain on fair value changes of Land Being Formed of about $137,367,000 (2012: $73,032,000), resulting from the transfer from project under development to investment properties and gain on fair value changes of leasehold land and buildings of about $53,043,000 (2012: $10,648,000) have been recognised in the consolidated income statement.

Deferred tax consequences in respect of the Formed Land and Land Being Formed are assessed based on the best estimate of the tax consequence upon sale of the properties directly or sale through entities holding the properties. For those properties which would be subject to PRC LAT upon disposal, deferred tax on the temporary difference between the tax base and their carrying amounts would include PRC LAT in addition to enterprise income tax.

For the investment properties of the Formed Land, the Group has to obtain certain appropriate certificates for the disposal. 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*

	2013 $'000	2012 $'000
Properties under development for sale	**481,280**	324,353
Completed properties held for sale	**649,278**	763,416
	1,130,558	1,087,769

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

At 31 March 2013, the balance of properties held for sale included Formed Land of about $409,509,000 (2012: $404,460,000). 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.

At 31 March 2013, stock of properties includes an amount of about $224,916,000 (2012: $208,628,000) 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 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. As at 31 March 2012, credit terms for the Paul Y. Engineering Group segment were negotiated at terms determined and agreed with its customers. The credit terms were ranging from 60 days to 90 days.

Included in trade and other debtors, deposits and prepayments are trade debtors of about $60,185,000 (2012: $799,658,000). 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:

	2013 $'000	2012 $'000
Within 90 days	**44,265**	692,861
More than 90 days and within 180 days	**11,737**	25,550
More than 180 days	**4,183**	81,247
	60,185	799,658

14. *Assets classified as held for sale*

On 8 March 2013, Yichang Port Group Limited (the "Yichang Port Group"), a 51% owned subsidiary of the Company which is engaged in port operation, entered into an agreement with a local government office to transfer certain properties (the "Resumption Properties") to the local government for the development of a composite project (the "New Premises"), which Yichang Port Group will receive compensation package including the transfer of certain construction floor areas of the New Premises within four years from the date of surrender as compensation. The major classes of assets and associated liabilities of the Resumption Properties as at 31 March 2013 were as follows:

14. *Assets classified as held for sale - continued*

	$'000
Property, plant and equipment	**5,165**
Investment properties	**26,216**
Prepaid lease payments	**9,087**
Other intangible assets	**47,915**
Assets classified as held for sale	**88,383**
Deferred tax liabilities	**25,331**
Liabilities associated with assets classified as held for sale	**25,331**

15. *Trade and other creditors and accrued expenses*

Included in trade and other creditors and accrued expenses are trade creditors of about $125,523,000 (2012: $603,198,000) and their aged analysis at the end of the reporting period is as follows:

	2013 $'000	2012 $'000
Within 90 days	**95,805**	551,136
More than 90 days and within 180 days	**1,497**	957
More than 180 days	**28,221**	51,105
	125,523	603,198

16. *Acquisition/disposal of interests in subsidiaries*

(a) Acquisition of additional interests in subsidiaries

During the year ended 31 March 2012, the Group acquired a further 5.39% equity interest in Feeder Port Holdings Limited, which was engaged in logistic network solution, increasing its interest from 94.61% to 100% by acquiring the non-controlling interests for a cash consideration of $7,000,000. The difference of about $148,000 between the proportionate share of the carrying amount of its net assets and the consideration paid for the additional interest had been credited to retained profits.

(b) Deemed disposal of subsidiaries

Following the completion of the placing of 2,938,236,000 shares of Louis XIII Holdings Limited ("Louis XIII", formerly known as "Paul Y. Engineering Group Limited"), a company listed on the Main Board of the Stock Exchange and was engaged in management contracting, property development management and property investment, (the "Louis XIII Placing") on 5 February 2013, the Group's interest in Louis XIII and its subsidiaries (the "Louis XIII Group") was diluted from about 61.92% to about 10.60% and such dilution constituted a deemed disposal of subsidiaries by the Group. The Group's interest in Louis XIII is accounted for as an available-for-sale investment upon and after completion of the deemed disposal.

Following the completion of the Louis XIII Placing, the Group received special cash dividend of about $97,715,000 and distribution in specie of 375,826,317 shares (representing about 30.34% interest) of Paul Y. Engineering (BVI) Limited ("PYE BVI", which is subsequently renamed as "Paul Y. Engineering Group Limited" on 7 June 2013) from Louis XIII. The Group's interest in PYE BVI is accounted for as interests in associates upon and after completion of the deemed disposal.

16. Acquisition/disposal of interests in subsidiaries - continued

(b) Deemed disposal of subsidiaries - continued

Two subsidiaries jointly controlled by the Company and Louis XIII, namely 浙江美聯置業有限公司 and 杭州先鋒科技開發有限公司 (collectively the "Meilian Group"), which were engaged in property holding and accounted for as subsidiaries of the Group before completion of the Louis XIII Placing, were deconsolidated and reclassified as interests in jointly controlled entities upon completion of the Louis XIII Placing. The Group's interests in these companies were diluted from about 80.96% to 50% and such dilution constituted a deemed disposal of subsidiaries by the Group.

	$'000
Net assets of the Louis XIII Group and the Meilian Group disposed of:	
Property, plant and equipment	**204,243**
Investment properties	**230,100**
Prepaid lease payments	**19,783**
Goodwill	**61,646**
Other intangible assets	**7,570**
Interests in associates	**27,542**
Interests in jointly controlled entities	**23,744**
Other debtors	**184,733**
Amounts due from customers for contract works	**550,851**
Trade and other debtors, deposits and prepayments	**2,184,040**
Amounts due from associates	**25,885**
Amounts due from jointly controlled entities	**121,747**
Loans receivable	**8,148**
Pledged bank deposits	**1,315**
Short term bank deposits	**25,357**
Bank balances and cash	**129,330**
Amounts due to customers for contract work	**(736,148)**
Trade and other creditors and accrued expenses	**(1,567,475)**
Amounts due to associates	**(55,904)**
Amounts due to jointly controlled entities	**(38,014)**
Amounts due to non-controlling interests	**(61)**
Taxation payable	**(7,214)**
Bank and other borrowings	**(639,363)**
Deferred tax liabilities	**(24,275)**
Total net assets	**737,580**
Less: non-controlling interests	**(254,470)**
	483,110

16. *Acquisition/disposal of interests in subsidiaries - continued*

(b) Deemed disposal of subsidiaries - continued

	$'000
Gain on deemed disposal of subsidiaries:	
Net assets of the Louis XIII Group and the Meilian Group disposed of	**(737,580)**
Non-controlling interests	**254,470**
Initial recognition at fair value of 10.60% interest in Louis XIII reclassified as an available-for-sale investment	**254,434**
Initial recognition at fair value of 30.34% interest in PYE BVI as interests in associates	**218,000**
Initial recognition at fair value of 50% interest in the Meilian Group as interests in jointly controlled entities	**72,123**
Special cash dividend declared by Louis XIII	**97,715**
Transaction costs	**(14,000)**
Gain on deemed disposal before release of attributable reserve	**145,162**
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries	**24,859**
Gain on deemed disposal	**170,021**
Net cash outflow arising on deemed disposal:	
Special cash dividend declared by Louis XIII	**97,715**
Less: transaction costs paid	**(10,000)**
Cash consideration received	**87,715**
Less: bank balances and cash disposed of	**(154,687)**
	(66,972)

The fair value determined for the initial recognition of 10.60% interest in Louis XIII is by reference to quoted share price in active market at the date of completion of the deemed disposal.

The fair values determined for the initial recognition of 30.34% interest in PYE BVI and 50% interest in the Meilian Group have been arrived at on the basis of valuations carried out by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group.

The fair value of PYE BVI has been determined based on the income approach to prepare 5-year cash flow forecasts derived from the most recent financial budget approved by its management. The rate used to discount the forecast cash flows is approximately 9.5%. The income approach estimates the future economic benefits and discounts these benefits to its present worth using a discount rate appropriate for the risks associated with realising those benefits.

The fair value of the Meilian Group has been determined mainly based on the fair value of its underlying investment property, which the comparison method is adopted under which comparison based on information of similar size, character and location are analysed in order to arrive at a fair comparison of capital values.

The subsidiaries being disposed of during the year contributed about $5,960 million to the revenue of the Group for the year ended 31 March 2013. During the year, they contributed about $25 million to the net profit attributable to owners of the Company and utilised net cash flow amounted to about $153 million before the disposal.

Special reserve in relation to the above subsidiaries amounting to about $124,695,000 had been charged to the retained profits upon deemed disposal of the subsidiaries.

16. *Acquisition/disposal of interests in subsidiaries - continued*

(c) Disposal of a subsidiary

On 26 May 2011, the Group disposed of 50.1% equity interest in Yangkou Port Co, which was 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 was accounted for as an available-for-sale investment upon and after completion of the disposal.

	$'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
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	(903,482)
Cash consideration received	775,747
Less: bank balances and cash disposed of	(69,554)
	706,193

16. Acquisition/disposal of interests in subsidiaries - continued

(c) Disposal of a subsidiary - continued

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

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

FINAL DIVIDEND

The Board of PYI has resolved to recommend the payment of a final cash dividend of HK0.5 cent per share (which, together with the interim cash dividend of HK1 cent, amounts to a total dividend of HK1.5 cents per share, representing a paid-out ratio of 26%) for the year ended 31 March 2013 to shareholders whose names appear on PYI's register of members as at the close of business on Wednesday, 18 September 2013. Subject to the approval of PYI's shareholders in the 2013 Annual General Meeting to be held on Friday, 6 September 2013, the final dividend in cash is expected to be paid to shareholders by post on or around Wednesday, 25 September 2013.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of PYI will be closed during the period from Monday, 16 September 2013 to Wednesday, 18 September 2013, 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, 13 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31 March 2013, the Group recorded a consolidated turnover of about $6,498 million (2012: $5,159 million), representing an increase of about 26% when compared with that for last year. The increase was mainly attributable to the rise in turnover of the engineering arm - the Paul Y. Engineering Group, which includes the engineering business held by Louis XIII. During the year, it contributed turnover of about $5,951 million (2012: $4,280 million) to the Group until the completion of the deemed disposal of Louis XIII as subsidiary of PYI on 5 February 2013.

The Group's gross profit decreased by 21% to about $329 million (2012: $416 million) as compared with that of last year and represented a gross margin of 5% (2012: 8%) of the consolidated turnover. Such drop in gross profit and margin was mainly caused by a substantial decrease in sale of property stock with higher margin by 73% during the year (dropped from about $364 million of last year to about $100 million of the current year). Profit before taxation of about $419 million was achieved as compared with about $561 million for last year. The Group's profit before taxation was composed of:

(i) net gain of about $271 million in Paul Y. Engineering Group mainly engaged in management contracting and property development management businesses (2012: $48 million);
(ii) net gain of about $12 million in ports and logistics business (2012: $56 million);
(iii) net gain of about $225 million in property business (2012: $156 million);
(iv) net gain of about $71 million in treasury business (2012: $95 million);
(v) nil contribution from the ports development business (2012: $390 million) following the disposal of 50.1% interest in Yangkou Port Co in last year;
(vi) net corporate and other expenses (including inter-segment profit eliminations) of about $90 million (2012: $106 million), which included acquisition-related costs of about $19 million (2012: $18 million); and
(vii) finance costs of about $70 million (2012: $78 million).

Net profit for the year attributable to the owners of PYI was about $262 million (2012: $334 million) and basic earnings per share was HK5.7 cents (2012: HK7.4 cents). The decrease in net profit for the year was mainly attributable to the substantial decrease in net gain from deemed disposal/disposal of subsidiaries as compared with that for last year.

When compared with the Group's financial position as at 31 March 2013, total assets decreased by 19% to about $9,625 million (2012: $11,828 million), which was mainly attributable to the deconsolidation of assets of Louis XIII as subsidiary of PYI during the year. Net current assets decreased to about $986 million (2012: $1,208 million), which current assets increased to 1.36 times (2012: 1.24 times) of current liabilities as at 31 March 2013. After accounting mainly for the net profit of about $262 million, surplus from RMB exchange translation of about $33 million, and dividend distribution of about $69 million to PYI's shareholders, equity attributable to owners of PYI increased by 5% to about $4,841 million (2012: $4,610 million), representing $1.06 (2012: $1.01) per share as at 31 March 2013.

Net cash outflow from operating activities was about $427 million (2012: $496 million) and the net cash outflow was mainly attributable to (a) the utilisation of more funds for mobilising new construction projects by the Paul Y. Engineering Group before it was deconsolidated from the Group in February 2013 (subsequently and until 31 March 2013, its operating cash flow had largely improved owing to more funds collected from debtors and advance receipt from customers); (b) the substantial decrease in sale of property stock in Nantong, the PRC during the year; and (c) maintain a higher level of LPG inventories at lower cost to control the price risk. Net cash inflow from investing activities was about $335 million (2012: $29 million) and that from financing activities was about $312 million (2012: $309 million), resulting in a net increase in available cash and cash equivalents of about $220 million (2012: decrease of $158 million) for the year.

REVIEW OF OPERATIONS

Ports Development

Yangkou Port (9.9% owned)

There was no contribution from Yangkou Port to the Group's operating profit for the year following the disposal of 50.1% interest in Yangkou Port Co in May 2011 (2012: $390 million mainly represented the gain on the disposal of 50.1% equity interest in Yangkou Port Co).

PYI continues 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.

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 was generating synergy value.

Nantong Port Group (45% owned)

Nantong Port Group contributed about $53 million (2012: $35 million) to the segment's operating profit for the year. The higher contribution was due to growth in foreign bulk cargo leading to higher revenue and gross margin.

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 a hub port for cargo trans-shipment in the Yangtze Delta Region.

Annual cargo throughput of Nantong Port Group maintained at about 58 million tonnes in 2012 (2011: 59 million tonnes), while the container throughput in 2012 increased by 6% to 473,000 TEUs (2011: 446,000 TEUs).

Yichang Port Group (51% owned)

Yichang Port Group contributed about $25 million (2012: $33 million) to the segment's operating profit for the year. Its operating result was affected by the drop in revenue due to lower demand for bulk cargo trans-shipment and logistics services from western Mainland customers. During the year, a write-back of overprovision of deferred consideration payable in relation to the prior year acquisition of about $10 million (2012: Nil) had been recognised in the consolidated income statement.

Yichang Port Group is principally engaged in transport logistics and minor 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 Province.

Annual cargo throughput of Yichang Port Group for the year ended 31 March 2013 dropped by 17% to about 6.3 million tonnes (2012: 7.6 million tonnes). Its annual container throughput increased by 34% to 83,000 TEUs (2012: 62,000 TEUs).

Jiangyin Sunan Container Terminal (40% owned)

Jiangyin Sunan contributed about $9 million (2012: $12 million) to the segment's operating profit for the year. Its operating result was affected by the lower demand of container terminal services for foreign trade from the regional customers. During the year, an allowance for other receivable in relation to the prior year acquisition of $37 million (2012: Nil) had been recognised in the consolidated income statement.

Jiangyin Sunan is principally engaged in containers loading and discharging as well as the 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 2012 decreased by 14% to 419,000 TEUs (2011: 485,000 TEUs).

Jiaxing International Feeder Port (90% owned)
Jiaxing International Feeder Port multi-functional zone is a core pilot feeder port in Zhejiang province under the plans of Ministry of Transport.

Situated at Nanhu District of Jiaxing City, Jiaxing International 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 200,000 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 integrated logistics supporting services such as examination, quarantine, 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 third quarter of 2013 and is targeted to become the first container feeder port on the canal system 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 $48 million (2012: $24 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 maintained by its LPG retail and distribution business, which was insufficient to cover losses in the logistics business, resulting to the overall operating loss.

Engineering Business – Paul Y. Engineering (47.5% owned)
For the period from 1 April 2012 to 5 February 2013 (the date of completion of the deemed disposal of Louis XIII), Louis XIII (which operates the engineering business through PYE BVI (which was renamed as Paul Y. Engineering Group Limited ("Paul Y. Engineering") on 7 June 2013)) contributed turnover of $5,951 million (2012: $4,280 million) and operating profit of $43 million (2012: $48 million) to the Group respectively. The increase in turnover was mainly attributable to the significant increase in order book for construction of infrastructure projects during the year as benefited from the Hong Kong Government's drastic increase in capital investment. For the period from 6 February to 31 March 2013, Paul Y. Engineering also contributed about $3 million to the segment's operating profit.

During the year, the Group has (a) undergone deemed disposal of its interest in Louis XIII from about 61.92% to about 10.60% (further reduced to 9.98% by disposal on 7 March 2013 at a gain of about $3 million) which resulted in a gain of about $164 million (2012: Nil); (b) received about 30.34% interest in Paul Y. Engineering under the distribution in specie by Louis XIII; and (c) acquired about 17.18% interest in Paul Y. Engineering from other Louis XIII shareholders who accepted cash alternative offer. As a result, the Group's interest in Paul Y. Engineering increased to about 47.52% and a bargain purchase gain of about $58 million arising therefrom was recognised.

Following the completion of the above transactions, (a) the Group's interest in Louis XIII is accounted for as an available-for-sale investment; and (b) the Group's interest in Paul Y. Engineering is accounted for as an associate through which the Group will continue to enjoy the future growth of the engineering business.

During the year, Paul Y. Engineering has benefited from the increase in capital works expenditure in both Hong Kong and Macau markets and secured new contracts totaling $13,225 million (2012: $8,891 million) in aggregate value. As at 31 March 2013, the total value of contracts on hand of Paul Y. Engineering was about $23,506 million (2012: $15,106 million).

Property
The property business contributed about $225 million (2012: $156 million) to the Group's operating profit for the year. The profit was mainly attributable to (a) gain on revaluation of investment properties from about 0.65 sq km (2012: 0.35 sq km) of Land Being Formed located at Xiao Yangkou of about $137 million (2012: $73 million) before deferred tax charges of about $63 million (2012: $34 million), and gain on revaluation of various investment properties located at Nantong, Yichang and Hangzhou of a total amount of about $88 million (2012: $11 million) before deferred tax charges of about $35 million (2012: $2 million); (b) operating profit from sale of units of Nantong International Trade Center and Wanhua Zijin Garden amounted to about $18 million (2012: $72 million); (c) gain on deemed disposal of the Meilian Group of about $6 million (2012: Nil); and (d) net project pre-development costs incurred in Xiao Yangkou of about $24 million (2012: Nil).

As at 31 March 2013, about 2.96 sq km (2012: 2.31 sq km) of the 11.5 sq km land bank situated at Xiao Yangkou had reached the forming stage or formed and serviced stage. About 1.89 sq km of the Formed Land and 1 sq km of the Land Being Formed at Xiao Yangkou were classified as investment properties and measured at fair value of about $750 million (2012: $575 million). The remaining 0.07 sq km Formed Land at Xiao Yangkou is under the development as a regional tourism site and was classified as trading stock as at 31 March 2013.

During the year, a gross floor area of some 6,000 sq m of Nantong International Trade Center rented out for hotel operation had been transferred to investment properties and contributed rental income of about $5 million (2012: Nil).

In the main urban district of Yichang City near Yangtze River, the Group holds certain commercial and residential properties of about 33,000 sq m through Yichang Port Group. Total turnover contributed from the rental of Yichang investment properties amounted to about $6 million (2012: $4 million).

In the Hangzhou Hi-Tech Industry Development Zone of Bingjiang, Hangzhou City, the Group jointly holds an office building, the Pioneer Technology Building, with Paul Y. Engineering, which has gross floor area of some 20,000 sq m. The building contributed rental income of about $8 million (2012: $10 million) to the Group's turnover until the completion of the deemed disposal of Louis XIII as subsidiary of PYI on 5 February 2013. It was almost fully leased out as at 31 March 2013.

Treasury
The treasury investments contributed about $71 million (2012: $95 million) towards the Group's operating profit for the year. The trading securities recorded a fair value gain of about $4 million (2012: loss of $22 million) during the year. The interest income derived from high-yield loans and RMB bank deposits in Hong Kong amounted to about $20 million (2012: $17 million), while the interest income derived from the deferred consideration receivable for disposal of Yangkou Port Co amounted to about $28 million (2012: $54 million). The foreign currencies translation gain amounted to about $19 million (2012: $46 million) during the year, which was mainly derived from the RMB monetary assets such as bank deposits kept at Hong Kong.

As at 31 March 2013, total value of the Group's portfolio of trading securities amounted to about $64 million (2012: $60 million), equivalent to about 0.7% (2012: 0.5%) of the Group's total assets. Portfolio of high-yield loans receivable amounted to about $106 million (2012: $103 million), equivalent to about 1.1% (2012: 0.9%) of the Group's total assets.

MATERIAL ACQUISITION AND DISPOSAL
In February 2013, the Group's interests in certain subsidiaries, namely Louis XIII and the Meilian Group, were deemed disposed of and resulted in a gain of about $170 million. Louis XIII and the Meilian Group ceased to be subsidiaries of PYI and their financial results were deconsolidated from the Group during the year.

Following the deemed disposal of Louis XIII during the year, PYI holds about 47.52% interest in an associate, Paul Y. Engineering, of which about 30.34% interest was received from the distribution in specie declared by Louis XIII and about 17.18% was acquired from other Louis XIII shareholders at an aggregate consideration of about $64 million under the cash alternative offer to the distribution in specie.

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

Economic and financial uncertainties continue to affect the global markets and trades. China recorded GDP growth of 7.8% in 2012, the slowest in more than a decade, with a flattening trend for 2013. The Yangtze shipping indices are showing signs of little to moderate growth.

Looking forward, our Yangtze port units will continue to pursue operating growth through optimization and consolidation. Facing another problematic year in 2012, Minsheng Gas will be a priority divestment target for this year. PYI will also focus on the land and resort development potential at Xiao Yangkou. PYI remains positive on the outlook of the Yangtze River region and will stay in line with China's national policy and development directions on implementation of our Yangtze Strategy. Barring any unforeseen material adverse circumstances, PYI is strived to facing the challenges and achieving these objectives.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2013, the Group had total assets of $9,625 million (2012: $11,828 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 seven 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 2013, the Group's total borrowings amounted to about $2,555 million (2012: $2,653 million) with about $1,775 million (2012: $1,715 million) repayable on demand or within one year and about $780 million (2012: $938 million) repayable after one year. Borrowings denominated in Hong Kong dollar of about $1,184 million (2012: $1,255 million) bore interest at floating rates. Borrowings denominated in Renminbi of about $925 million (2012: $1,071 million) bore interest at floating rates and about $446 million (2012: $327 million) bore interest at fixed rates. The Group's gearing ratio was 0.53 (2012: 0.58), which was calculated based on the total borrowings of about $2,555 million (2012: $2,653 million) and the Group's shareholders' fund of about $4,841 million (2012: $4,610 million).

Bank balances and cash of the Group as at 31 March 2013 amounted to about $1,882 million (2012: $1,740 million), of which about $1,516 million (2012: $1,289 million) was denominated in Renminbi, about $366 million (2012: $428 million) was denominated in Hong Kong dollar and about $0.2 million (2012: $23 million) was denominated in other currencies. Also, about $647 million (2012: $732 million) had been pledged to banks to secure general credit facilities granted to the Group, which included about RMB516 million (equivalent to about $644 million) (2012: RMB575 million, equivalent to about $709 million) deposited in Hong Kong to secure banking facilities denominated in Hong Kong dollar and available in Hong Kong. As at 31 March 2013, the Group had a net debt position (being bank balances and cash net of bank borrowings) of about $420 million (2012: $649 million).

CONTINGENT LIABILITIES

As at 31 March 2013, the Group had contingent liabilities in respect of guarantees given to banks for banking facilities given to third parties of about $69 million (2012: $70 million) and an investee of about $195 million (2012: $336 million).

PLEDGE OF ASSETS

As at 31 March 2013, certain property interests, property, plant and equipment, trade receivables and bank balances of the Group with an aggregate value of about $1,963 million (2012: $2,246 million), as well as the Company's investment in certain subsidiaries of about $361 million (2012: $296 million) were pledged to banks and financial institutions to secure general credit facilities granted to the Group.

COMMITMENTS

As at 31 March 2013, 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 $15 million (2012: $97 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

Including the directors of the Group, as at 31 March 2013, the Group employed a total of 1,791 full time employees (2012: 3,121). Remuneration packages consisted of salary as well as performance-based bonus. 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 2012 annual report (the "2012 Annual Report") (which can be viewed on PYI's website), we reported that, save for certain deviations disclosed therein, PYI has applied the principles and complied with all applicable code provisions of the Code on Corporate Governance Practices (the "Old Code", formerly contained in Appendix 14 to the Listing Rules), and adopted some of the recommended best practices for the year ended 31 March 2012. Throughout the year ended 31 March 2013, PYI continued to comply with the code provisions as set out in the Corporate Governance Code (the "CG Code", the new edition of the Old Code) and adopt some of the recommended best practices, except for the following deviation:

Code Provision A.2.1

Code Provision A.2.1 of the CG Code 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 more than half the number thereof being independent non-executive directors.

During the year, except that with effect from 1 November 2012, (i) Ms Wong Lai Kin Elsa was appointed as an independent non-executive director of PYI and a member of each of the Audit Committee and the Corporate Governance and Compliance Committee of PYI; and (ii) Mr Li Chang An resigned as a member of PYI's Audit Committee, 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 42 to 67 of the 2012 Annual Report.

Except the above and the fact that (i) Mr Lau Ko Yuen, Tom, the Chairman and Managing Director of PYI was re-designated as Deputy Chairman (executive director) of Louis XIII with effect from 19 February 2013; and (ii) Mr Leung Po Wing, Bowen Joseph was appointed as an independent non-executive director of Quali-Smart Holdings Limited (1348.HK) with effect from 3 January 2013, there were no changes to the information of directors of PYI as disclosed on pages 34 to 38 of the 2012 Annual Report.

At the annual general meeting of PYI held on 10 September 2012 (the "2012 AGM"), 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 disclosed on page 151 of the 2012 Annual Report and on page 60 of the 2013 interim report of PYI.

At the 2012 AGM, shareholders of PYI also approved the reappointment of Deloitte Touche Tohmatsu as PYI's external auditor for the financial year ended 31 March 2013.

During the year ended 31 March 2013, 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 2013, 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 requirements of the Securities and Futures Ordinance regarding disclosure of their respective interests in PYI and its associated corporations (if applicable) during the year ended 31 March 2013.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31 March 2013 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 2013 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 2013 Annual Report will be dispatched to shareholders of PYI and posted at the aforesaid websites in July 2013.

ANNUAL GENERAL MEETING

The 2013 Annual General Meeting of PYI is scheduled to be held on Friday, 6 September 2013. A circular containing the notice of Annual General Meeting 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 the refreshment of 10% scheme limit under the share option scheme of PYI 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
Ms Wong Lai Kin Elsa	:	Independent Non-Executive Director

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

Hong Kong, 21 June 2013