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)

2014 INTERIM RESULTS

The board of directors (the "Board") of PYI Corporation Limited ("PYI" or the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2013.

FINANCIAL HIGHLIGHTS

	9/2013	Change
Turnover		
– the Group	$720 million	-81%
– share of associates and joint ventures	$1,972 million	+235%
Gross profit	$93 million	-51%
Profit attributable to shareholders	$69 million	-15%
EPS	1.5 cents	-17%
Interim DPS	0.5 cent	-50%
Shareholders' funds	$4,919 million	+2%
NAV per share	$1.07	+1%

RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

	Notes	Unaudited Six months ended 30 September 2013 $'000	2012 $'000
Turnover			
The Company and its subsidiaries	3	**719,807**	3,703,334
Share of associates and joint ventures		**1,972,057**	589,124
		2,691,864	4,292,458
Group turnover	3	**719,807**	3,703,334
Cost of sales		**(626,480)**	(3,512,899)
Gross profit		**93,327**	190,435
Other income	4	**12,996**	28,998
Other gains and losses	5	**13,804**	333
Administrative expenses		**(78,826)**	(171,391)
Distribution and selling expenses		**(35,825)**	(36,930)
Other expenses		**(28,706)**	(8,602)
Finance costs	6	**(26,306)**	(38,941)
Gain on fair value changes of investment properties		**220,800**	180,405
Fair value gain on transfer of completed properties held for sale to investment properties		**–**	35,761
Share of results of associates		**55,188**	31,507
Share of results of joint ventures		**566**	5,230
Profit before taxation	7	**227,018**	216,805
Taxation	8	**(133,262)**	(98,831)
Profit for the period		**93,756**	117,974
Profit for the period attributable to:			
Owners of the Company		**68,788**	81,200
Non-controlling interests		**24,968**	36,774
		93,756	117,974
Basic and diluted earnings per share	9	**1.5 cents**	1.8 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2013

	Unaudited Six months ended 30 September 2013 $'000	2012 $'000
Profit for the period	**93,756**	117,974
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising from translation of foreign operations	**38,141**	1,653
Share of exchange differences of associates and joint ventures	**21,570**	178
Loss on fair value changes of available-for-sale investments	**(21,229)**	–
Other comprehensive income for the period	**38,482**	1,831
Total comprehensive income for the period	**132,238**	119,805
Total comprehensive income for the period attributable to:		
Owners of the Company	**99,101**	82,707
Non-controlling interests	**33,137**	37,098
	132,238	119,805

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2013

	Notes	**Unaudited 30.9.2013 *$'000***	Audited 31.3.2013 *$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**1,674,884**	1,517,924
Investment properties	*12*	**1,256,888**	975,658
Project under development		**650,968**	637,648
Prepaid lease payments		**352,536**	350,582
Other intangible assets		**74,640**	74,680
Interests in associates	*13*	**1,626,857**	1,549,656
Interests in joint ventures		**74,200**	91,696
Available-for-sale investments		**646,509**	667,724
		6,357,482	5,865,568
CURRENT ASSETS			
Stock of properties		**743,458**	1,130,558
Prepaid lease payments		**3,355**	3,307
Inventories of finished goods		**45,064**	63,430
Loans receivable		**88,000**	106,425
Amounts due from associates		**44,101**	19,102
Amount due from a joint venture		**–**	19
Amount due from a non-controlling interest		**1,267**	1,248
Trade and other debtors, deposits and prepayments	*14*	**280,754**	400,855
Investments held for trading		**83,458**	64,225
Available-for-sale investments		**–**	82
Pledged bank deposits		**376,941**	646,520
Short term bank deposits		**567,156**	790,593
Bank balances and cash		**340,456**	445,013
		2,574,010	3,671,377
Assets classified as held for sale	*15*	**89,728**	88,383
		2,663,738	3,759,760
CURRENT LIABILITIES			
Trade and other creditors and accrued expenses	*16*	**478,192**	864,736
Deposits received for pre-sale of properties		**–**	25,974
Amounts due to associates		**105,507**	110,630
Amount due to a joint venture		**340**	112
Amounts due to non-controlling interests		**16,324**	16,854
Taxation payable		**1,957**	9,806
Bank and other borrowings – due within one year	*17*	**1,417,058**	1,720,531
		2,019,378	2,748,643
Liabilities associated with assets classified as held for sale	*15*	**25,716**	25,331
		2,045,094	2,773,974
NET CURRENT ASSETS		**618,644**	985,786
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,976,126**	6,851,354

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2013

	Notes	Unaudited 30.9.2013 $'000	Audited 31.3.2013 $'000
NON-CURRENT LIABILITIES			
Bank and other borrowings – due after one year	17	**634,356**	764,702
Amounts due to non-controlling interests		**15,209**	17,952
Amount due to an associate		**38,615**	–
Deferred tax liabilities	18	**691,692**	582,582
Deferred income		**51,670**	50,896
Other payables		**58,871**	62,873
		1,490,413	1,479,005
		5,485,713	5,372,349
CAPITAL AND RESERVES			
Share capital	19	**457,736**	457,736
Reserves		**4,461,200**	4,383,439
Equity attributable to owners of the Company		**4,918,936**	4,841,175
Non-controlling interests		**566,777**	531,174
TOTAL EQUITY		**5,485,713**	5,372,349

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 September 2013

	Unaudited Six months ended 30 September 2013 $'000	2012 $'000
Net cash from operating activities	**22,985**	69,792
Net cash from (used in) investing activities	**149,690**	(108,628)
Net cash (used in) from financing activities	**(502,102)**	98,174
Net (decrease) increase in cash and cash equivalents	**(329,427)**	59,338
Effect of foreign exchange rate changes	**1,433**	3
Cash and cash equivalents brought forward	**1,235,606**	1,008,235
Cash and cash equivalents carried forward	**907,612**	1,067,576
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	**567,156**	442,122
Bank balances and cash	**340,456**	625,454
	907,612	1,067,576

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. Principal accounting policies

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

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

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" may be renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" may be renamed as a "statement of profit or loss". However, since the new terminology under amendments to HKAS 1 is not mandatory and the directors of the Company determine to remain using the titles of "statement of comprehensive income" and "income statement".

In addition, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. *Principal accounting policies - continued*

Amendments to HKAS 34 "Interim Financial Reporting" (as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle)

The Group has applied the amendments to HKAS 34 "Interim Financial Reporting" as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

In accordance with the application of HKAS 34, the Group has included the total assets and total liabilities information as part of the segment information as set out in note 3.

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

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

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 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 April 2013) as to whether or not the Group has control over its investees in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors of the Company concluded that it has had control over the investees which were consolidated into the condensed consolidated financial statements before the application of HKFRS 10. The adoption of HKFRS 10 has therefore had no material effect on the amounts reported in this condensed consolidated financial statements.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC) - Int 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

2. *Principal accounting policies - continued*

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

Impact of the application of HKFRS 11 - continued

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in the joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's investment in each of the joint arrangements, each of which was classified as a jointly controlled entity under HKAS 31 and was accounted for using the equity method, should be classified as a joint venture under HKFRS 11 and continue to be accounted for using the equity method. The adoption of HKFRS 11 has therefore had no material effect on the amounts reported in these condensed consolidated financial statements.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in these condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for “fair value” and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in the notes to the condensed consolidated financial statements of the interim report. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in these condensed consolidated financial statements.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements of the Group.

3. *Segment information*

The operating segments of the Group is determined based on information reported to the Group's CODM (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, liquefied petroleum gas and logistics businesses

Property - Development, sale and leasing of real estate properties and Formed Land (as defined in note 12)

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 period under review:

Six months ended 30 September 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	-	-	224,066	487,814	7,927	719,807	-	719,807
Inter-segment revenue	-	-	-	-	-	-	-	-
Total	-	-	224,066	487,814	7,927	719,807	-	719,807
EBITDA	8,201	-	55,663	225,326	38,125	327,315	-	327,315
Depreciation and amortisation*	-	-	(19,906)	(3,087)	(2)	(22,995)	-	(22,995)
Segment result - EBIT	8,201	-	35,757	222,239	38,123	304,320	-	304,320
Corporate and other expenses**								(50,996)
Finance costs								(26,306)
Profit before taxation								227,018
Taxation								(133,262)
Profit for the period								93,756

Six months ended 30 September 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	3,438,504	-	209,797	52,963	2,070	3,703,334	-	3,703,334
Inter-segment revenue	-	-	-	49	-	49	(49)	-
Total	3,438,504	-	209,797	53,012	2,070	3,703,383	(49)	3,703,334
EBITDA	44,963	-	45,574	222,721	24,979	338,237	(1,737)	336,500
Depreciation and amortisation*	(14,264)	-	(19,914)	(2,151)	(1)	(36,330)	-	(36,330)
Segment result - EBIT	30,699	-	25,660	220,570	24,978	301,907	(1,737)	300,170
Corporate and other expenses**								(44,424)
Finance costs								(38,941)
Profit before taxation								216,805
Taxation								(98,831)
Profit for the period								117,974

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

** Including acquisition - related costs for potential projects of about $13,200,000 (2012: $8,602,000) (included in other expenses).

3. *Segment information - continued*

Segment assets and liabilities

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

At 30 September 2013

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Consolidated *$'000*
ASSETS						
Segment assets	**598,618**	**950,773**	**3,257,809**	**2,956,940**	**1,151,281**	**8,915,421**
Assets classified as held for sale (note 15)						**89,728**
Unallocated assets						**16,071**
Consolidated total assets						**9,021,220**
LIABILITIES						
Segment liabilities	**-**	**493,042**	**1,068,530**	**1,073,359**	**863,371**	**3,498,302**
Liabilities associated with assets classified as held for sale (note 15)						**25,716**
Unallocated liabilities						**11,489**
Consolidated total liabilities						**3,535,507**

At 31 March 2013

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Consolidated *$'000*
ASSETS						
Segment assets	608,108	802,288	3,353,479	3,176,370	1,580,685	9,520,930
Assets classified as held for sale (note 15)						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
Liabilities associated with assets classified as held for sale (note 15)						25,331
Unallocated liabilities						27,240
Consolidated total liabilities						4,252,979

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.

4. *Other income*

The following items are included in other income:

	Unaudited Six months ended 30 September	
	2013	2012
	$'000	*$'000*
Interest income from deferred consideration receivable	**—**	18,286
Other interest income	**12,326**	10,712

5. *Other gains and losses*

	Unaudited Six months ended 30 September	
	2013	2012
	$'000	*$'000*
Gain (loss) on changes in fair value of investments held for trading	**2,342**	(1,064)
Impairment loss recovered (recognised) on receivables	**2,451**	(103)
(Loss) gain on disposal of property, plant and equipment	**(1,605)**	1,734
Loss on disposal of a joint venture (note)	**(8,000)**	—
Other net exchange gain (loss)	**18,616**	(234)
	13,804	333

Note:

On 15 June 2013, Yichang Port Group Limited (the "Yichang Port Group"), a 51% owned subsidiary of the Company which is engaged in port operation, entered into a sale and purchase agreement to dispose of its entire interest in a 45% owned joint venture, 湖北港興房地產開發有限公司, to the joint venture partner at a consideration of about RMB9,029,000 (equivalent to about $11,444,000). This transaction has resulted in the Group recognising a loss of about $8,000,000 in profit or loss.

6. *Finance costs*

	Unaudited Six months ended 30 September	
	2013	2012
	$'000	*$'000*
Borrowing costs on:		
Bank borrowings wholly repayable within five years	**35,809**	47,522
Bank borrowings not wholly repayable within five years	**12,541**	14,841
Amounts due to associates wholly repayable within five years	**2,915**	–
Amounts due to non-controlling interests not wholly repayable within five years	**88**	89
Imputed interest expense on other payables	**928**	1,023
Other borrowings wholly repayable within five years	**1,886**	3,166
	54,167	66,641
Less: Amount capitalised in respect of contracts in progress	**—**	(3,100)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(19,350)**	(16,516)
Amount capitalised in respect of project under development	**(2,315)**	(1,186)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(6,196)**	(6,898)
	26,306	38,941

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 period.

7. *Profit before taxation*

	Unaudited Six months ended 30 September	
	2013	2012
	$'000	*$'000*
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of other intangible assets (included in distribution and selling expenses)	**1,122**	2,118
Cost of construction works recognised as an expense	**—**	3,326,517
Cost of inventories recognised as an expense	**555,370**	126,817
Dividend income from investments held for trading	**(1,470)**	(830)
Depreciation of property, plant and equipment:		
Amount provided for the period	**23,571**	36,654
Less: Amount capitalised in respect of contracts in progress	**—**	(772)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(560)**	(534)
Amount capitalised in respect of project under development	**(12)**	(3)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(1,126)**	(1,133)
	21,873	34,212
Total interest income (included in turnover and other income)	**(18,783)**	(31,068)
Release of prepaid lease payments	**1,676**	2,085

8. *Taxation*

	Unaudited Six months ended 30 September 2013 $'000	Unaudited Six months ended 30 September 2012 $'000
The charge (credit) comprises:		
Hong Kong Profits Tax:		
Overprovision in prior periods	**(4,200)**	–
Taxation arising in jurisdictions outside Hong Kong:		
Current period	**37,013**	11,666
Under(over)provision in prior periods	**453**	(591)
	37,466	11,075
Deferred taxation (note 18)		
Land Appreciation Tax ("LAT")	**59,504**	48,650
Others	**40,492**	39,106
	99,996	87,756
Taxation attributable to the Company and its subsidiaries	**133,262**	98,831

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

Under the Law of the People's Republic of China (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.

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 profit for the period attributable to owners of the Company amounted to about $68,788,000 (2012: $81,200,000) and the number of ordinary shares of 4,577,360,572 shares (2012: 4,558,493,575 shares).

For the six months ended 30 September 2012, the computation of diluted earnings per share did not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the Company's shares for the period.

10. Distribution

	Unaudited Six months ended 30 September 2013 $'000	2012 $'000
Dividends recognised as distribution during the period:		
Final dividend declared for the year ended 31 March 2013 – HK0.5 cent (2012: HK0.5 cent for the year ended 31 March 2012) per share	**22,887**	22,792
Dividends proposed:		
Interim cash dividend proposed for the current period – HK0.5 cent (2012: HK1 cent) per share	**22,887**	45,774

The amount of the interim cash dividend proposed for the six months ended 30 September 2013 has been calculated by reference to the 4,577,360,572 issued shares as at the date of this announcement.

11. Movements in property, plant and equipment

During the period, additions to the Group's property, plant and equipment amounted to about $159,946,000 (2012: $112,663,000), which mainly included the cost of construction in progress amounting to about $145,823,000 (2012: $54,621,000) incurred during the period.

12. Investment properties

	Unaudited 30.9.2013 $'000	Audited 31.3.2013 $'000
Leasehold land and buildings in the PRC	**232,807**	225,346
Formed Land (note a)	**762,991**	491,885
Land Being Formed (note b)	**261,090**	258,427
	1,256,888	975,658

Notes:

(a) In prior periods, 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 $45,740,000 (2012: $27,885,000), have been transferred from project under development to investment properties during the period.

In addition, the land leveling process of certain area of Land Being Formed of about $258,920,000 (2012: Nil) was completed and transferred to Formed Land during the period.

12. *Investment properties - continued*

The fair values of the Group's investment properties at the date of transfer, 30 September 2013 and 31 March 2013 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 properties is made. Comparable properties 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 as at 30 September 2013 is minimal. During the six months ended 30 September 2013, the gain on fair value changes of Land Being Formed of about $214,690,000 (2012: $135,959,000) resulting from the transfer from project under development to investment properties, gain on fair value changes of Formed Land of about $771,000 (2012: Nil) and gain on fair value changes of leasehold land and buildings of about $5,339,000 (2012: $44,446,000) have been recognised in the condensed 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 these 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.

13. *Interests in associates*

	Unaudited 30.9.2013 *$'000*	Audited 31.3.2013 *$'000*
Cost of unlisted investments in associates, less impairment (note)	**845,423**	845,423
Share of post-acquisition profits and reserves, net of dividends received	**781,434**	704,233
	1,626,857	1,549,656

Note:

As at 30 September 2013 and 31 March 2013, the unlisted investments include:

i) 47.52% equity interest in Paul Y. Engineering Group Limited ("Paul Y. Engineering"), formerly known as "Paul Y. Engineering (BVI) Limited", which is engaged in building construction, civil engineering, development management, project management, facilities and asset management services and investment in properties;

ii) 40% equity interest in Jiangyin Sunan International Container Terminal Co., Ltd. ("Jiangyin Sunan"). Jiangyin Sunan is a sino-foreign joint venture enterprise registered in the PRC and operates the container terminal in Jiangyin Port, Jiangsu Province, the PRC; and

iii) 45% equity interest in Nantong Port Group Limited ("Nantong Port Group"), which is a sino-foreign joint venture enterprise registered in the PRC. Nantong Port Group is principally engaged in providing cargo loading and off loading, storage, shipping agent, cargo agent, ship anchoring, ship repairing, port machinery, shipping logistics and ship piloting services in Nantong Port, Jiangsu Province, the PRC.

14. *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.

Included in trade and other debtors, deposits and prepayments are trade debtors of about $83,609,000 (31.3.2013: $60,185,000). The Group does not hold any collateral over these balances. Their ageing analysis, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

	Unaudited 30.9.2013 *$'000*	Audited 31.3.2013 *$'000*
Within 90 days	**54,886**	44,265
More than 90 days and within 180 days	**21,762**	11,737
More than 180 days	**6,961**	4,183
	83,609	60,185

15. *Assets classified as held for sale*

On 8 March 2013, Yichang Port Group 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 including the transfer of certain construction floor areas of the New Premises within four years from the date of surrender. The major classes of assets and associated liabilities of the Resumption Properties as at the end of the reporting period were as follows:

	Unaudited 30.9.2013 *$'000*	Audited 31.3.2013 *$'000*
Property, plant and equipment	**5,243**	5,165
Investment properties	**26,616**	26,216
Prepaid lease payments	**9,225**	9,087
Other intangible assets	**48,644**	47,915
Assets classified as held for sale	**89,728**	88,383
Deferred tax liabilities	**25,716**	25,331
Liabilities associated with assets classified as held for sale	**25,716**	25,331

16. *Trade and other creditors and accrued expenses*

Included in trade and other creditors and accrued expenses are trade creditors of about $111,709,000 (31.3.2013: $125,523,000) and their ageing analysis presented based on the invoice date at the end of the reporting period is as follows:

	Unaudited 30.9.2013 *$'000*	Audited 31.3.2013 *$'000*
Within 90 days	**81,551**	95,805
More than 90 days and within 180 days	**95**	1,497
More than 180 days	**30,063**	28,221
	111,709	125,523

17. *Movements in bank and other borrowings*

During the period, the Group raised new bank and other borrowings of about $1,479,638,000 (2012: $1,753,605,000) and repaid about $1,941,305,000 (2012: $1,510,989,000). The secured bank and other borrowings as at 30 September 2013 were about $1,030,567,000 (31.3.2013: $1,386,457,000).

As at 30 September 2013, bank deposits of about $376,941,000 (31.3.2013: $646,520,000) were pledged to banks to secure general banking facilities granted to the Group. The pledged bank deposits included about RMB293,000,000 (equivalent to about $371,356,000) (31.3.2013: RMB516,162,000 equivalent to about $644,397,000) deposited in Hong Kong, which were pledged to secure banking facilities denominated in Hong Kong dollar and available in Hong Kong.

18. *Deferred tax liabilities*

The following are the major deferred tax liabilities recognised and movements thereon during the current period:

	Fair value adjustment on investment properties *$'000*	**Fair value adjustment on project under development and stock of properties *$'000***	**Others *$'000***	**Total *$'000***
At 1 April 2013 (audited)	360,423	183,820	38,339	582,582
Exchange realignment	5,794	2,744	576	9,114
Charge (credit) to condensed consolidated income statement (note 8)	100,005	–	(9)	99,996
Transfer	20,636	(20,636)	–	–
At 30 September 2013 (unaudited)	486,858	165,928	38,906	691,692

19. *Share capital*

	Number of shares	Value *$'000*
Ordinary shares of $0.10 each:		
Authorised:		
At 1 April 2012, 30 September 2012, 31 March 2013 and 30 September 2013	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 April 2012 and 30 September 2012	4,558,493,575	455,849
Issue of shares pursuant to scrip dividend scheme (note)	18,866,997	1,887
At 31 March 2013 and 30 September 2013	4,577,360,572	457,736

Note:

Pursuant to the scrip dividend scheme which was announced by the Company on 12 October 2012, the Company issued 18,866,997 new ordinary shares of $0.10 each in the Company to the shareholders who elected to receive scrip dividend in respect of the final dividend for the year ended 31 March 2012. These shares rank pari passu with the then existing shares of the Company in all respects.

INTERIM DIVIDEND

The Board of PYI has resolved to pay an interim cash dividend of HK0.5 cent per share for the six months ended 30 September 2013 (2012: HK1 cent) to shareholders whose names appear on PYI's register of members as at the close of business on Wednesday, 18 December 2013. The cheques for payment of the interim cash dividend are expected to be despatched to shareholders by post on or around Monday, 6 January 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of PYI will be closed during the period from Monday, 16 December 2013 to Wednesday, 18 December 2013, both dates inclusive, during which period no transfer of share(s) of PYI will be effected. In order to qualify for the interim cash 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 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

Following (a) the completion of the deemed disposal of Louis XIII Holdings Limited ("Louis XIII") (which operates the engineering business through Paul Y. Engineering Group Limited ("Paul Y. Engineering")); (b) the receipt of about 30.34% interest in Paul Y. Engineering under the distribution in specie by Louis XIII; and (c) the acquisition of about 17.18% interest in Paul Y. Engineering from other Louis XIII shareholders during the period from February to March 2013, the Group's interest in Paul Y. Engineering was reduced from about 61.92% to about 47.52% and Paul Y. Engineering was deconsolidated and is accounted for as an associate of the Group. As a result thereof, for the six months ended 30 September 2013, (i) the Group recorded a consolidated turnover of about $720 million (2012: $3,703 million), representing a decrease of 81% when compared with the last corresponding period; (ii) the Group's share of turnover of associates and joint ventures increased by 235% to about $1,972 million (2012: $589 million); and (iii) the Group's gross profit decreased by 51% to about $93 million (2012: $190 million), representing a gross margin of 13% (2012: 5%) of the consolidated turnover.

During the period, the Group achieved a profit before taxation of about $227 million (2012: $217 million) which was composed of:

(i) net gain of about $8 million in Paul Y. Engineering mainly engaged in management contracting and property development management businesses (2012: $31 million);
(ii) net gain of about $36 million in ports and logistics business (2012: $26 million);
(iii) net gain of about $222 million in property business (2012: $220 million);
(iv) net gain of about $38 million in treasury business (2012: $25 million);
(v) net corporate and other expenses (including inter-segment profit eliminations) of about $51 million (2012: $46 million), which included acquisition-related costs of about $13 million (2012: $9 million); and
(vi) finance costs of about $26 million (2012: $39 million).

Net profit for the period attributable to the owners of PYI was about $69 million (2012: $81 million) and basic earnings per share was HK1.5 cents (2012: HK1.8 cents). The decrease in net profit for the period was mainly attributable to (a) the absence of interest income (2012: $18 million) at a rate of 6.15% per annum from deferred consideration receivable of RMB301.4 million from disposal of 50.1% interest in Yangkou Port Co which was originally due on 31 December 2013 but was early received on 27 December 2012; and (b) an one-off loss of $8 million on disposal of a non-core 45% joint venture for a possible property redevelopment project, the government approval of which has not been obtained, in an old residential area of Yichang City.

When compared with the Group's financial position as at 31 March 2013, total assets decreased by 6% to about $9,021 million (31.3.2013: $9,625 million). Net current assets decreased to about $619 million (31.3.2013: $986 million), whereas current assets decreased slightly to 1.30 times (31.3.2013: 1.36 times) of current liabilities as at 30 September 2013. Such changes were mainly attributable to (a) the release of certain pledged Renminbi bank deposits deposited in Hong Kong and the repayment of relevant Hong Kong dollar bank borrowings available in Hong Kong; and (b) further capital expenditure incurred for the ports under construction. After taking into account (a) the net profit of about $69 million; (b) the surplus from Renminbi exchange translation of about $52 million; (c) the drop in fair value of available-for-sale investments of about $21 million; and (d) the dividend distribution of about $23 million to PYI's shareholders, equity attributable to owners of PYI was increased by 2% to about $4,919 million (31.3.2013: $4,841 million), representing $1.07 (31.3.2013: $1.06) per share as at 30 September 2013.

Net cash inflow from operating activities was about $23 million (2012: $70 million) and that from investing activities was about $150 million (2012: outflow $109 million). Net cash outflow from financing activities was about $502 million (2012: inflow of $98 million), resulting in a net decrease in available cash and cash equivalents of about $329 million (2012: net increase of $59 million) during the period.

REVIEW OF OPERATIONS

Ports and Logistics

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

Nantong Port Group (45% owned)

Nantong Port Group contributed about $42 million (2012: $27 million) to the segment's operating profit for the period. The higher contribution was benefited from the effective cost control measures resulting in lower operating and finance 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 in the Yangtze Delta Region.

Bulk cargo throughput in the first half of 2013 increased by 4% to about 27 million tonnes (2012: 26 million tonnes), while the container throughput in the first half of 2013 increased by 3% to 241,000 TEUs (2012: 234,000 TEUs).

Yichang Port Group (51% owned)

Yichang Port Group contributed about $9 million (2012: $15 million) to the segment's operating profit for the period. Its operating result was affected by the drop in revenue of bulk cargo trans-shipment and logistics services, owing to lower demand from coal and mineral customers.

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 and commodity trading in Yichang Port, which is situated on the Yangtze River near the Three Gorges Dam in Yichang, Hubei Province.

Bulk cargo throughput of Yichang Port Group for the six months ended 30 September 2013 dropped by 24% to about 2.6 million tonnes (2012: 3.4 million tonnes). Its container throughput increased by 25% to 45,000 TEUs (2012: 36,000 TEUs) during the period.

Jiangyin Sunan Container Terminal (40% owned)

Jiangyin Sunan contributed about $5 million (2012: $4 million) to the segment's operating profit for the period. The increase in contribution was mainly attributable to the growth in the container throughput. Its container throughput in the first half of 2013 increased by 4% to 209,000 TEUs (2012: 201,000 TEUs).

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.

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 the 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 period. In this period, trial run container throughput reached about 80,000 TEUs. The port is expected to start commercial operation in first quarter of 2014 and is targeted to become the first container feeder port in the Yangtze Delta region 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 $20 million (2012: $20 million) during the period. Competition from compressed natural gas continued to put pressure on sale volume as well as profit margin in Wuhan. Although a slight operating profit was maintained by its LPG retail and distribution business, such profit was insufficient to cover losses in the logistics business, resulting to the overall operating loss. Minsheng Gas currently operates 14 LPG fueling stations in Wuhan. It has successfully obtained qualification for natural gas operation in March 2013, and the transformation of three LPG fueling stations into natural gas fueling stations will be carried out during the financial year ending 31 March 2014. Such transformation is expected to improve the overall sale performance and profitability of Minsheng Gas.

Ports Development – Yangkou Port (9.9% owned)

There was no contribution from Yangkou Port Co to the Group's operating profit for the period (2012: Nil).

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.

Engineering Business – Paul Y. Engineering (47.5% owned)

Paul Y. Engineering contributed operating profit of about $8 million (2012: $31 million) to the Group, which represented PYI's share of its operating result during the period as a result of its deconsolidation from the Group upon completion of the deemed disposal of Louis XIII on 5 February 2013 and became an associate of PYI.

During the period, Paul Y. Engineering had benefited from the increase in capital works expenditure in both Hong Kong and Macau markets and recorded a turnover of about $3,608 million (2012: $3,439 million). It secured new contracts of about $5,269 million (2012: $3,504 million) in aggregate value. As at 30 September 2013, the total value of contracts on hand of Paul Y. Engineering was about $28,298 million (31.3.2013: $23,506 million).

Property

The property business contributed about $222 million (2012: $220 million) to the Group's operating profit for the period. The profit was mainly attributable to the gain on revaluation of investment properties from about 1 sq km (2012: 0.65 sq km) of Land Being Formed located at Xiao Yangkou of about $215 million (2012: $136 million) during the period, excluding the relevant deferred tax charges of about $99 million (2012: $62 million).

The Group has 11.5 sq km land bank situated at Xiao Yangkou of Nantong City, Jiangsu Province, the PRC, which is under the development as a regional tourism site. As at 30 September 2013, about 3.96 sq km (31.3.2013: 2.96 sq km) of the land bank had reached the forming stage or the formed and serviced stage. About 2.89 sq km of the Formed Land and about 1 sq km of the Land Being Formed at Xiao Yangkou were classified as investment properties and measured at fair value of about $1,024 million (31.3.2013: $750 million). The remaining of about 0.07 sq km of the Formed Land at Xiao Yangkou is being developed as a spa and leisure resort and was classified as trading stock as at 30 September 2013.

As at 30 September 2013, a gross floor area of about 6,000 sq m of Nantong International Trade Center, a commercial and office development in the heart of CBD of Nantong City, had been rented out for hotel operation. Rental income of the investment properties amounted to about $2 million (2012: $3 million) was contributed to the Group's turnover during the period.

In the main urban district of Yichang City near Yangtze River, the Group holds certain commercial and residential properties with gross floor area of about 35,000 sq m (inclusive of a commercial plaza of about 5,000 sq m) through Yichang Port Group. Rental income of the investment properties amounted to about $3 million (2012: $3 million) was contributed to the Group's turnover during the period.

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 about 20,000 sq m. The building was almost fully leased out as at 30 September 2013 and it generated rental income of about $6 million (2012: $5 million) during the period.

Treasury

The treasury investments contributed about $38 million (2012: $25 million) to the Group's operating profit for the period. During the period, trading securities recorded a fair value gain of about $2 million (2012: loss of $1 million) while high-yield loans and Renminbi bank deposits in Hong Kong generated interest income of about $18 million (2012: $8 million). After the full settlement of the deferred consideration for the disposal of 50.1% interest in Yangkou Port Co during the year ended 31 March 2013, there was no interest income derived therefrom (2012: $18 million) during the period. Foreign currencies translation gain amounted to about $18 million (2012: Nil) was achieved during the period, which was mainly derived from the Renminbi monetary assets such as bank deposits kept at Hong Kong.

As at 30 September 2013, (a) total value of the Group's portfolio of trading securities amounted to about $83 million (31.3.2013: $64 million), equivalent to about 0.9% (31.3.2013: 0.7%) of the Group's total assets; and (b) portfolio of high-yield loans receivable amounted to about $132 million (31.3.2013: $106 million), equivalent to about 1.5% (31.3.2013: 1.1%) of the Group's total assets.

MATERIAL ACQUISITION AND DISPOSAL

There were no material acquisition and disposal of subsidiaries and associates during the period.

EVENT AFTER THE REPORTING PERIOD

There were no major subsequent events occurred 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 in the second and third quarters of 2013. China's economy grew at a slower pace with GDP growth of 7.5% in the second quarter of 2013 and is expected to continue in similar pace into 2014.

Despite the slow GDP growth, PYI remains positive on the outlook of its port business in the Yangtze River region and will stay in line with China's national policy and development directions on implementation of our Yangtze Strategy. While our Yangtze port units continue to pursue operating growth through optimization and consolidation, PYI will also pursue strategic growth in the resort and leisure development at Xiao Yangkou. PYI will continue to take a cautious and prudent approach in responding to the challenges ahead.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2013, the Group had total assets of $9,021 million (31.3.2013: $9,625 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 period. 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 30 September 2013, the Group's total borrowings amounted to about $2,160 million (31.3.2013: $2,555 million) with about $1,472 million (31.3.2013: $1,775 million) repayable on demand or within one year and about $688 million (31.3.2013: $780 million) repayable after one year. Borrowings denominated in Hong Kong dollar of about $915 million (31.3.2013: $1,184 million) bore interest at floating rates. Borrowings denominated in Renminbi of about $841 million (31.3.2013: $925 million) bore interest at floating rates and about $404 million (31.3.2013: $446 million) bore interest at fixed rates. The Group's gearing ratio was 0.44 (31.3.2013: 0.53), which was calculated based on the total borrowings of about $2,160 million (31.3.2013: $2,555 million) and the Group's shareholders' fund of about $4,919 million (31.3.2013: $4,841 million).

Bank balances and cash of the Group as at 30 September 2013 amounted to about $1,285 million (31.3.2013: $1,882 million), of which about $1,051 million (31.3.2013: $1,516 million) was denominated in Renminbi, about $234 million (31.3.2013: $366 million) was denominated in Hong Kong dollar and about $0.2 million (31.3.2013: $0.2 million) was denominated in other currencies. Also, about $377 million (31.3.2013: $647 million) had been pledged to banks to secure general credit facilities granted to the Group, which included about RMB293 million (equivalent to about $371 million) (31.3.2013: RMB516 million, equivalent to about $644 million) deposited in Hong Kong to secure banking facilities denominated in Hong Kong dollar and available in Hong Kong. As at 30 September 2013, the Group had a net debt position (being bank balances and cash net of bank borrowings) of about $594 million (31.3.2013: $420 million).

CONTINGENT LIABILITIES

As at 30 September 2013, the Group had contingent liabilities in respect of guarantees provided to banks for banking facilities granted to third parties of about $25 million (31.3.2013: third parties of about $69 million and an investee of about $195 million).

PLEDGE OF ASSETS

As at 30 September 2013, certain property interests, property, plant and equipment, trade receivables and bank balances of the Group with an aggregate value of about $1,271 million (31.3.2013: $1,963 million), as well as the Company's investment in certain subsidiaries of about $217 million (31.3.2013: $361 million) were pledged to banks and financial institutions to secure general credit facilities granted to the Group.

COMMITMENTS

As at 30 September 2013, the Group had expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of certain property, plant and equipment and project under development in a total amount of about $28 million (31.3.2013: $15 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2013, the Group employed a total of 1,803 (31.3.2013: 1,791) full time employees. 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 both the Group's staff in Hong Kong and the Mainland.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, 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 2013 annual report (the "2013 Annual Report") (which can be viewed on PYI's website: www.pyicorp.com), we reported that, save for the deviation disclosed therein, PYI has applied the principles and complied with all applicable code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code"), and adopted some of the recommended best practices for the year ended 31 March 2013.

Throughout the six months ended 30 September 2013, PYI continued to comply with the code provisions as set out in the CG Code and adopt some of the recommended best practices, except for the following deviation:

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 of PYI 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 of PYI 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 period under review and up to the date of this announcement, the functions and composition of the Board and all Board committees of PYI remain the same as those set out in the Corporate Governance Report on pages 41 to 67 of the 2013 Annual Report.

At the annual general meeting of PYI held on 6 September 2013 (the "2013 AGM"), PYI's shareholders approved the directors' fees for an aggregate amount of not exceeding $4,000,000 per annum. During the period under review, there has been no change to the basis of determining the directors' emoluments. The level of fee payable to all directors of PYI for serving on PYI's Board and Board committees remains unchanged to those disclosed on pages 152 and 153 of the 2013 Annual Report as well as page 6 of the PYI's circular dated 30 July 2013.

At the 2013 AGM, shareholders of PYI also approved the re-appointment of Deloitte Touche Tohmatsu as PYI's external auditor for the financial year ending 31 March 2014.

During the period under review, 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 period under review, PYI has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for dealing in the securities of PYI by PYI's directors and the relevant employees of the Group. According to specific enquiries made by PYI, all PYI's directors and relevant employees of the Group have confirmed their compliance with the required standard set out in the Model Code throughout the period from 1 April 2013 to 30 September 2013.

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 period.

REVIEW OF ACCOUNTS

The Group's unaudited results for the six months ended 30 September 2013 have been reviewed by (a) the Group's auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA; and (b) the Audit Committee of PYI.

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 "Latest Listed Company Information". The 2014 Interim Report will be despatched to the shareholders of PYI and posted at the aforesaid websites in December 2013.

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, 22 November 2013