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 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 2014.

FINANCIAL HIGHLIGHTS

	2014	Change
Turnover		
– the Group	$999 million	-85%
– share of associates and joint ventures	$4,926 million	+222%
Gross profit	$163 million	-51%
Profit attributable to shareholders	$86 million	-67%
EPS	1.9 cents	-67%
Interim DPS	0.5 cent	-50%
Final DPS	0.5 cent	–
Total DPS	1 cent	-33%
Shareholders' funds	$4,923 million	+2%
NAV per share	$1.08	+2%

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2014

	Notes	2014 $'000	2013 $'000
Turnover			
The Company and its subsidiaries	3	**998,652**	6,497,590
Share of associates and joint ventures		**4,926,481**	1,527,932
		5,925,133	8,025,522
Group turnover	3	**998,652**	6,497,590
Cost of sales		**(835,838)**	(6,168,342)
Gross profit		**162,814**	329,248
Other income	4	**23,157**	62,936
Administrative expenses		**(166,540)**	(319,534)
Distribution and selling expenses		**(123,716)**	(81,763)
Other gains and losses	5	**23,743**	27,217
Other expenses		**(61,514)**	(19,470)
Finance costs	6	**(52,781)**	(70,366)
Gain on fair value changes of investment properties	11	**390,228**	190,410
Fair value gain on transfer of completed properties held for sale to investment properties		**–**	34,568
Gain on deemed disposal of subsidiaries	16	**–**	170,021
Share of results of associates		**122,164**	84,914
Share of results of joint ventures		**744**	10,575
Profit before taxation	7	**318,299**	418,756
Taxation	8	**(182,360)**	(114,230)
Profit for the year		**135,939**	304,526
Profit for the year attributable to:			
Owners of the Company		**85,586**	262,343
Non-controlling interests		**50,353**	42,183
		135,939	304,526
Earnings per share	9		
Basic earnings per share		**1.9 cents**	5.7 cents
Diluted earnings per share		**N/A**	5.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2014

	2014 **$'000**	2013 *$'000*
Profit for the year	**135,939**	304,526
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising from translation of foreign operations	**1,839**	23,552
Share of exchange differences of associates and joint ventures	**585**	15,585
Reclassification adjustment of translation reserve upon deemed disposal of subsidiaries	**–**	(24,859)
Gain on fair value changes of available-for-sale investments	**35,029**	28,425
Reclassification adjustment on disposal of available-for-sale investments	**–**	(2,596)
Other comprehensive income for the year	**37,453**	40,107
Total comprehensive income for the year	**173,392**	344,633
Total comprehensive income for the year attributable to:		
Owners of the Company	**123,095**	296,712
Non-controlling interests	**50,297**	47,921
	173,392	344,633

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	Notes	**2014 $'000**	2013 $'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,585,828**	1,517,924
Investment properties	*11*	**859,327**	975,658
Project under development		**256,064**	637,648
Prepaid lease payments		**333,446**	350,582
Other intangible assets		**65,581**	74,680
Interests in associates		**1,688,875**	1,549,656
Interests in joint ventures		**87,730**	91,696
Available-for-sale investments		**702,754**	667,724
Other non-current assets	*14*	**93,025**	–
		5,672,630	5,865,568
CURRENT ASSETS			
Stock of properties	*12*	**1,723,474**	1,130,558
Prepaid lease payments		**3,053**	3,307
Inventories of finished goods		**28,152**	63,430
Loans receivable		**76,000**	106,425
Amounts due from associates		**38,470**	19,102
Amounts due from joint ventures		**–**	19
Amount due from a non-controlling interest		**1,250**	1,248
Trade and other debtors, deposits and prepayments	*13*	**242,299**	400,855
Investments held for trading		**84,984**	64,225
Available-for-sale investments		**–**	82
Pledged bank deposits		**473,683**	646,520
Short term bank deposits		**312,639**	790,593
Bank balances and cash		**440,548**	445,013
		3,424,552	3,671,377
Assets classified as held for sale	*14*	**–**	88,383
		3,424,552	3,759,760
CURRENT LIABILITIES			
Trade and other creditors and accrued expenses	*15*	**397,200**	864,736
Deposits received for pre-sale of properties		**–**	25,974
Amounts due to associates		**140,918**	110,630
Amount due to a joint venture		**131**	112
Amounts due to non-controlling interests		**9,225**	16,854
Taxation payable		**2,381**	9,806
Bank and other borrowings – due within one year		**1,494,149**	1,720,531
		2,044,004	2,748,643
Liabilities associated with assets classified as held for sale	*14*	**–**	25,331
		2,044,004	2,773,974
NET CURRENT ASSETS		**1,380,548**	985,786
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,053,178**	6,851,354

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	2014 **$'000**	2013 $'000
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**675,619**	764,702
Amounts due to non-controlling interests	**12,500**	17,952
Deferred tax liabilities	**747,449**	582,582
Deferred income	**53,459**	50,896
Other payables	**57,541**	62,873
	1,546,568	1,479,005
	5,506,610	5,372,349
CAPITAL AND RESERVES		
Share capital	**457,736**	457,736
Reserves	**4,464,938**	4,383,439
Equity attributable to owners of the Company	**4,922,674**	4,841,175
Non-controlling interests	**583,936**	531,174
TOTAL EQUITY	**5,506,610**	5,372,349

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2014

	2014 **$'000**	2013 $'000
Net cash from (used in) operating activities	**11,196**	(426,978)
Net cash (used in) from investing activities	**(61,217)**	334,870
Net cash (used in) from financing activities	**(439,869)**	312,338
Net (decrease) increase in cash and cash equivalents	**(489,890)**	220,230
Effect of foreign exchange rate changes	**7,471**	7,141
Cash and cash equivalents brought forward	**1,235,606**	1,008,235
Cash and cash equivalents carried forward	**753,187**	1,235,606
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	**312,639**	790,593
Bank balances and cash	**440,548**	445,013
	753,187	1,235,606

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 at the end of each reporting period.

In the current year, the Group has applied, for the first time, the following new and revised 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, the directors of the Company determine to remain using the terms "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*

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated Financial Statements", HKFRS 11 "Joint Arrangements", HKFRS 12 "Disclosure of Interests in Other Entities", HKAS 27 (as revised in 2011) "Separate Financial Statements" and HKAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to these 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) it 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 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 these 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 contemplated 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 accounted for 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 revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

At 1 April 2013, 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 continues to be accounted for using the equity method. In respect of certain joint arrangements owned by Paul Y. Engineering Group Limited ("Paul Y. Engineering", formerly known as "Paul Y. Engineering (BVI) Limited") which was deconsolidated from the Group on 5 February 2013, the directors of Paul Y. Engineering had assessed the impact and with a view that the joint arrangements should be classified as joint operations under HKFRS 11. The directors of the Company consider that the impact of net assets and the impact of profit for the year to the Group for the year ended 31 March 2013 are insignificant and no restatement is considered necessary. There is no impact for the year ended 31 March 2014 as the Group no longer consolidates Paul Y. Engineering and only equity picked up its 47.52% equity interests as an associate for the current year. The adoption of HKFRS 11 has therefore had no material effect on the amounts reported in these consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in these consolidated financial statements.

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

2. Principal accounting policies - continued

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC) - Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2018 (tentatively)
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 January 2016

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

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.

2. *Principal accounting policies - continued*

New and revised HKFRSs in issue but not yet effective - continued

HKFRS 9 "Financial Instruments" - continued

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of HKFRS 9 in the future may have impact on the 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.

Except as described above, the directors of the Company anticipate that the application of other new or revised HKFRSs will have no material impact on the Group's 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, liquefied petroleum gas ("LPG") and compressed natural gas ("CNG") products and logistics businesses

Property - Development, sale and leasing of real estate properties and Formed Land (as defined in note 11)

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, if any, 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 2014

	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	**–**	**–**	**459,659**	**524,268**	**14,725**	**998,652**	**–**	**998,652**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**–**	**459,659**	**524,268**	**14,725**	**998,652**	**–**	**998,652**
EBITDA	**38,221**	**–**	**95,868**	**375,857**	**56,152**	**566,098**	**–**	**566,098**
Depreciation and amortisation*	**–**	**–**	**(81,036)**	**(7,052)**	**(3)**	**(88,091)**	**–**	**(88,091)**
Segment result – EBIT	**38,221**	**–**	**14,832**	**368,805**	**56,149**	**478,007**	**–**	**478,007**
Corporate and other expenses**								**(106,927)**
Finance costs								**(52,781)**
Profit before taxation								**318,299**
Taxation								**(182,360)**
Profit for the year								**135,939**

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

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

** Including acquisition-related costs for potential projects of about $34,660,000 (2013: $19,470,000).

*** 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 and $5,900,000 (note 16), respectively.

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 2014

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS						
Segment assets	**685,731**	**401,378**	**3,770,582**	**3,238,614**	**990,051**	**9,086,356**
Unallocated assets						**10,826**
Consolidated total assets						**9,097,182**
LIABILITIES						
Segment liabilities	**–**	**–**	**1,576,060**	**1,175,155**	**817,364**	**3,568,579**
Unallocated liabilities						**21,993**
Consolidated total liabilities						**3,590,572**

At 31 March 2013

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS						
Segment assets	608,108	401,378	3,754,389	3,176,370	1,580,685	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	–	–	1,741,329	1,351,353	1,107,726	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

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 and the People's Republic of China (the "PRC") other than Hong Kong and Macau (2013: Hong Kong, Macau and the PRC other than Hong Kong and Macau).

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

	2014	2013
	$'000	$'000
Hong Kong	**9,588**	3,353,577
The PRC other than Hong Kong and Macau	**984,231**	905,694
Macau	**–**	2,236,253
Others	**4,833**	2,066
	998,652	6,497,590

4. *Other income*

Other income includes:

	2014	2013
	$'000	$'000
Other interest income	**20,312**	23,311
Interest income from deferred consideration receivable	**–**	27,875
Write-back of overprovision of deferred consideration payable	**–**	9,683
Rental income from short term leasing of stock of properties	**1,291**	1,252

5. *Other gains and losses*

	2014	2013
	$'000	$'000
Gain on changes in fair value of investments held for trading	**11,320**	3,713
Gain on disposal of available-for-sale investments	**–**	2,596
Impairment loss recovered on receivables	**16,210**	881
Net exchange gain	**5,609**	18,711
Loss on disposal of a joint venture (note)	**(8,014)**	–
(Loss) gain on disposal of property, plant and equipment	**(1,382)**	1,316
	23,743	27,217

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 $8,014,000 in profit or loss.

6. *Finance costs*

	2014 **$'000**	2013 $'000
Borrowing costs on:		
Bank borrowings wholly repayable within five years	**85,156**	93,972
Bank borrowings not wholly repayable within five years	**4,645**	26,224
Amounts due to non-controlling interests not wholly repayable within five years	**171**	178
Imputed interest expense on other payables	**1,860**	2,064
Amounts due to associates wholly repayable within five years	**7,046**	1,123
Other borrowings wholly repayable within five years	**2,959**	5,496
	101,837	129,057
Less: Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(34,769)**	(35,189)
Amount capitalised in respect of project under development	**(4,601)**	(2,970)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(9,686)**	(14,950)
Amount capitalised in respect of contracts in progress	**–**	(5,582)
	52,781	70,366

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*

	2014 **$'000**	2013 $'000
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of other intangible assets (included in distribution and selling expenses)	**10,348**	3,675
Cost of inventories recognised as an expense	**731,746**	283,557
Cost of construction works recognised as an expense	**–**	5,767,991
Depreciation of property, plant and equipment:		
Amount provided for the year	**80,997**	69,556
Less: Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(1,787)**	(2,271)
Amount capitalised in respect of project under development	**(52)**	(7)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(1,415)**	(1,082)
Amount capitalised in respect of contracts in progress	**–**	(1,338)
	77,743	64,858
Release of prepaid lease payments	**3,359**	4,060
Total interest income (included in turnover and other income)	**(32,893)**	(56,011)

8. *Taxation*

	2014 **$'000**	2013 $'000
The charge (credit) comprises:		
Hong Kong Profits Tax:		
Overprovision in prior years	**(4,200)**	–
Taxation arising in jurisdictions outside Hong Kong:		
Current year	**45,588**	27,836
Under(over)provision in prior years	**260**	(1,181)
	45,848	26,655
Deferred taxation		
Land Appreciation Tax (the "LAT")	**68,211**	49,005
Others	**72,501**	38,570
	140,712	87,575
Taxation attributable to the Company and its subsidiaries	**182,360**	114,230

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits 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.

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. Earnings per share

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

	2014 $'000	2013 $'000
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**85,586**	262,343

	2014 Number of shares	2013 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,577,360,572**	4,565,885,302

The Company does not have any dilutive potential ordinary shares outstanding during the year.

The computation of diluted earnings per share for the year ended 31 March 2013 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 for Company's shares.

10. Distribution

	2014 $'000	2013 $'000
Dividends recognised as distribution during the year:		
Final dividend declared for the year ended 31 March 2013 – HK0.5 cent (2013: HK0.5 cent for the year ended 31 March 2012) per share	**22,887**	22,792
Interim cash dividend declared for the year ended 31 March 2014 – HK0.5 cent (2013: HK1 cent) per share	**22,887**	45,774
	45,774	68,566
Dividends:		
Cash	**45,774**	65,479
Scrip dividend	**–**	3,087
	45,774	68,566
Dividends proposed in respect of current year:		
Final dividend proposed for the year ended 31 March 2014 – HK0.5 cent (2013: HK0.5 cent) per share	**22,887**	22,887

The amount of the final cash dividend proposed for the year ended 31 March 2014 has been calculated by reference to the 4,577,360,572 issued shares as at the date of this announcement.

11. *Investment properties*

	Leasehold properties in the PRC *$'000*	Developed land (note a) *$'000*	Land under development (note b) *$'000*	Total *$'000*
At 31 March 2013	225,346	491,885	258,427	975,658
Exchange realignment	(11)	(2,359)	(4,474)	(6,844)
Transferred from project under development (note b)	—	—	115,817	115,817
Transfer (note b)	—	300,496	(300,496)	—
Additions	16,094	66,077	—	82,171
Increase in fair value recognised in the consolidated income statement	8,226	131,651	250,351	390,228
Disposal	(3,036)	—	—	(3,036)
Transfer to stock of properties	—	(694,667)	—	(694,667)
At 31 March 2014	246,619	293,083	319,625	859,327

Notes:

a. During the year ended 31 March 2014, the Group completed the reclamation of certain land 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 held for capital appreciation or undetermined future use had been recognised as land held under operating lease and classified and accounted for as investment properties. During the year ended 31 March 2014, an aggregate sum of about $66,077,000 (2013: Nil) was incurred for other development works (mainly representing the fundamental greenery, landscaping and drainage works) to achieve the highest and best use of the Formed Land for tourist and resort use.

b. In connection with the reclamation of certain land 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, the Land Being Formed that held for rentals and/or capital appreciation as investment properties had been recognised as land under development 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 $115,817,000 (2013: $28,670,000), have been transferred from project under development to investment properties during the year.

   In addition, the land leveling process and other development works of certain area of Land Being Formed of about $300,496,000 (2013: Nil) were completed and transferred to Formed Land during the year.

The fair values of the Group's investment properties at the date of transfer, 31 March 2014 and 31 March 2013 have been arrived at on the basis of valuations carried out as at those dates by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group.

11. Investment properties - continued

In determining the fair value of 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. The fair value measurement also takes into account the highest and best use of the Formed Land for tourist and resort use, which correlates to the zoning of the area for tourist resort by the government. Certain costs, including government levies and all necessary fees and expenses associated with the change of the Formed Land for tourist and resort use to be charged by the government, which are the best estimate based on the latest information available to the management of the Company, have been considered in arriving the fair value of the Formed Land. In determining the fair value of Land Being Formed, the same comparison method is adopted and valuation has been considered 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 and other development works as at 31 March 2014 are insignificant.

In determining the fair value of leasehold land and buildings, 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.

There has been no change from the valuation technique used in the prior year. The fair value hierarchy as at 31 March 2014 is level 3. There were no transfers into or out of level 3 during the year.

During the year, the gain on fair value changes of Land Being Formed of about $250,351,000 (2013: $137,367,000) resulting from the transfer from project under development to investment properties; the gain on fair value changes of Formed Land of about $131,651,000 (2013: Nil); and the gain on fair value changes of leasehold land and buildings of about $8,226,000 (2013: $53,043,000) have been recognised in the consolidated income statement.

For 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

	2014 ***$'000***	2013 *$'000*
Properties under development for sale	**1,251,450**	481,280
Completed properties held for sale	**472,024**	649,278
	1,723,474	1,130,558

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. Formed Land which is intended to be held for sale in the ordinary course of business is classified as properties under development for sale in stock of properties upon commencement of development with a view to sale.

At 31 March 2014, stock of properties includes Formed Land of about $694,667,000 (2013: $409,509,000). 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 2014, stock of properties includes an amount of about $965,438,000 (2013: $224,916,000) 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.

The ageing analysis of the trade debtors, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

	2014 ***$'000***	2013 *$'000*
Within 90 days	**43,394**	44,265
More than 90 days and within 180 days	**12,726**	11,737
More than 180 days	**5,620**	4,183
	61,740	60,185

14. *Other non-current assets/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 31 March 2013 were as follows:

	$'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**

During the year, the Resumption Properties were transferred to the local government and the fair value of the New Premises, estimated as $93,025,000, was recognised as deemed consideration and was approximate to the carrying amount.

The fair value of the New Premises at the date of transfer, has been arrived at on the basis of a valuation carried out as at that date by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group, by adopting the comparison method 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.

15. *Trade and other creditors and accrued expenses*

The ageing analysis of the trade creditors presented based on the invoice date at the end of the reporting period is as follows:

	2014 **$'000**	2013 $'000
Within 90 days	**72,606**	95,805
More than 90 days and within 180 days	**266**	1,497
More than 180 days	**29,308**	28,221
	102,180	125,523

16. *Disposal of interests in subsidiaries*

Following the completion of the placing of 2,938,236,000 shares of Louis XIII Holdings Limited ("Louis XIII"), 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 during the year ended 31 March 2013. 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 from Louis XIII during the year ended 31 March 2013. The Group's interest in Paul Y. Engineering is accounted for as interests in associates upon and after completion of the deemed disposal.

The Group still has substantive involvement in the construction business and other business activities previously carried out by Louis XIII through the investment in Paul Y. Engineering. The directors of the Company are of the view that the Group continues to carry on these businesses and all these business activities will continue to be presented as an operating segment, namely Paul Y. Engineering Group, after completion of the deemed disposal.

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 joint ventures 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 during the year ended 31 March 2013.

16. *Disposal of interests in subsidiaries - continued*

	$'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 joint ventures	**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 joint ventures	**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 joint ventures	**(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

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 (note i)	**254,434**
Initial recognition at fair value of 30.34% interest in Paul Y. Engineering as interests in associates (note ii)	**218,000**
Initial recognition at fair value of 50% interest in the Meilian Group as interests in joint ventures (note iii)	**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**

16. *Disposal of interests in subsidiaries - continued*

	$'000
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)

Notes:

(i) The fair value determined for the initial recognition of 10.60% interest in Louis XIII was with reference to quoted share price in active market and the placing price at the date of completion of the deemed disposal.

(ii) The fair value determined for the initial recognition of 30.34% interest in Paul Y. Engineering had 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 Paul Y. Engineering had 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 was about 9.5%. The income approach estimated the future economic benefits and discounted these benefits to its present worth using a discount rate appropriate for the risks associated with realisation of those benefits.

(iii) The fair value of the Meilian Group had been determined mainly based on the fair value of its underlying investment property. The valuation was carried out by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group. The comparison method was adopted under which comparison based on information of recent transacted prices of comparable properties was made. Comparable properties of similar size, character and location were analysed in order to arrive at a fair comparison of capital values.

The subsidiaries disposed of during last year contributed about $5,960 million to the turnover of the Group for the year ended 31 March 2013. During last 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 during the year ended 31 March 2013.

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 HK0.5 cent, amount to a total dividend of HK1 cent per share, representing a paid-out ratio of 53%) for the year ended 31 March 2014 to shareholders whose names appear on PYI's register of members as at the close of business on Wednesday, 17 September 2014. Subject to the approval of PYI's shareholders in the 2014 Annual General Meeting to be held on Friday, 5 September 2014, cheques for payment of the final cash dividend are expected to be despatched to shareholders by post on or around Wednesday, 24 September 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of PYI will be closed during the period from Monday, 15 September 2014 to Wednesday, 17 September 2014, 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 document(s), accompanied by the relevant share certificate(s), must be lodged with PYI's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 12 September 2014.

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 year ended 31 March 2014, (i) the Group recorded a consolidated turnover of about $999 million (2013: $6,498 million), representing a decrease of 85% when compared with that for last year; (ii) the Group's share of turnover of associates and joint ventures increased by 222% to about $4,926 million (2013: $1,528 million); and (iii) the Group's gross profit decreased by 51% to about $163 million (2013: $329 million), representing a gross margin of 16% (2013: 5%) of the consolidated turnover. The Group's distribution and selling expenses increased by 51% to about $124 million (2013: $82 million), which was mainly attributable to the one-off write-down in value of LPG related logistics assets of about $41 million (2013: Nil) upon transformation of certain LPG fueling stations into CNG fueling stations.

During the year, the Group achieved a profit before taxation of about $318 million (2013: $419 million) which was composed of:

(i) net gain of about $38 million in Paul Y. Engineering Group mainly engaged in management contracting and property development management businesses (2013: $271 million);
(ii) net gain of about $15 million in ports and logistics business (2013: $12 million);
(iii) net gain of about $369 million in property business (2013: $225 million);
(iv) net gain of about $56 million in treasury business (2013: $71 million);
(v) net corporate and other expenses (including inter-segment profit eliminations) of about $107 million (2013: $90 million), which included acquisition-related costs of about $35 million (2013: $19 million); and
(vi) finance costs of about $53 million (2013: $70 million).

Net profit for the year attributable to the owners of PYI was about $86 million (2013: $262 million) and basic earnings per share was HK1.9 cents (2013: HK5.7 cents). The decrease in net profit for the year was mainly attributable to the absence of any substantial gain on disposal of investment for the year ended 31 March 2014 as compared to a non-recurring substantial gain on deemed disposal of Louis XIII earned for the year ended 31 March 2013.

When compared with the Group's financial position as at 31 March 2013, total assets decreased by 5% to about $9,097 million (2013: $9,625 million). Net current assets increased to about $1,381 million (2013: $986 million), whereas current assets increased to 1.68 times (2013: 1.36 times) of current liabilities as at 31 March 2014. The improvement in working capital was mainly attributable to the reduction in borrowings and capital expenditures liabilities. After taking into account (a) the net profit of about $86 million; (b) the gain in fair value of available-for-sale investments of about $35 million; (c) the surplus from Renminbi exchange translation of about $2 million; (d) the share of other reserves of associates and joint ventures of about $5 million and (e) the dividend distribution of about $46 million to PYI's shareholders, equity attributable to owners of PYI was increased by 2% to about $4,923 million (2013: $4,841 million), representing $1.08 (2013: $1.06) per share as at 31 March 2014.

Net cash inflow from operating activities was about $11 million (2013: outflow of about $427 million). Net cash outflow from investing activities was about $61 million (2013: inflow of about $335 million) and that from financing activities was about $440 million (2013: inflow of about $312 million), resulting in a net decrease in available cash and cash equivalents of about $490 million (2013: increase of about $220 million) during the year.

REVIEW OF OPERATIONS

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 $87 million (2013: $53 million) to the segment's operating profit for the year. 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.

Annual cargo throughput in 2013 increased by 10% to about 64 million tonnes (2012: 58 million tonnes), while the container throughput in 2013 increased by 6% to 501,000 TEUs (2012: 473,000 TEUs).

Yichang Port Group (51% owned)

Yichang Port Group contributed about $15 million (2013: $25 million) to the segment's operating profit for the year. 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. During the year ended 31 March 2013, a write-back of overprovision of deferred consideration payable in relation to prior year acquisition of about $10 million 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 and commodity trading 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 2014 dropped by 10% to about 5.7 million tonnes (2013: 6.3 million tonnes). Its annual container throughput increased by 31% to 109,000 TEUs (2013: 83,000 TEUs).

Jiangyin Sunan Container Terminal (40% owned)

Jiangyin Sunan contributed about $10 million (2013: $9 million) to the segment's operating profit for the year. Despite a slight drop in annual container throughput in 2013 to 417,000 TEUs (2012: 419,000 TEUs), the increase in contribution was mainly attributable to an improvement in turnover and gross margin by focusing on higher margin service mix. During the year, an allowance for other receivable in relation to the prior year acquisition of about $13 million (2013: $37 million) 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.

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. Its trial run annual container throughput for the year ended 31 March 2014 reached about 147,000 TEUs. The port is expected to start commercial operation by the end of 2014 and is targeted to become the first container feeder port in the Yangtze Delta region with comprehensive customs and logistics services.

LPG, CNG and Logistics (100% owned)
The LPG and CNG distribution and logistics businesses of Minsheng Gas recorded an operating loss of about $84 million (2013: $48 million) during the year, which included an one-off write-down in value of LPG related logistics assets of about $41 million (2013: Nil) (included in distribution and selling expenses) upon transformation of certain LPG fueling stations into CNG fueling stations. Competition from CNG continued to put pressure on the sale volume and profit margin of Minsheng Gas's main business, LPG distribution, in Wuhan City. Although a slight operating profit was maintained by its LPG and CNG retail and distribution business, such profit was insufficient to cover losses in the logistics business, resulting in the overall operating loss. As at 31 March 2014, Minsheng Gas operates twelve LPG and two CNG fueling stations in Wuhan. Since Minsheng Gas successfully obtained qualification for natural gas operation in March 2013, two LPG fueling stations have been transformed into CNG fueling stations and the transformation of another two LPG fueling stations will be carried out during the financial year ending 31 March 2015. Such transformation has improved and will further strengthen 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 year (2013: 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)
Upon completion of the deemed disposal of Louis XIII on 5 February 2013, Paul Y. Engineering was deconsolidated from the Group and became an associate of PYI. As a result thereof, Paul Y. Engineering contributed operating profit of about $38 million (2013: $46 million) to the Group, which represented PYI's share of its operating result during the year ended 31 March 2014. During the year ended 31 March 2013, a gain on deemed disposal of interest in Louis XIII of about $164 million and a bargain purchase gain for additional interest in Paul Y. Engineering of about $58 million had been recognised in the consolidated income statement.

During the year, 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 $9,244 million (2013: $7,132 million). It secured new contracts of about $6,336 million (2013: $13,225 million) in aggregate value during the year. As at 31 March 2014, the total value of contracts on hand of Paul Y. Engineering was about $26,492 million (2013: $23,506 million).

Property
The property business contributed about $369 million (2013: $225 million) to the Group's operating profit for the year. The profit was mainly attributable to the gain on revaluation of investment properties with area of about 3.89 sq km (2013: 2.89 sq km) located at Xiao Yangkou of about $382 million (2013: $137 million) recognised during the year, before the relevant deferred tax charges of about $155 million (2013: $63 million). The operating result included net development expenses for resort project at Xiao Yangkou of about $27 million (2013: Nil) incurred during the year.

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 31 March 2014, about 5.88 sq km (2013: 2.99 sq km) of the land bank has reached the forming stage or the formed and serviced stage. About 0.88 sq km (2013: 1.89 sq km) of the Formed Land and about 1 sq km (2013: 1 sq km) of the Land Being Formed at Xiao Yangkou were classified as investment properties and measured at fair value of about $613 million (2013: $750 million). The remaining of about 2.11 sq km (2013: 0.1 sq km) of the Formed Land and about 1.89 sq km (2013: Nil) of the Land Being Formed were classified as trading stock as at 31 March 2014.

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 $5 million (2013: $5 million) was contributed to the Group's turnover during the year.

In the main urban district of Yichang City along Yangtze River, the Group holds certain commercial, residential and industrial properties with gross floor area of about 60,000 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 $6 million (2013: $6 million) was contributed to the Group's turnover during the year.

In the Hangzhou Hi-Tech Industry Development Zone of Bingjiang, Hangzhou City, the Group holds jointly with Paul Y. Engineering an office building known as Pioneer Technology Building, which has gross floor area of about 20,000 sq m. The building was almost fully leased out as at 31 March 2014 and it generated rental income of about $12 million (2013: $11 million) during the year.

Treasury

The treasury investments contributed about $56 million (2013: $71 million) to the Group's operating profit for the year. During the year, listed securities held for trading recorded a fair value gain of about $11 million (2013: $4 million) while high-yield loans and Renminbi bank deposits in Hong Kong generated interest income of about $30 million (2013: $20 million). A reversal of impairment loss on receivable of about $15 million (2013: Nil) was recognised as a result of recovery of an aged loan receivable during the year. 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 (2013: $28 million) during the year.

As at 31 March 2014, (a) total value of the Group's portfolio of listed securities held for trading amounted to about $85 million (2013: $64 million), equivalent to about 0.9% (2013: 0.7%) of the Group's total assets; and (b) portfolio of high-yield loans receivable amounted to about $76 million (2013: $106 million), equivalent to about 0.8% (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 year.

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

China’s economy grew at a stable pace with GDP growth of 7.5% in 2013 and is targeting same growth rate for 2014. 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 general development directions on implementation of our Yangtze Strategy. While our Yangtze port units will target organic growth through optimization and consolidation, PYI will also pursue strategic growth in the resort and leisure development at Xiao Yangkou. PYI is poised to take on the challenges ahead.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2014, the Group had total assets of $9,097 million (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 six 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 2014, the Group’s total borrowings amounted to about $2,274 million (2013: $2,555 million) with about $1,586 million (2013: $1,775 million) repayable on demand or within one year and about $688 million (2013: $780 million) repayable after one year. Borrowings denominated in Hong Kong dollar of about $851 million (2013: $1,184 million) bore interest at floating rates. Borrowings denominated in Renminbi of about $829 million (2013: $925 million) bore interest at floating rates and about $594 million (2013: $446 million) bore interest at fixed rates. The Group’s gearing ratio was 0.46 (2013: 0.53), which was calculated based on the total borrowings of about $2,274 million (2013: $2,555 million) and the Group’s shareholders’ fund of about $4,923 million (2013: $4,841 million).

Bank balances and cash of the Group as at 31 March 2014 amounted to about $1,227 million (2013: $1,882 million), of which about $1,061 million (2013: $1,516 million) was denominated in Renminbi, about $166 million (2013: $366 million) was denominated in Hong Kong dollar and about $0.2 million (2013: $0.2 million) was denominated in other currencies. Also, about $474 million (2013: $647 million) had been pledged to banks to secure general credit facilities granted to the Group, which included about RMB353 million (equivalent to about $441 million) (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 31 March 2014, the Group had a net debt position (being bank borrowings net of bank balances and cash) of about $750 million (2013: $420 million).

CONTINGENT LIABILITIES

As at 31 March 2014, the Group had contingent liabilities in respect of guarantees provided to banks for banking facilities granted to third parties of about $25 million (2013: third parties of about $69 million and an investee of about $195 million).

PLEDGE OF ASSETS

As at 31 March 2014, certain property interests, property, plant and equipment, trade receivables and bank balances of the Group with an aggregate value of about $1,388 million (2013: $1,963 million), as well as the Company’s investment in certain subsidiaries of about $217 million (2013: $361 million) were pledged to banks and financial institutions to secure general credit facilities granted to the Group.

COMMITMENTS

As at 31 March 2014, 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 a total amount of about $6 million (2013: $15 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2014, the Group employed a total of 1,759 (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 the Group's staff in both 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 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 year ended 31 March 2014, 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 year ended 31 March 2014 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 year, 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 page 152 and 153 of the 2013 Annual Report as well as page 6 of PYI's circular dated 30 July 2013.

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

During the year ended 31 March 2014, 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 2014, 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 year.

PROPOSED AMENDMENTS TO BYE-LAWS

For administrative efficiency and housekeeping purposes, the Board of PYI has proposed to seek approval from PYI's shareholders at the 2014 Annual General Meeting to make certain amendments to the Bye-laws of PYI (the "Proposed Amendments"), inter alia, (1) to permit all directors of PYI (except those absent from the territory in which the head office is for the time being situate or temporarily unable to act through ill-health or disability) to signify their agreement to directors' written resolutions as an alternative to signing of the written resolutions; (2) to permit electronic signatures on directors' written resolutions and electronic delivery of Board papers or other corporate communication to directors; (3) to permit PYI to specify in a notice of general meeting an alternative date for the holding of a general meeting without further notice to the shareholders if a black rainstorm warning or a gale warning is in force on the day of the general meeting; (4) to reflect certain amendments to the Listing Rules effective on 1 July 2014.

The Proposed Amendments are subject to the approval of PYI's shareholders by way of passing a special resolution at the 2014 Annual General Meeting. A circular containing, among other things, the notice of the 2014 Annual General Meeting which sets out the full text of the Proposed Amendments, will be published and despatched to the shareholders of PYI in the manner as required under the Listing Rules.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31 March 2014 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 2014 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 2014 Annual Report will be despatched to shareholders of PYI and posted at the aforesaid websites in July 2014.

ANNUAL GENERAL MEETING

The 2014 Annual General Meeting of PYI is scheduled to be held on Friday, 5 September 2014. A circular containing the notice of Annual General Meeting, details of the Proposed Amendments and information concerning, inter alia, the re-election of retiring directors, directors' remuneration and the grant of general mandates to issue new shares and repurchase shares will be despatched 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, 20 June 2014