PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

(Unless otherwise specified, "$" in this announcement shall mean Hong Kong dollar and "cent(s)" shall mean Hong Kong cent(s).)

2016 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 2015.

FINANCIAL HIGHLIGHTS

	9/2015	9/2014	Change
Turnover			
– the Group	$262 million	$241 million	+9%
– share of associates and joint ventures	$3,114 million	$2,118 million	+47%
Gross profit	$79 million	$56 million	+42%
(Loss) profit attributable to shareholders	$(231) million	$71 million	-425%
(Loss) earnings per share	(5.0) cents	1.6 cents	-413%

	9/2015	3/2015	Change
Shareholders' funds	$4,468 million	$4,844 million	-8%
Net asset value per share	$0.98	$1.06	-8%

RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015 $'000	2014 $'000
Turnover			
The Company and its subsidiaries	3	**262,145**	240,514
Share of associates and joint ventures		**3,113,671**	2,118,187
		3,375,816	2,358,701
Group turnover	3	**262,145**	240,514
Cost of sales		**(183,092)**	(184,908)
Gross profit		**79,053**	55,606
Other income	4	**13,843**	9,719
Administrative expenses		**(78,627)**	(77,655)
Distribution and selling expenses		**(62,461)**	(55,147)
Other gains and losses	5	**(10,474)**	5,121
Other expenses		**(21,147)**	(23,917)
Finance costs	6	**(41,111)**	(31,421)
(Loss) gain on fair value changes of investment properties		**(143,413)**	333,127
Provision for stock of properties		**(217,109)**	–
Share of results of associates		**71,930**	53,489
Share of results of joint ventures		**879**	925
(Loss) profit before taxation	7	**(408,637)**	269,847
Taxation	8	**110,978**	(162,324)
(Loss) profit for the period		**(297,659)**	107,523
(Loss) profit for the period attributable to:			
Owners of the Company		**(230,918)**	70,993
Non-controlling interests		**(66,741)**	36,530
		(297,659)	107,523
(Loss) earnings per share	9		
Basic (loss) earnings per share		**(5.0) cents**	1.6 cents
Diluted (loss) earnings per share		**(5.0) cents**	1.6 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2015

	Unaudited Six months ended 30 September 2015 $'000	2014 $'000
(Loss) profit for the period	**(297,659)**	107,523
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Item that will not be reclassified to profit or loss		
Change in carrying amount of investments in equity instruments	**(43,119)**	(162,052)
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising from translation of foreign operations	**(62,532)**	19,082
Share of exchange differences of associates and joint ventures	**(34,112)**	9,697
Other comprehensive expense for the period	**(139,763)**	(133,273)
Total comprehensive expense for the period	**(437,422)**	(25,750)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	**(355,847)**	(66,736)
Non-controlling interests	**(81,575)**	40,986
	(437,422)	(25,750)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2015

	Notes	Unaudited 30.9.2015 $'000	Audited 31.3.2015 $'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**1,518,592**	1,590,300
Investment properties	12	**1,173,138**	1,340,016
Project under development		**184,011**	188,146
Prepaid lease payments		**321,930**	328,434
Other intangible assets		**57,710**	59,932
Interests in associates	13	**1,752,147**	1,745,688
Interests in joint ventures		**87,969**	89,058
Investments in equity instruments	14	**562,651**	588,210
Other non-current assets		**91,054**	93,096
		5,749,202	6,022,880
CURRENT ASSETS			
Prepaid lease payments		**5,140**	5,255
Stock of properties	15	**1,562,102**	1,791,947
Inventories of finished goods		**47,083**	39,685
Loans receivable		**74,000**	74,000
Dividend receivables from associates		**19,536**	47,280
Amounts due from associates		**38,775**	37,494
Amount due from a joint venture		**275**	–
Trade and other debtors, deposits and prepayments	16	**282,694**	267,129
Investments in equity instruments held for trading		**65,671**	101,510
Pledged bank deposits		**415,038**	408,448
Short term bank deposits		**316,594**	213,389
Bank balances and cash		**448,090**	422,906
		3,274,998	3,409,043
CURRENT LIABILITIES			
Trade and other creditors and accrued expenses	17	**344,037**	393,299
Amounts due to associates		**136,038**	140,016
Amount due to a joint venture		**382**	130
Amounts due to non-controlling interests		**2,442**	2,497
Dividend payable		**22,887**	–
Taxation payable		**2,498**	4,475
Bank and other borrowings – due within one year	18	**1,741,354**	1,534,562
		2,249,638	2,074,979
NET CURRENT ASSETS		**1,025,360**	1,334,064
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,774,562**	7,356,944

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2015

	Notes	**Unaudited 30.9.2015 *$'000***	Audited 31.3.2015 *$'000*
NON-CURRENT LIABILITIES			
Bank and other borrowings – due after one year	*18*	**776,231**	747,488
Amounts due to non-controlling interests		**9,768**	9,988
Deferred tax liabilities	*19*	**807,138**	937,191
Deferred income		**54,790**	56,042
Other payables		**27,731**	53,662
		1,675,658	1,804,371
		5,098,904	5,552,573
CAPITAL AND RESERVES			
Share capital	*20*	**457,736**	457,736
Reserves		**4,010,583**	4,386,298
Equity attributable to owners of the Company		**4,468,319**	4,844,034
Non-controlling interests		**630,585**	708,539
TOTAL EQUITY		**5,098,904**	5,552,573

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 September 2015

	Unaudited Six months ended 30 September	
	2015 *$'000*	2014 *$'000*
Net cash used in operating activities	**(51,101)**	(107,774)
Net cash used in investing activities	**(9,491)**	(99,753)
Net cash from financing activities	**192,973**	323,463
Net increase in cash and cash equivalents	**132,381**	115,936
Effect of foreign exchange rate changes	**(3,992)**	1,254
Cash and cash equivalents brought forward	**636,295**	753,187
Cash and cash equivalents carried forward	**764,684**	870,377
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	**316,594**	401,352
Bank balances and cash	**448,090**	469,025
	764,684	870,377

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" 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 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the new amendments to 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.

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, investment, sale and leasing of real estate properties, developed land and land under development
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 loss or earnings before interest expense and tax ("LBIT or EBIT") and loss or earnings before interest expense, tax, depreciation and amortisation ("LBITDA or EBITDA").

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 2015

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
TURNOVER	**-**	**-**	**243,707**	**11,582**	**6,856**	**262,145**
EBITDA (LBITDA)	**12,062**	**-**	**94,301**	**(374,993)**	**24,151**	**(244,479)**
Depreciation and amortisation*	**-**	**-**	**(52,598)**	**(4,028)**	**(1)**	**(56,627)**
Segment result - EBIT (LBIT)	**12,062**	**-**	**41,703**	**(379,021)**	**24,150**	**(301,106)**
Corporate and other expenses**						**(66,420)**
Finance costs						**(41,111)**
Loss before taxation						**(408,637)**
Taxation						**110,978**
Loss for the period						**(297,659)**

Six months ended 30 September 2014

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
TURNOVER	-	-	226,339	5,572	8,603	240,514
EBITDA	12,762	-	42,322	313,269	15,217	383,570
Depreciation and amortisation*	-	-	(36,699)	(4,075)	(1)	(40,775)
Segment result - EBIT	12,762	-	5,623	309,194	15,216	342,795
Corporate and other expenses**						(41,527)
Finance costs						(31,421)
Profit before taxation						269,847
Taxation						(162,324)
Profit for the period						107,523

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

** Including acquisition-related costs for potential projects of about $15,194,000 (2014: $12,515,000).

3. Segment information - continued

Segment assets and liabilities

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

At 30 September 2015

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS						
Segment assets	**517,240**	**468,797**	**3,761,464**	**3,333,991**	**925,856**	**9,007,348**
Unallocated assets						**16,852**
Consolidated total assets						**9,024,200**
LIABILITIES						
Segment liabilities	**-**	**-**	**1,683,803**	**1,231,742**	**970,932**	**3,886,477**
Unallocated liabilities						**38,819**
Consolidated total liabilities						**3,925,296**

At 31 March 2015

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS						
Segment assets	531,499	484,270	3,720,149	3,807,544	875,892	9,419,354
Unallocated assets						12,569
Consolidated total assets						9,431,923
LIABILITIES						
Segment liabilities	-	-	1,655,692	1,380,099	819,702	3,855,493
Unallocated liabilities						23,857
Consolidated total liabilities						3,879,350

Segment assets and liabilities comprise assets and liabilities of the operating subsidiaries, as well as interests in associates, joint ventures and investments in equity instruments 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 2015 $'000	2014 $'000
Bank and other interest income	**10,891**	7,852

5. *Other gains and losses*

	Unaudited Six months ended 30 September 2015 $'000	2014 $'000
Gain on changes in fair value of investments in equity instruments held for trading	**7,869**	1,010
Impairment loss reversed on other receivables	**488**	22
Loss on disposal of property, plant and equipment	**(3,354)**	(560)
Net exchange (loss) gain	**(15,477)**	4,649
	(10,474)	5,121

6. *Finance costs*

	Unaudited Six months ended 30 September 2015 $'000	2014 $'000
Borrowing costs on:		
Bank borrowings wholly repayable within five years	**46,766**	49,091
Bank borrowings not wholly repayable within five years	**-**	2,092
Amounts due to associates wholly repayable within five years	**4,008**	3,297
Amounts due to non-controlling interests wholly repayable within five years	**62**	-
Amounts due to non-controlling interests not wholly repayable within five years	**-**	75
Imputed interest expense on other payables	**663**	785
Other borrowings wholly repayable within five years	**1,599**	962
	53,098	56,302
Less: Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(9,260)**	(19,100)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(1,803)**	(5,781)
Amount capitalised in respect of investment properties	**(924)**	-
	41,111	31,421

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. *(Loss) profit before taxation*

	Unaudited Six months ended 30 September	
	2015	2014
	$'000	*$'000*
(Loss) profit before taxation has been arrived at after charging (crediting):		
Amortisation of other intangible assets (included in distribution and selling expenses)	**944**	999
Cost of inventories recognised as an expense	**96,760**	131,541
Dividend income from investments in equity instruments held for trading	**(1,662)**	(3,268)
Depreciation of property, plant and equipment:		
Amount provided for the period	**55,881**	40,771
Less: Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**-**	(659)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(198)**	(336)
	55,683	39,776
Total interest income (included in turnover and other income)	**(16,085)**	(13,187)
Release of prepaid lease payments	**3,068**	1,528

8. *Taxation*

	Unaudited Six months ended 30 September	
	2015	2014
	$'000	*$'000*
The (credit) charge comprises:		
Taxation arising in jurisdictions outside Hong Kong:		
Current period	**1,676**	5,070
(Over)underprovision in prior periods	**(1,844)**	2,135
	(168)	7,205
Deferred taxation (note 19)		
Land Appreciation Tax ("LAT")	**(99,334)**	95,690
Others	**(11,476)**	59,429
	(110,810)	155,119
Taxation attributable to the Company and its subsidiaries	**(110,978)**	162,324

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.

8. *Taxation - continued*

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. *(Loss) earnings per share*

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

	Unaudited Six months ended 30 September	
	2015	2014
	$'000	*$'000*
(Loss) profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(230,918)**	70,993

	2015 Number of shares	2014 Number of shares
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**4,577,360,572**	4,577,360,572
Effect of dilutive potential ordinary shares:		
Share options	**17,652,765**	1,269,707
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**4,595,013,337**	4,578,630,279

10. *Distribution*

	Unaudited Six months ended 30 September	
	2015	2014
	$'000	*$'000*
Dividends recognised as distribution during the period:		
Final cash dividend declared for the year ended 31 March 2015 – HK0.5 cent (2014: HK0.5 cent for the year ended 31 March 2014) per share	**22,887**	22,887

The Board of the Company has resolved not to declare any interim dividend for the six months ended 30 September 2015 (2014: HK0.5 cent per share amounted to about $22,887,000).

11. Movements in property, plant and equipment

During the period, additions to the Group's property, plant and equipment amounted to about $30,239,000 (2014: $25,952,000), which mainly included the cost of construction in progress amounting to about $26,451,000 (2014: $16,640,000) incurred during the period.

12. Investment properties

	Leasehold properties in the PRC *$'000*	Developed land *$'000* (note a)	Land under development *$'000* (note b)	Total *$'000*
FAIR VALUE				
At 1 April 2015 (audited)	260,116	360,799	719,101	1,340,016
Exchange realignment	(5,542)	(7,462)	(14,748)	(27,752)
Additions	468	-	3,819	4,287
Decrease in fair value recognised in the condensed consolidated income statement	(14,749)	(38,319)	(90,345)	(143,413)
At 30 September 2015 (unaudited)	240,293	315,018	617,827	1,173,138

notes:

(a) In prior periods, 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 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 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 fair values of the Group's investment properties at 30 September 2015 and 31 March 2015 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.

In determining the fair value of leasehold properties, 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 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.

12. *Investment properties – continued*

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 30 September 2015 are estimated to be about $98 million (31.3.2015: $100 million).

One of the key unobservable inputs used in valuing the Formed Land and Land Being Formed is the 20% of saleable land discount on the comparable properties applied by the valuer. A slight change in the saleable land discount used would result in a significant change in fair value measurement of the investment properties.

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.

13. *Interests in associates*

	Unaudited 30.9.2015 *$'000*	Audited 31.3.2015 *$'000*
Cost of unlisted investments in associates, less impairment	**845,423**	845,423
Share of post-acquisition profits and reserves, net of dividends received	**906,724**	900,265
	1,752,147	1,745,688

As at 30 September 2015 and 31 March 2015, the unlisted investments include:

i) 47.52% equity interest in Paul Y. Engineering Group Limited ("Paul Y. Engineering"), a non-wholly owned subsidiary of Louis XIII Holdings Limited ("Louis XIII"), which is engaged in building construction, civil engineering, development management, project management, facilities and asset management services and investment in properties;

ii) 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; and

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

14. *Investments in equity instruments*

	Unaudited 30.9.2015 *$'000*	Audited 31.3.2015 *$'000*
Listed equity securities, at quoted bid price in Hong Kong (note a)	**92,899**	102,964
PRC unlisted equity securities (note b)	**469,752**	485,246
	562,651	588,210

notes:

(a) As at 30 September 2015, the investment in Hong Kong listed equity securities represents 4.67% (31.3.2015: 3.84%) equity interest in Louis XIII.

(b) As at 30 September 2015, the investments in unlisted equity securities include:

i) 9.9% equity interest in Jiangsu YangKou Port Development and Investment Co., Ltd. ("Yangkou Port Co"), which is engaged in the business of development of port and related infrastructures, stated at fair value of about $468,798,000 (31.3.2015: $484,270,000); and

ii) less than 20% interests in certain PRC companies held by Yichang Port Group Limited (the "Yichang Port Group"), a non wholly-owned subsidiary of the Company, which are mainly engaged in port related services, stated at fair value of about $954,000 (31.3.2015: $976,000).

As at 30 September 2015 and 31 March 2015, the investments in unlisted equity securities are measured at fair value. A reasonable estimate of fair value is determined by using valuation techniques appropriate to the market and industry of each investment. Valuation techniques used to support these valuations include the asset-based approach which uses the fair market value of its total assets minus its total liabilities, and the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets or businesses.

In determining the fair value of property assets under the asset-based approach, 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.

A key unobservable input, being 20% of saleable land discount on comparable properties to discount the fair value of properties by about $3,389 million (31.3.2015: $3,669 million), has been applied in valuing the properties. A slight increase in the saleable land discount used would result in a significant decrease in fair value measurement of the properties and hence of the unlisted equity securities, and vice versa. A 5% increase in the saleable land discount (i.e. revised to 25%), holding all other variables constant, carrying amount of the properties would decrease by about $847 million (31.3.2015: $942 million), and fair value of the Group's investment in corresponding equity instrument would decrease by about $22 million (31.3.2015: $23 million).

15. *Stock of properties*

	Unaudited 30.9.2015 *$'000*	Audited 31.3.2015 *$'000*
Properties under development for sale	**1,112,512**	1,303,803
Completed properties held for sale	**449,590**	488,144
	1,562,102	1,791,947

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 also developed for future sale in the ordinary course of business is classified as properties under development for sale in stock of properties upon commencement of development.

At 30 September 2015, stock of properties amounted to $620,375,000 (31.3.2015: Nil) are carried at net realisable value, which provision for stock of properties of $217,109,000 has been recognised during the current period (2014: Nil).

At 30 September 2015, stock of properties includes Formed Land of about $747,452,000 (31.3.2015: $713,529,000) for which 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.

16. *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 $105,303,000 (31.3.2015: $94,291,000). The Group does not hold any collateral over the 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 30.9.2015 *$'000*	Audited 31.3.2015 *$'000*
Within 90 days	**62,569**	53,001
More than 90 days and within 180 days	**29,609**	27,235
More than 180 days	**13,125**	14,055
	105,303	94,291

17. *Trade and other creditors and accrued expenses*

Included in trade and other creditors and accrued expenses are trade creditors of about $112,679,000 (31.3.2015: $111,096,000) and their ageing analysis presented based on the invoice date at the end of the reporting period is as follows:

	Unaudited 30.9.2015 *$'000*	Audited 31.3.2015 *$'000*
Within 90 days	**83,633**	76,808
More than 90 days and within 180 days	**3,425**	811
More than 180 days	**25,621**	33,477
	112,679	111,096

18. *Movements in bank and other borrowings*

During the period, the Group raised new bank and other borrowings of about $1,990,935,000 (2014: $2,300,342,000) and repaid about $1,750,982,000 (2014: $1,931,010,000). The secured bank and other borrowings as at 30 September 2015 were about $1,233,154,000 (31.3.2015: $1,170,393,000).

As at 30 September 2015, bank deposits of about $415,038,000 (31.3.2015: $408,448,000) were pledged to banks to secure general banking facilities granted to the Group. The pledged bank deposits included about RMB338,206,000 (equivalent to about $412,950,000) (31.3.2015: RMB320,227,000 equivalent to about $399,784,000) deposited in Hong Kong, which were pledged to secure banking facilities denominated in Hong Kong dollars and available in Hong Kong.

19. *Deferred tax liabilities*

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

	Fair value adjustment on investment properties *$'000*	**Fair value adjustment on stock of properties *$'000***	**Fair value adjustment on project under development *$'000***	**Others *$'000***	**Total *$'000***
At 1 April 2015 (audited)	480,493	317,160	94,758	44,780	937,191
Exchange realignment	(9,762)	(6,419)	(2,083)	(979)	(19,243)
Credit to condensed consolidated income statement (note 8)	(65,404)	(45,038)	-	(368)	(110,810)
At 30 September 2015 (unaudited)	405,327	265,703	92,675	43,433	807,138

Deferred tax consequences in respect of stock of properties arising from the transfer of Formed Land and Land Being Formed from investment properties 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.

20. *Share capital*

	Number of shares	Value $'000
Ordinary shares of $0.10 each:		
Authorised:		
At 1 April 2014, 30 September 2014, 31 March 2015 and 30 September 2015	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 April 2014, 30 September 2014, 31 March 2015 and 30 September 2015	4,577,360,572	457,736

21. *Event after the reporting period*

On 16 November 2015, Yichang Port Group entered into an agreement with a company (the "Transferee"), pursuant to which the Transferee agreed to acquire a 37.634% equity interest in a wholly-owned subsidiary of Yichang Port Group engaged in holding of assets of Yunchi Port (the "Disposal Company") for a total consideration of RMB153,920,000 (equivalent to about $187,937,000). The Transferee was wholly-owned by an entity which indirectly held 49% interest in Yichang Port Group. The consideration for the disposal was to be settled by offsetting the loans owed to the Transferee by Yichang Port Group.

Upon completion, the Disposal Company would remain a subsidiary of the Company, being owned as to 62.366% by Yichang Port Group. Its operating results, assets and liabilities would continue to be included in the consolidated financial statements of the Group. As Yichang Port Group would maintain its control over the Disposal Company, the disposal is accounted for as an equity transaction which will not result in any gain or loss on disposal to be recorded in the consolidated income statement of the Group. The disposal was completed on 19 November 2015.

INTERIM DIVIDEND

The Board of PYI has resolved not to declare any interim dividend for the six months ended 30 September 2015 (2014: HK0.5 cent per share).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the six months ended 30 September 2015, the Group recorded a consolidated turnover of about $262 million (2014: $241 million), representing an increase of about 9% when compared with the last corresponding period. The growth in turnover was mainly attributable to Jiaxing International Feeder Port in Zhejiang Province, which commenced to contribute to the Group’s turnover during the period after having its commercial operation started in the first quarter of 2015. Taking into account the share of turnover of associates and joint ventures, the turnover was about $3,376 million (2014: $2,359 million), representing an increase of 43% from last corresponding period.

The Group's gross profit increased by 42% from last corresponding period to about $79.1 million (2014: $55.6 million), which represented a gross margin of 30% (2014: 23%) of the consolidated turnover. The growth in gross profit and gross margin was mainly attributable to Minsheng Gas, which had shown promising improvement in gross margin resulting from the decline in LPG procurement cost.

During the period, the Group recorded a loss before taxation of about $409 million (2014: profit before taxation of about $270 million), which was composed of:

(i) net gain of about $12 million (2014: $13 million) in Paul Y. Engineering Group mainly engaged in management contracting and property development management businesses;
(ii) net gain of about $42 million (2014: $6 million) in ports and logistics business;
(iii) net loss of about $379 million (2014: net gain of about $309 million) in property business;
(iv) net gain of about $24 million (2014: $15 million) in treasury business;
(v) net corporate and other expenses of about $67 million (2014: $42 million), which included acquisition-related costs of about $15 million (2014: $13 million) and net exchange loss of about $15 million (2014: net exchange gain of about $5 million); and
(vi) finance costs of about $41 million (2014: $31 million).

Net loss for the period attributable to the owners of PYI was about $231 million (2014: net profit of about $71 million) and basic loss per share was HK5 cents (2014: basic earnings per share of HK1.6 cents). The net loss was mainly attributable to (a) a provision made for certain stock of properties under development situated at Xiao Yangkou of Rudong County, Nantong City, Jiangsu Province, the PRC of about $129 million (2014: Nil) after net of relevant deferred tax credit of about $45 million (2014: Nil) and share of loss by non-controlling interests of about $43 million (2014: Nil) in view of postponement in the property development and sale plan at Xiao Yangkou due to the downward adjustment of high-end property market in Rudong County and the slow-down of China’s economic growth; (b) the recognition of loss on fair value changes of certain investment properties situated mainly at Xiao Yangkou for the period of about $61 million after net of relevant deferred tax credit of about $65 million and share of loss by non-controlling interests of about $17 million as compared to a considerable gain on fair value changes of investment properties of about $133 million after net of relevant deferred tax charge of about $156 million and share of profit by non-controlling interests of about $44 million recognised for the corresponding period in 2014; and (c) an unrealised exchange loss arising from Renminbi denominated monetary assets for the period of about $15 million as compared to an unrealised exchange gain arising from the assets of about $5 million recognised for the corresponding period in 2014. The aforesaid factors shall have no material adverse effect on the cash flows nor the financial condition of the Group.

When compared with the Group's financial position as at 31 March 2015, total assets decreased by 4% to about $9,024 million (31.3.2015: $9,432 million). As at 30 September 2015, net current assets amounted to about $1,025 million (31.3.2015: $1,334 million), whereas current ratio deriving from the ratio of current assets to current liabilities decreased to 1.46 times (31.3.2015: 1.64 times) as being affected by the decrease in current assets resulting from the provision for stock of properties made during the period. After taking into account (a) the net loss of about $231 million; (b) the decrease in carrying amount of equity investments not held for trading of about $43 million recognised in negative investment revaluation reserve; (c) the deficit from Renminbi exchange translation of about $82 million; (d) the recognition of share-based payment reserve and share of other reserves of associates of about $3 million; and (e) the dividend distribution of about $23 million to PYI's shareholders, equity attributable to owners of PYI was decreased by 8% to about $4,468 million (31.3.2015: $4,844 million), representing $0.98 (31.3.2015: $1.06) per share as at 30 September 2015.

Net cash outflow from operating activities was about $51 million (2014: $108 million), which was mainly attributable to (a) the purchase of higher level of LPG inventories at a lower cost with an aim to enhance control of seasonal price risk; and (b) the incurred pre-development expenses and development costs of stock of properties at Xiao Yangkou, which is under development as a tourism site serving the region. Net cash outflow from investing activities was about $9 million (2014: $100 million). Net cash inflow from financing activities was about $192 million (2014: $324 million), resulting in a net increase in available cash and cash equivalents of about $132 million (2014: $116 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 $55 million (2014: $36 million) to the segment's operating profit for the period. The increase in contribution was attributable to higher revenue from increased bulk cargo and container throughput of larger ships after completion of a major depth dredging work along the waterway of Nantong Port, as well as a subsidy was received from relocation of certain anchorage ground along the Yangtze River.

Nantong Port is a major river port in the Yangtze Delta Region, one of the 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 2015 grows by 11% to about 30 million tonnes (2014: 27 million tonnes), while the container throughput in the first half of 2015 increased by 5% to about 276,000 TEUs (2014: 264,000 TEUs).

Yichang Port Group (51% owned)

Despite Yichang Port Group contributed an operating profit of about $3 million (2014: $2 million) to the Group’s property business segment deriving from its investment properties, its ports operation business recorded an operating loss of about $2 million (2014: profit of about $1 million) during the period. The ports operating result was affected by the drop in revenue from coal logistics services during the period.

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

Yichang Port Group is developing a new container and cargo port situated at Yunchi area of Yichang City. Currently, Yunchi Port has been approved for the development of six major berths with designed annual container throughput capacity of 164,000 TEUs and cargo throughput capacity of 2.5 million tonnes. A customs office is located in the port area for efficient consignment, declaration and clearance at one stop. Phase one of Yunchi Port will contribute to the port business of Yichang Port Group after the expected commencement of its commercial operation by end of 2016.

Bulk cargo throughput of Yichang Port Group for the six months ended 30 September 2015 increased by 7% to about 3.2 million tonnes (2014: 3.0 million tonnes). Its container throughput decreased by 13% to about 47,000 TEUs (2014: 54,000 TEUs) during the period. The physical tonnes of coal handled by its logistics services decreased by 11% to 1.6 million tonnes (2014: 1.8 million tonnes) during the period.

Jiangyin Sunan Container Terminal (40% owned)

Jiangyin Sunan continued to provide a stable contribution of about $5 million (2014: $5 million) to the segment's operating profit for the period.

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 City.

Container throughput of Jiangyin Sunan in the first half of 2015 increased by 9% to about 227,000 TEUs (2014: 209,000 TEUs).

Jiaxing International Feeder Port (90% owned)

Jiaxing International Feeder Port is a core pilot feeder port in Zhejiang Province under the plans of Ministry of Transport. The port started commercial operation in the first quarter of 2015 after declared soft open in mid-2010, and becomes the first container feeder port in the Yangtze Delta Region with comprehensive customs and logistics services. The port contributed about $8 million (2014: Nil) to the segment's operating profit for the period.

Jiaxing International Feeder Port is situated at Nanhu District of Jiaxing City. It is principally engaged in loading, discharging and storage of containers. A customs office is located in the 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.

Container throughput of Jiaxing International Feeder Port for the six months ended 30 September 2015 increased by 15% to about 99,000 TEUs (2014: 86,000 TEUs).

LPG, CNG and Logistics (100% owned)

The LPG and CNG distribution and logistics businesses of Minsheng Gas recorded an operating loss of about $24 million (2014: $36 million) during the period. Excluding an one-off write-down in value of LPG assets of about $33 million (2014: $22 million) (included in distribution and selling expenses and other losses) for the upgrade of the LPG distribution equipment and operating system, Minsheng Gas recorded an operating profit of about $9 million (2014: operating loss of about $14 million) for the period. The operating result of Minsheng Gas had shown promising improvement, as benefited from the decline in LPG procurement cost and all of the five (2014: two) transformed CNG fueling stations were operating during the whole period.

As at 30 September 2015, Minsheng Gas has nine LPG and five CNG fueling stations in Wuhan City. The sale performance and profitability of Minsheng Gas are expected to be further strengthened through various logistics enhancement measures and upgrade of the LPG distribution equipment and operating system.

Ports Development – Yangkou Port (9.9% owned)

There was no contribution from Yangkou Port Co to the Group's operating profit for the period (2014: 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 investment in equity instrument. As at 30 September 2015, the investment in Yangkou Port Co is stated at fair value (through other comprehensive income) of about $469 million (31.3.2015: $484 million).

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

Paul Y. Engineering contributed about $12 million (2014: $13 million) to the segment's operating profit for the period.

During the period, Paul Y. Engineering recorded a turnover of about $5,973 million (2014: $3,898 million) and secured new contracts of about $3,415 million (2014: $1,826 million) in aggregate value. As at 30 September 2015, the total value of contracts on hand of Paul Y. Engineering was about $36,358 million (31.3.2015: $31,476 million) and the value of work remaining was about $10,005 million (31.3.2015: $10,062 million).

Property
The property business recorded an operating loss of about $379 million (2014: gain of about $309 million) for the period. The operating loss was mainly attributable to (a) a provision made for certain stock of properties situated at Xiao Yangkou in view of postponement in their property development and sale plan of about $217 million (2014: Nil); and (b) the recognition of loss on fair value changes of investment properties of about $143 million (2014: gain of about $333 million). The operating result also included net development expenses for resort project at Xiao Yangkou of about $6 million (2014: $11 million) incurred during the period.

The Group has 11.5 sq km land bank situated at Xiao Yangkou, which is under development as a regional tourism site of national standard with hotspring and recreational facilities. As at 30 September 2015, about 6.88 sq km (31.3.2015: 6.88 sq km) of the land bank had reached the developing stage or the developed and serviced stage.

About 0.88 sq km (31.3.2015: 0.88 sq km) of the developed land and about 2 sq km (31.3.2015: 2 sq km) of the land under development at Xiao Yangkou were classified as investment properties and measured at fair value of about $933 million (31.3.2015: $1,080 million). As at 30 September 2015, the investment properties recorded a loss on revaluation of about $129 million (2014: gain on revaluation of about $331 million) for the period, before the relevant deferred tax credit of about $62 million (2014: charge of about $155 million).

The remaining land bank reached developing or developed stage of about 2.11 sq km (31.3.2015: 2.11 sq km) of the developed land and about 1.89 sq km (31.3.2015: 1.89 sq km) of the land under development were classified as trading stock as at 30 September 2015. In view of the downward adjustment of high-end property market in Rudong County, certain stock of properties amounted to about $620 million (31.3.2015: Nil) were stated at net realizable value as at 30 September 2015, which provision for stock of properties of about $217 million has been recognised during the current period (2014: Nil).

As at 30 September 2015, a gross floor area of about 6,000 sq m of "Nantong International Trade Center", a commercial and office development in the central business district of Nantong City, had been rented out for hotel operation. Rental income of the investment properties amounted to about $2 million (2014: $2 million) was contributed to the Group's turnover during the period. As at 30 September 2015, the investment properties recorded a loss on revaluation of about $14 million (2014: Nil) for the period. The Group also holds a gross floor area of about 14,000 sq m of "Nantong International Trade Center" for sale.

In the main urban district of Yichang City along Yangtze River, the Group holds certain commercial, residential and industrial properties with a gross floor area of about 71,000 sq m (inclusive of commercial shops of about 5,000 sq m) through Yichang Port Group. Rental income of the investment properties amounted to about $4 million (2014: $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 holds jointly with Paul Y. Engineering an office building known as "Pioneer Technology Building", which has a gross floor area of about 20,000 sq m. The building was almost fully leased out as at 30 September 2015 and generated rental income of about $6 million (2014: $6 million) during the period.

Treasury
The treasury investments contributed about $24 million (2014: $15 million) to the Group's operating profit for the period. During the period, listed securities held for trading recorded a fair value gain of about $8 million (2014: $1 million) and generated dividend income of about $2 million (2014: $3 million). The high-yield loans and Renminbi bank deposits in Hong Kong generated interest income of about $14 million (2014: $11 million).

As at 30 September 2015, (a) total value of the Group's portfolio of listed securities held for trading amounted to about $66 million (31.3.2015: $102 million), equivalent to about 0.7% (31.3.2015: 1.1%) of the Group's total assets; and (b) portfolio of high-yield loans receivable amounted to about $74 million (31.3.2015: $74 million), equivalent to about 0.8% (31.3.2015: 0.8%) 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

On 16 November 2015, Yichang Port Group entered into an agreement with a company owned by Yichang Port Group's 49% owned non-controlling shareholder to dispose of 37.634% equity interest in a wholly-owned subsidiary of Yichang Port Group which engaged in holding of assets of Yunchi Port for a consideration of RMB153.92 million (equivalent to about $187.94 million), which the consideration will be settled by offsetting the loans owed to the transferee by Yichang Port Group. The disposal company will remain a subsidiary of the Company and hence, no gain or loss on disposal will be recorded in the consolidated income statement of the Group. The disposal was completed on 19 November 2015. There were no other major subsequent events occurred since the end of the reporting period and up to the date of this announcement.

OUTLOOK

With its port network along Yangtze River in China, PYI is well positioned to capitalise on the new opportunities created by the Central Government's national strategy "One Belt One Road", a main theme of which is to facilitate connectivity, and another national strategy, namely, "Yangtze River Economic Belt", which places a special focus on the economic corridor along the Yangtze River region. PYI remains positive on the outlook of its port business in the Yangtze River region and will stay in line with such national strategies. Looking forward, PYI will continue to pursue strategic growth in both our Yangtze ports as well as the resort and leisure development at Xiao Yangkou with a view to maintain long term business growth and generate sustainable returns to our shareholders.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2015, the Group had total assets of $9,024 million (31.3.2015: $9,432 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 five 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 2015, the Group's total borrowings amounted to about $2,617 million (31.3.2015: $2,384 million) with about $1,831 million (31.3.2015: $1,626 million) repayable on demand or within one year and about $786 million (31.3.2015: $758 million) repayable after one year. Borrowings denominated in Hong Kong dollar of about $1,061 million (31.3.2015: $872 million) bore interest at floating rates. Borrowings denominated in Renminbi of about $936 million (31.3.2015: $890 million) bore interest at floating rates and about $620 million (31.3.2015: $622 million) bore interest at fixed rates. The Group's gearing ratio was 0.59 (31.3.2015: 0.49), which was calculated based on the total borrowings of about $2,617 million (31.3.2015: $2,384 million) and the Group's shareholders' funds of about $4,468 million (31.3.2015: $4,844 million).

Bank balances and cash of the Group as at 30 September 2015 amounted to about $1,180 million (31.3.2015: $1,045 million), of which about $901 million (31.3.2015: $1,008 million) was denominated in Renminbi, about $279 million (31.3.2015: $37 million) was denominated in Hong Kong dollar and about $0.2 million (31.3.2015: $0.2 million) was denominated in other currencies. Also, about $415 million (31.3.2015: $408 million) had been pledged to banks to secure general credit facilities granted to the Group, which included about RMB338 million (equivalent to about $413 million) (31.3.2015: RMB320 million, equivalent to about $400 million) deposited in Hong Kong to secure banking facilities denominated in Hong Kong dollar and available in Hong Kong. As at 30 September 2015, the Group had a net debt position (being bank borrowings net of bank balances and cash) of about $1,123 million (31.3.2015: $1,045 million).

CONTINGENT LIABILITY

As at 30 September 2015, the Group had contingent liability in respect of a guarantee provided to a bank for banking facilities granted to a third party of about $24 million (31.3.2015: $25 million).

PLEDGE OF ASSETS

As at 30 September 2015, certain property interests, property, plant and equipment and bank balances of the Group with an aggregate value of about $1,327 million (31.3.2015: $1,596 million), as well as the Company's investments in certain subsidiaries of about $445 million (31.3.2015: $412 million) were pledged to banks and financial institutions to secure general credit facilities granted to the Group.

COMMITMENTS

As at 30 September 2015, 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 properties interests in a total amount of about $18 million (31.3.2015: $12 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2015, the Group employed a total of 1,648 (31.3.2015: 1,619) 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 AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Throughout the six months ended 30 September 2015, PYI has complied with all code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code"), 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 Tom Ko Yuen, 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 Tom Ko Yuen 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.

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 Model Code throughout the six months ended 30 September 2015.

REVIEW OF ACCOUNTS

The Group's unaudited results for the six months ended 30 September 2015 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 website at www.pyicorp.com under "Investors" and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Listed Company Information". The 2016 Interim Report will be despatched to the shareholders of PYI and posted on the aforesaid websites in December 2015.

BOARD OF DIRECTORS

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

Mr Lau Tom Ko Yuen	:	Chairman and Managing Director
Mr Chan Yiu Lun, Alan	:	Executive Director
Mr Chan Shu Kin	:	Independent Non-Executive Director
Ms Wong Lai Kin, Elsa	:	Independent Non-Executive Director
Mr Mok Yat Fan, Edmond	:	Independent Non-Executive Director

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

Hong Kong, 20 November 2015