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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).)

2018 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 2018.

FINANCIAL HIGHLIGHTS

	2018	2017	Change
Revenue of the Group	$624 million	$554 million	+13%
Gross proceeds from securities trading of the Group	$59 million	$12 million	+392%
Share of revenue of associates and joint ventures	$3,642 million	$3,847 million	-5%
	$4,325 million	$4,413 million	-2%
Gross profit	$196 million	$172 million	+14%
Profit (loss) attributable to shareholders	$477 million	$(34) million	+1,503%
Earnings (loss) per share	8.8 cents	(0.7) cent	+1,357%
Shareholders' funds	$4,712 million	$4,009 million	+18%
Net asset value per share	$0.85	$0.87	-2%

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2018

	Notes	2018 $'000	2017 $'000
Revenue of the Company and its subsidiaries	3	**624,400**	553,977
Gross proceeds from securities trading of the Company and its subsidiaries	3	**59,041**	12,197
Share of revenue of associates and joint ventures		**3,641,620**	3,846,593
		4,325,061	4,412,767
Group revenue	3	**624,400**	553,977
Cost of sales		**(428,301)**	(381,816)
Gross profit		**196,099**	172,161
Other income	4	**8,826**	11,586
Administrative expenses		**(145,548)**	(143,122)
Distribution and selling expenses		**(120,139)**	(49,623)
Other gains and losses	5	**(19,804)**	(29,408)
Other expenses		**(33,709)**	(29,135)
Finance costs	6	**(53,455)**	(63,288)
Gain on disposal of an associate	17	**847,628**	–
Impairment loss on property, plant and equipment		**(148,049)**	–
Net gain on fair value changes of investment properties	11	**127,759**	1,697
Share of results of associates		**52,183**	101,140
Share of results of joint ventures		**2,429**	5,291
Profit (loss) before taxation	7	**714,220**	(22,701)
Taxation	8	**(212,461)**	(1,318)
Profit (loss) for the year		**501,759**	(24,019)
Profit (loss) for the year attributable to:			
Owners of the Company		**477,390**	(34,143)
Non-controlling interests		**24,369**	10,124
		501,759	(24,019)
Earnings (loss) per share	9		
Basic earnings (loss) per share		**8.8 cents**	(0.7) cent
Diluted earnings per share		**8.8 cents**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2018

	2018 $'000	2017 $'000
Profit (loss) for the year	**501,759**	(24,019)
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Item that will not be reclassified to profit or loss		
Change in carrying amount of investments in equity instruments	**(60,352)**	(62,352)
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising from translation of foreign operations	**249,318**	(164,136)
Share of exchange differences of associates and joint ventures	**100,740**	(79,129)
Reclassification adjustment on disposal of an associate	**(126,471)**	–
Other comprehensive income (expense) for the year	**163,235**	(305,617)
Total comprehensive income (expense) for the year	**664,994**	(329,636)
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**561,367**	(292,780)
Non-controlling interests	**103,627**	(36,856)
	664,994	(329,636)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2018

	Notes	**2018** **$'000**	2017 *$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,358,358**	1,414,065
Investment properties	*11*	**1,350,540**	1,089,605
Project under development		**186,297**	171,200
Prepaid lease payments		**342,192**	281,110
Other intangible assets		**8,460**	43,146
Interests in associates		**734,328**	1,747,635
Interests in joint ventures		**96,201**	85,304
Investments in equity instruments		**436,826**	451,816
Other non-current assets		**91,232**	83,097
		4,604,434	5,366,978
CURRENT ASSETS			
Prepaid lease payments		**4,766**	4,510
Stock of properties	*12*	**1,627,256**	1,464,070
Inventories of finished goods		**11,384**	23,399
Loans receivable		**372,700**	62,100
Dividend receivable from an associate		**–**	16,061
Amounts due from associates		**79,710**	32,648
Amount due from a joint venture		**7,619**	161
Trade and other debtors, deposits and prepayments	*13*	**265,108**	260,166
Investments in debt instruments held for trading	*14*	**320,174**	–
Investments in equity instruments held for trading		**35,964**	51,700
Other financial asset	*15*	**183,539**	–
Pledged bank deposits		**30,557**	113
Short term bank deposits		**248,276**	184,079
Bank balances and cash		**327,847**	315,571
		3,514,900	2,414,578
CURRENT LIABILITIES			
Trade and other creditors and accrued expenses	*16*	**286,364**	263,721
Amounts due to associates		**17,400**	36,666
Amount due to a joint venture		**–**	254
Amounts due to non-controlling interests		**2,478**	2,257
Taxation payable		**11,965**	8,306
Bank and other borrowings – due within one year		**536,235**	1,311,705
		854,442	1,622,909
NET CURRENT ASSETS		**2,660,458**	791,669
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,264,892**	6,158,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2018

	2018 **$'000**	2017 *$'000*
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**606,432**	446,222
Amounts due to non-controlling interests	**101,611**	94,808
Deferred tax liabilities	**843,707**	726,330
Deferred income	**77,925**	58,617
Other payables	**22,425**	24,064
	1,652,100	1,350,041
	5,612,792	4,808,606
CAPITAL AND RESERVES		
Share capital	**551,958**	458,741
Reserves	**4,159,856**	3,550,433
Equity attributable to owners of the Company	**4,711,814**	4,009,174
Non-controlling interests	**900,978**	799,432
TOTAL EQUITY	**5,612,792**	4,808,606

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

	2018 **$'000**	2017 *$'000* *(Restated)*
Net cash (used in) from operating activities	**(786,757)**	18,406
Net cash from investing activities	**1,507,398**	140,624
Net cash used in financing activities	**(669,708)**	(252,626)
Net increase (decrease) in cash and cash equivalents	**50,933**	(93,596)
Effect of foreign exchange rate changes	**25,540**	(15,905)
Cash and cash equivalents brought forward	**499,650**	609,151
Cash and cash equivalents carried forward	**576,123**	499,650
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	**248,276**	184,079
Bank balances and cash	**327,847**	315,571
	576,123	499,650

For the year ended 31 March 2018, the net unrealised exchange gain of about $31,024,000 arisen from amounts due from (to) group companies is considered as an adjustment to cash flow from operating activities for a more appropriate presentation. As such, the comparable figure of net unrealised exchange loss of about $9,538,000 included in the effect of foreign exchange rate changes of cash and cash equivalents previously reported in the condensed consolidated statement of cash flows for the year ended 31 March 2017 has been reclassified to net cash from operating activities for consistency, resulted in restatement of effect of foreign exchange rate changes of cash and cash equivalents from about $6,367,000 to about $15,905,000.

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.

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle

Excepted as described below, the application of the amendments to HKFRSs in the current year has had no material effect on the Group's finance performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 *Disclosure Initiative*

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

3. *Segment information*

The operating segments of the Group are 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 business units with similar economic characteristics into an operating segment.

In respect to the enlarged business in the investment and trading of more diversified securities products, the previous operating and reportable segment of "Treasury" segment has been split into the segments of "Securities" and "Treasury" in reporting to the Managing Director of the Company, consistent with how performance of each business is assessed. As a result of the changes to reportable segments and segment presentation, the segment revenue and results for the year ended 31 March 2017 and segment assets and liabilities as at 31 March 2017 have been revised to conform to the current presentation.

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 and projects under development
Securities	- Investment and trading of securities
Treasury	- Provision of credit services and cash management

Both ports and logistics segment and property segment include a number of different operations in various cities within the People's Republic of China (the "PRC"), each of which is considered as a separate business unit by the Managing Director of the Company. For segment reporting purpose, these individual business units have been aggregated into reportable segments according to the nature and similarity of their products and services, the customer type or class, the method of products distribution or providing services, and the regulatory environment, which give rise to a more meaningful presentation.

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

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 2018

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Securities *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
REVENUE	-	-	566,842	22,264	16,067	19,227	624,400
GROSS PROCEEDS FROM SECURITIES TRADING	-	-	-	-	59,041	-	59,041
	-	-	566,842	22,264	75,108	19,227	683,441
EBITDA*	15,418	-	826,694	100,421	13,899	923	957,355
Depreciation and amortisation**	-	-	(116,160)	(5,196)	(6)	(7)	(121,369)
Segment results – EBIT	15,418	-	710,534	95,225	13,893	916	835,986
Corporate and other expenses***							(68,311)
Finance costs							(53,455)
Profit before taxation							714,220
Taxation							(212,461)
Profit for the year							501,759

3. *Segment information - continued*

Segment revenues and results - continued

For the year ended 31 March 2017 (restated)

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Securities *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
REVENUE	-	-	532,631	10,819	2,542	7,985	553,977
GROSS PROCEEDS FROM SECURITIES TRADING	-	-	-	-	12,197	-	12,197
	-	-	532,631	10,819	14,739	7,985	566,174
EBITDA (LBITDA)*	29,015	-	171,035	(2,919)	7,516	12,997	217,644
Depreciation and amortisation**	-	-	(49,636)	(6,741)	-	(68)	(56,445)
Segment results - EBIT (LBIT)	29,015	-	121,399	(9,660)	7,516	12,929	161,199
Corporate and other expenses***							(120,612)
Finance costs							(63,288)
Loss before taxation							(22,701)
Taxation							(1,318)
Loss for the year							(24,019)

* Gain on disposal of an associate of about $847,628,000 (2017: Nil) and impairment loss on property, plant and equipment of about $148,049,000 (2017: Nil) have been recognised in the ports and logistics operating segment during the year.

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

*** Including acquisition-related costs for potential projects of about $23,012,000 (2017: $21,354,000) and net exchange gain of $30,197,000 (2017: loss of $28,139,000).

3. *Segment information - continued*

Segment assets and liabilities

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

At 31 March 2018

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Securities *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS							
Segment assets	516,795	405,204	2,379,708	3,499,062	540,387	763,683	8,104,839
Unallocated assets							14,495
Consolidated total assets							8,119,334
LIABILITIES							
Segment liabilities	-	-	1,158,580	1,197,381	15,866	121,674	2,493,501
Unallocated liabilities							13,041
Consolidated total liabilities							2,506,542

At 31 March 2017 (restated)

	Paul Y. Engineering Group *$'000*	Ports development *$'000*	Ports and logistics *$'000*	Property *$'000*	Securities *$'000*	Treasury *$'000*	Segment total and consolidated *$'000*
ASSETS							
Segment assets	554,369	358,916	3,374,608	3,100,606	54,301	324,353	7,767,153
Unallocated assets							14,403
Consolidated total assets							7,781,556
LIABILITIES							
Segment liabilities	-	-	1,157,660	1,131,743	1,447	669,611	2,960,461
Unallocated liabilities							12,489
Consolidated total liabilities							2,972,950

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 relevant segmental 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.

For the purpose of resources allocation and assessment of segment performance, deferred tax liabilities are allocated to segment liabilities but the related deferred tax credit/charge are not reported to the Managing Director of the Company as part of segment results.

3. *Segment information - continued*

Geographical information

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

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

	2018 **$'000**	2017 $'000
Hong Kong	**28,841**	7,135
The PRC other than Hong Kong	**589,426**	543,760
Others	**6,133**	3,082
	624,400	553,977

4. *Other income*

Other income includes:

	2018 **$'000**	2017 $'000
Bank and other interest income	**4,910**	7,191
Rental income from short term leasing of stock of properties	**2,942**	3,283

5. *Other gains and losses*

	2018 **$'000**	2017 $'000
Gain on changes in fair value of investments in debt instruments held for trading	**2,355**	–
(Loss) gain on changes in fair value of investments in equity instruments held for trading	**(8,350)**	5,724
Gain on change in fair value of other financial asset	**8,539**	–
Impairment loss recognised on a loan receivable	**(21,000)**	–
Impairment loss recognised on trade and other receivables	**(31,874)**	(3,163)
Reversal of bad debt written off	**–**	648
Net exchange gain (loss)	**30,197**	(28,139)
Loss on disposal of property, plant and equipment	**(328)**	(4,478)
Gain on disposal of investment properties	**597**	–
Gain on disposal of prepaid lease payments	**60**	–
	(19,804)	(29,408)

6. *Finance costs*

	2018 **$'000**	2017 $'000
Borrowing costs on:		
Bank borrowings	**67,756**	77,437
Amounts due to associates	**102**	1,474
Amounts due to non-controlling interests	**5,195**	1,001
Imputed interest expense on other payables	**990**	1,079
Other borrowings	**2,824**	2,475
	76,867	83,466
Less: Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**(8,730)**	(8,601)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(10,152)**	(8,375)
Amount capitalised in respect of investment properties under development	**(4,530)**	(3,202)
	53,455	63,288

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 (loss) before taxation*

	2018 **$'000**	2017 $'000
Profit (loss) before taxation has been arrived at after charging (crediting):		
Amortisation of other intangible assets:		
Amount provided for the year	**33,252**	1,526
Less: Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(47)**	(45)
	33,205	1,481
Cost of inventories recognised as an expense	**113,628**	137,436
Depreciation of property, plant and equipment:		
Amount provided for the year	**88,337**	55,224
Less: Amount capitalised in respect of properties under development for sale (included in stock of properties)	**(125)**	(146)
Amount capitalised in respect of construction in progress (included in property, plant and equipment)	**–**	(66)
Amount capitalised in respect of investment properties under development	**(48)**	(48)
	88,164	54,964
Release of prepaid lease payments	**5,606**	5,486
Dividend income from investments in equity instruments held for trading	**(320)**	(2,542)
Total interest income (included in revenue and other income)	**(39,884)**	(15,176)

8. *Taxation*

	2018 $'000	2017 $'000
Taxation charge (credit) comprises:		
Hong Kong Profits Tax:		
Current year	**109**	–
Taxation arising in the PRC excluding Hong Kong:		
Current year	**167,829**	13,899
Underprovision in prior years	**381**	171
	168,210	14,070
Deferred taxation		
Land Appreciation Tax ("LAT")	**33,298**	(5,384)
Others	**10,844**	(7,368)
	44,142	(12,752)
Taxation attributable to the Company and its subsidiaries	**212,461**	1,318

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.

The current year taxation arising in the PRC excluding Hong Kong includes an income tax charge of about $154,369,000 (2017: Nil), which represents the PRC income tax charged on the gain on disposal of an associate (See Note 17 for details). The capital gain derived from equity rights transfer by a non-resident enterprise, representing the difference between the transfer price and the cost of equity rights, is subject to a tax rate of 10%.

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

9. *Earnings (loss) per share*

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

	2018 **$'000**	2017 $'000
Profit (loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings (loss) per share	**477,390**	(34,143)

	2018 **Number of shares**	2017 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**5,414,865,837**	4,577,663,388
Effect of dilutive potential ordinary shares in respect of share options exercised	**164,659**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**5,415,030,496**	4,577,663,388

The computation of diluted earnings per share for the year ended 31 March 2018 does not assume the exercise of the Company's share options which the exercise price of those options is higher than the average market price of the Company's shares.

The computation of diluted loss per share for the year ended 31 March 2017 did not assumed the exercise of the Company’s share options which would result in decrease in loss per share.

10. *Distribution*

No dividend was recognised as distribution during both years.

The Board of the Company has resolved not to recommend for shareholders' approval the payment of any final dividend for the year ended 31 March 2018 (2017: Nil).

11. *Investment properties*

	Leasehold properties in the PRC *$'000*	Developed land *$'000* (note a)	Land under development *$'000* (note b)	Total *$'000*
FAIR VALUE				
At 31 March 2017	245,361	285,553	558,691	1,089,605
Exchange realignment	24,265	35,358	54,155	113,778
Transfer from property, plant and equipment, other intangible assets and prepaid lease payments	11,925	-	-	11,925
Additions	-	-	7,649	7,649
Disposal	(176)	-	-	(176)
Net increase (decrease) in fair value recognised in the consolidated income statement	(6,672)	153,191	(18,760)	127,759
At 31 March 2018	274,703	474,102	601,735	1,350,540

notes:

(a) In prior years, 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.

12. *Stock of properties*

	2018 ***$'000***	2017 *$'000*
Properties under development for sale (note a)	**1,179,235**	1,056,262
Completed properties held for sale (note b)	**448,021**	407,808
	1,627,256	1,464,070

notes:

(a) At 31 March 2018, properties under development for sale amounting to about $386,512,000 (2017: $340,802,000) are carried at net realisable value.

(b) At 31 March 2018, completed properties held for sale amounting to about $240,478,000 (2017: $218,603,000) are carried at net realisable value.

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.

Included in trade and other debtors, deposits and prepayments are trade debtors of about $100,146,000 (2017: $105,901,000). The Group does not hold any collateral over the balances (2017: Nil). The ageing analysis, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

	2018 **$'000**	2017 $'000
Within 90 days	**82,625**	73,428
More than 90 days and within 180 days	**17,271**	17,336
More than 180 days	**250**	15,137
	100,146	105,901

14. Investments in debt instruments held for trading

	2018 **$'000**	2017 $'000
Listed debt securities, at quoted price in		
Hong Kong	**88,020**	–
Overseas	**232,154**	–
	320,174	–

15. Other financial asset

	2018 **$'000**	2017 $'000
Unlisted convertible bond measured at fair value	**183,539**	–

As at 31 March 2018, the unlisted convertible bond issued by a Hong Kong listed company bears coupon interest rate at 10% per annum and is payable at maturity on 26 October 2018 or upon redemption by the issuer.

16. Trade and other creditors and accrued expenses

Included in trade and other creditors and accrued expenses are trade creditors of about $75,059,000 (2017: $65,421,000) and their ageing analysis presented based on the invoice date at the end of the reporting period is as follows:

	2018 **$'000**	2017 $'000
Within 90 days	**54,242**	49,873
More than 90 days and within 180 days	**4,512**	672
More than 180 days	**16,305**	14,876
	75,059	65,421

17. Disposal of an associate

On 14 September 2017, the Group completed the disposal of 45% equity interest in Nantong Port Group Limited ("Nantong Port Group"), which was a sino-foreign joint venture enterprise registered in the PRC and engaged in operation of ports, at a consideration of about RMB1,666,643,000 (equivalent to about $1,966,201,000). Nantong Port Group ceased to be an associate of the Group upon and after the disposal. The disposal has resulted in the recognition of a gain of about $847,628,000 (2017: Nil) and a taxation charge of about $154,369,000 (2017: Nil) (Note 8). Other reserves in relation to the associate amounting to about $30,345,000 are credited to the retained profits upon the disposal.

The consideration net of applicable PRC withholding tax of about $1,811,832,000 is fully received in cash during the period, after deduction of other direct costs up to 31 March 2018, net proceeds from the disposal were about $1,735,150,000.

FINAL DIVIDEND

The Board of PYI has resolved not to recommend payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of PYI will be closed during the period from Tuesday, 4 September 2018 to Friday, 7 September 2018, both dates inclusive, during which period no transfer of share(s) of PYI will be registered for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2018 Annual General Meeting (the "2018 AGM") to be held on Friday, 7 September 2018. In order to be eligible to attend and vote at the 2018 AGM, 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 Monday, 3 September 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31 March 2018, the Group recorded a consolidated revenue of about $624 million (2017: $554 million), representing an increase of about 13% from last year. The growth in consolidated revenue was mainly attributable to higher contribution from ports and logistics business segment. After taking into account of (a) the gross proceeds from securities trading and (b) the share of revenue of associates and joint ventures, the total revenue and gross proceeds were about $4,325 million (2017: $4,413 million), representing a decrease of 2% from last year which was mainly due to the disposal of Nantong Port Group during the year resulted in the decrease of its revenue shared by the Group.

The Group's gross profit increased by 14% from last year to about $196 million (2017: $172 million), which represented a gross margin of 31% (2017: 31%) of the consolidated revenue. Overall improvement in gross profit of the Group during the year was mainly attributable to the increase in interest income from securities and treasury segments as benefited from the enlarged portfolio of investments in debt instruments held for trading and loans receivable.

During the year, the Group disposed of 45% equity interest in Nantong Port Group at a consideration of about RMB1,667 million (equivalent to about $1,966 million) (2017: Nil). Nantong Port Group ceased to be an associate of the Group and a disposal gain of about $848 million (2017: Nil) with a tax charge of about $155 million (2017: Nil) was recognised.

The Group's distribution and selling expenses increased by 140% to about $120 million (2017: $50 million), mainly due to accelerated depreciation and amortisation in value of LPG fueling station assets (including LPG plant and machinery and related intangible assets) of about $69 million (2017: Nil), while an impairment write-down in value of LPG storage-tank farm of about $148 million (2017: Nil) was charged to income statement during the year, reflecting the current market conditions and the necessity to plan for the conversion of all of the existing LPG fueling stations of Minsheng Gas in Wuhan, Hubei Province, the PRC into CNG fueling stations in the near future to strengthen the profitability and sale performance of Minsheng Gas.

During the year, the Group recorded a profit before taxation of about $714 million (2017: loss before taxation of about $23 million), which was composed of:

(i) net gain of about $15 million (2017: $29 million) in Paul Y. Engineering Group mainly engaged in management contracting and property development management businesses;
(ii) net gain of about $710 million (2017: $121 million) in ports and logistics business;
(iii) net gain of about $95 million (2017: loss of about $10 million) in property business;
(iv) net gain of about $14 million (2017: $7 million) in securities business;
(v) net gain of about $1 million (2017: $13 million) in treasury business;
(vi) net corporate and other expenses of about $68 million (2017: $120 million), which included acquisition-related costs of about $23 million (2017: $21 million) and net exchange gain of about $30 million (2017: loss of about $28 million); and
(vii) finance costs of about $53 million (2017: $63 million).

Net profit for the year attributable to the owners of PYI was about $477 million (2017: net loss of $34 million) and basic earnings per share was 8.8 cents (2017: basic loss per share of 0.7 cent). The restoration of remarkable profitability from the net loss in last year was mainly attributable to net effect of (a) a net gain after tax on disposal of 45% equity interest in Nantong Port Group of about $693 million (2017: Nil); and (b) charging a one-off accelerated depreciation and amortisation and an impairment provision in value of LPG business assets of Minsheng Gas in total of about $209 million (2017: Nil) after crediting deferred tax credit of about $8 million (2017: Nil) during the year.

When compared with the Group's financial position as at 31 March 2017, total assets increased by 4% to about $8,119 million (2017: $7,782 million). As at 31 March 2018, net current assets amounted to about $2,660 million (2017: $792 million), whereas current ratio deriving from the ratio of current assets to current liabilities strengthened to 4.11 times (2017: 1.49 times). Such improvement in liquidity position was mainly attributable to the net proceeds received from disposal of Nantong Port Group during the year. After taking into account (a) the net profit of about $477 million; (b) the decrease in carrying amount of equity investments not held for trading of about $60 million recognised in investment revaluation reserve; (c) the Renminbi exchange surplus of about $144 million arising from translation of foreign operations net of reclassification adjustment upon disposal of an associate; (d) the net proceeds from placing of new shares of about $139 million; and (e) the proceeds from exercise of share options of about $3 million, equity attributable to owners of PYI increased by 18% to about $4,712 million (2017: $4,009 million), and number of shares in issue increased to about 5,520 million (2017: 4,587 million), representing $0.85 (2017: $0.87) per share as at 31 March 2018.

Net cash outflow from operating activities was about $787 million (2017: inflow of about $18 million), which was mainly to (a) the acquisition of debt instruments held for trading and other financial asset of about $493 million (2017: Nil) and (b) the advance of loans of about $332 million (2017: Nil) to borrowers in treasury business during the year. Net cash inflow from investing activities was about $1,507 million (2017: $141 million), which was mainly derived from the net proceeds from disposal of Nantong Port Group of about $1,735 million (2017: Nil). Net cash outflow from financing activities was about $669 million (2017: $253 million), resulting from net repayment of bank and other borrowings of about $714 million (2017: $212 million) during the year. Consequently, there was a net increase in available cash and cash equivalents of about $51 million (2017: net decrease of about $94 million) during the year.

REVIEW OF OPERATIONS AND BUSINESS DEVELOPMENT

Ports and Logistics

The ports and logistics business of PYI delivered stable performance during the year, which most of our ports recorded a satisfactory increase in both cargo throughput and container throughput. Nonetheless, PYI takes heed of the challenging economic landscape ahead through enhancement of operational efficiency measures.

Nantong Port Group (45% owned before the disposal on 14 September 2017)

Nantong Port Group contributed about $891 million (2017: $62 million) to the segment's profit for the year, which comprised the gain on disposal of the Group's 45% equity interest in Nantong Port Group of about $848 million (2017: Nil) and share of its result by the Group up to the date of disposal on 14 September 2017 of about $43 million (2017: $62 million). A tax charge of about $155 million (2017: Nil) in relation to the disposal was recognised to the consolidated income statement during the year.

In coping with Nantong Municipal Government's plan for the consolidation of port assets in the city, which would also serve as a good opportunity for the Group to realise a considerable gain and to generate cash inflow to diversify and explore other business prospects and investment opportunities, a conditional agreement for the disposal of the Group's 45% equity interest in Nantong Port Group Limited was entered into on 21 July 2017. The disposal was completed on 14 September 2017. Full consideration after tax in the sum of about $1,812 million in cash was received by 21 September 2017.

Yichang Port Group (51% owned)
Yichang Port Group contributed about $34 million (2017: $37 million) to the segment's operating profit for the year. Its total logistics services, though having a lower profit margin, captured the growing demand of multi-modal transportation and storage successfully boosted the cargo throughput and revenue during the year.

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, as well as container services in its 62.4%-owned Yunchi terminals, shipping agent, cargo agent, port logistics and port equipment rental services and commodities trading in Yichang Port.

Annual cargo throughput of Yichang Port Group for the year ended 31 March 2018 increased by 19% to about 10 million tonnes (2017: 8.4 million tonnes). Its annual container throughput decreased by 4% to about 160,000 TEUs (2017: 167,000 TEUs).

Jiangyin Sunan Container Terminal (40% owned)
Jiangyin Sunan contributed an operating profit of about $11 million (2017: $10 million) to the Group, which was benefited from the increased container throughput during the year. On the other hand, a one-off write-off of premium on land acquisition rights of about $18 million (2017: Nil) was shared by the Group, which resulted in a net loss by Jiangyin Sunan of about $7 million attributable to the segment's operating result.

Jiangyin Sunan is situated at New Harbour District of New Harbour City in Jiangyin City and occupies a land area of 0.49 sq km, shorelines of 589 m long at outer port and 1,090 m long at inner port with 11 berths. It is principally engaged in containers loading and discharging as well as the storage, maintenance, washing and leasing of containers.

Annual container throughput of Jiangyin Sunan in 2017 increased by 14% to about 541,000 TEUs (2016: 476,000 TEUs).

Jiaxing International Feeder Port (90% owned)
Jiaxing International Feeder Port contributed about $8 million (2017: $12 million) to the segment's operating profit for the year. Its operating result was affected by drop in foreign trade containers throughput having a higher profit margin.

Jiaxing International Feeder Port is situated at Nanhu District of Jiaxing City and occupies a shoreline of 570 m and a land mass of 326,000 sq m. The port has 10 berths which are principally engaged in loading, discharging and storage of containers. The port also features a range of integrated logistics supporting services such as examination, quarantine, storage and information services, etc.

Annual container throughput of Jiaxing International Feeder Port for the year ended 31 March 2018 increased by 13% to about 186,000 TEUs (2017: 164,000 TEUs).

LPG, CNG and Logistics (100% owned)
The LPG and CNG distribution and logistics businesses of Minsheng Gas achieved an operating profit of about $1 million (2017: breakeven segment result). However, accelerated depreciation and amortisation in value of LPG fueling station assets (including LPG plant and machinery and related intangible assets) in total of about $69 million (2017: Nil) were charged to distribution and selling expenses and an impairment write-down in value of its LPG storage-tank farm of about $148 million (2017: Nil) was made during the year. This resulted in a net loss by Minsheng Gas of about $216 million (2017: breakeven result) attributable to the segment's operating result.

Currently, Minsheng Gas owns and operates the largest LPG storage-tank farm and a river terminal in mid-stream Yangtze, and has eight LPG and five CNG automotive fueling stations in Wuhan City. Five LPG fueling stations had been transformed to CNG in prior years with a view to improve profit margin. The aforesaid charges and write-downs on LPG business related assets during the year reflected the current market conditions and the necessity to plan for the conversion of all of the remaining LPG fueling stations into CNG in the near future to strengthen the profitability and sale performance of Minsheng Gas. Minsheng Gas is also considering its options in exploring new market opportunities in line with the nation-wide promotion of liquefied natural gas.

Ports Development

Yangkou Port (9.9% owned)
The Group's 9.9% equity interest in Yangkou Port Co did not contribute dividend income to the segment's operating profit for the year (2017: Nil).

Yangkou Port is an offshore type deep-sea harbour along the South East Coast of Jiangsu Province, which declared soft open in October 2008. Strategically located near the mouth of the Yangtze River, Yangkou Port is ideally situated to become one of China's largest trans-shipment hubs for dry and liquid bulk cargoes.

PYI continues to enjoy the future growth of Yangkou Port through the 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 31 March 2018, the investment in Yangkou Port Co was stated at fair value of about $405 million (2017: $359 million).

Engineering Business

Paul Y. Engineering (48.2% owned)
Paul Y. Engineering contributed about $15 million (2017: $29 million) to the segment's operating profit for the year ended 31 March 2018. Its performance was being affected by the increase in legal and professional fees.

During the year, Paul Y. Engineering recorded a revenue of about $6,800 million (2017: $6,954 million) and secured new contracts of about $9,844 million (2017: $9,657 million) in aggregate value. As at 31 March 2018, the total value of contracts on hand of Paul Y. Engineering was about $31,538 million (2017: $27,227 million) and the value of work remaining was about $15,090 million (2017: $11,424 million). Paul Y. Engineering will continue to explore new development opportunities in overseas markets and to expand the local construction business by using cautious tendering strategies.

Headquartered in Hong Kong, Paul Y. Engineering is dedicated to providing full-fledged engineering and property services, with operations in Hong Kong, the Mainland, Macau, Singapore and Malaysia. For 70 years, Paul Y. Engineering has been at the heart of some of the most challenging and impactful construction projects that have shaped the iconic skylines of Hong Kong and many other cities. Its projects include commercial and residential buildings, institutional facilities, highways, railways, tunnels, port works, water and sewage treatment facilities etc.

Property

The property business recorded an operating profit of about $95 million (2017: operating loss of about $10 million) for the year. The operating profit was mainly attributable to the net gain on fair value changes of investment properties of about $128 million (2017: $2 million), before the relevant deferred tax charges of about $61 million (2017: credit of about $1 million). The operating result included provision for doubtful receivables of about $32 million (2017: Nil) and net development expenses for resort project at Xiao Yangkou of about $11 million (2017: $8 million).

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 31 March 2018, about 6.89 sq km (2017: 6.88 sq km) out of the 11.5 sq km land bank had reached the developing stage or the developed and serviced stage. The development status of the 11.5 sq km land bank was summarised as follows:

Area (sq km)	Stage of development	Classification
0.88	Developed land	Investment properties
2.00	Land under development	Investment properties
2.09	Developed land	Stock of properties
1.89	Land under development	Stock of properties
0.03	Developed land	Prepaid lease payment
4.61	Pending development	Project under development
11.50		

The investment properties of about 2.88 sq km are measured at fair value of about $1,076 million (2017: $844 million) and recorded a net gain on revaluation of about $134 million (2017: net loss of about $3 million) for the year.

As at 31 March 2018, certain stock of properties amounting to about $627 million (2017: $559 million) was stated at net realisable value.

As at 31 March 2018, 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 and were classified as investment properties. The investment properties recorded a loss on fair value change of about $10 million for the year (2017: Nil). The Group also holds a gross floor area of about 13,000 sq m of "Nantong International Trade Center" for sale. The building contributed rental income of about $5 million (2017: $7 million) to the Group 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 133,000 sq m (inclusive of commercial shops of about 5,000 sq m) through Yichang Port Group for rental and were classified as investment properties as at 31 March 2018. The investment properties recorded a gain on fair value changes of about $4 million (2017: $5 million) and contributed rental income of about $10 million (2017: $7 million) to the Group 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 a gross floor area of about 20,000 sq m. The building generated rental income of about $12 million (2017: $12 million) during the year and its occupancy reached about 90% as at 31 March 2018.

Securities
The securities business contributed about $14 million (2017: $7 million) to the Group's operating profit for the year. The operating profit of the current year was mainly attributable to interest income from investments in debt instruments held for trading acquired during the year, whereas the operating profit of preceding year was mainly attributable to fair value gain from investments in equity instruments held for trading.

As at 31 March 2018, the Group's portfolio in securities business mainly consisted of (a) the investment in debt instruments held for trading amounted to about $320 million (2017: Nil), equivalent to about 4% (2017: Nil) of the Group's total assets; (b) investment in equity instruments held for trading amounted to about $36 million (2017: $52 million), equivalent to about 0.4% (2017: 0.6%) of the Group's total assets; and (c) unlisted convertible securities amounted to about $184 million (2017: Nil), equivalent to about 2% (2017: Nil) of the Group's total assets.

The Group will continue to monitor its portfolio of investments in diversified securities products to achieve satisfactory return in the coming year.

Treasury
The treasury business contributed about $1 million (2017: $13 million) to the Group's operating profit for the year. The operating profit of the current year was mainly attributable to interest income from loans receivable of about $19 million (2017: $8 million), while a provision on a loan receivable of about $21 million (2017: Nil) was made during the year.

As at 31 March 2018, the Group's portfolio of (a) high-yield loans receivable amounted to about $373 million (2017: $62 million), equivalent to about 4.6% (2017: 0.8%) of the Group's total assets; and (b) interest-bearing borrowings to an associate of about $75 million (2017: $32 million), equivalent to about 0.9% (2017: 0.4%) of the Group's total assets.

The management has reviewed and repositioned the operations of this business segment with a view to enhance value to our shareholders, as well as exploring for business and investment opportunities to enhance the overall return in this area.

MATERIAL ACQUISITION AND DISPOSAL
On 14 September 2017, the Group disposed of 45% equity interest in Nantong Port Group at a consideration of about RMB1,667 million (equivalent to about $1,966 million) and it ceased to be an associate of the Group.

Apart from the above, the Group did not have other material acquisition and disposal of subsidiaries, associates and joint ventures 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
Trades and logistics have enjoyed moderate growth in this year. Current government policies assert particular emphasis on the more efficient utilisation of port assets in Yangtze River region by way of consolidation of ownership and operations. In line with such policies, PYI will continue to focus on capturing opportunities to further crystalise the value of our Yangtze Strategy. With a strengthened balance sheet following the disposal of Nantong Port Group and placement of new shares and while expanding our treasury investment and securities trading business and diversifying into provision of financial services, PYI is poised to explore new and alternative business and investment opportunities.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2018, the Group had total assets of $8,119 million (2017: $7,782 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 nine years. The Group mainly generated revenue and incurred costs in Hong Kong dollar and Renminbi. During the year, no financial instruments had been used for hedging purpose and no foreign currency net investments are hedged by currency borrowings or other hedging instruments. 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 2018, the Group's total borrowings amounted to about $1,247 million (2017: $1,866 million) with about $539 million (2017: $1,325 million) repayable on demand or within one year and about $708 million (2017: $541 million) repayable after one year, which comprised (a) bank and other borrowings; and (b) amounts due to non-controlling interests that were interest bearing. Borrowings denominated in Hong Kong dollar of about $130 million (2017: $702 million) bore interest at floating rate and about $1 million (2017: $1 million) bore interest at fixed rate. Borrowings denominated in Renminbi of about $562 million (2017: $597 million) bore interest at floating rate and about $538 million (2017: $566 million) bore interest at fixed rate. Borrowings denominated in United States Dollar of about $16 million (2017: Nil) bore interest at fixed rate. The Group's gearing ratio was 0.26 (2017: 0.47), which was calculated based on the total borrowings of about $1,247 million (2017: $1,866 million) and the Group's shareholders' funds of about $4,712 million (2017: $4,009 million).

During the year, a total of 915,470,000 new shares have been placed by a placing agent to not less than six independent placees at the price of $0.156 per share. The net proceeds of about $139 million had been fully used for working capital of the Group.

Cash, bank balances and deposits of the Group as at 31 March 2018 amounted to about $607 million (2017: $500 million), of which about $345 million (2017: $311 million) was denominated in Renminbi, about $259 million (2017: $186 million) was denominated in Hong Kong dollar and about $3 million (2017: $3 million) was denominated in other currencies. The balance of about $31 million (2017: $0.1 million) had been pledged to bank to secure general credit facilities granted to the Group. As at 31 March 2018, the Group had a net debt position (being bank borrowings net of cash, bank balances and deposits) of about $437 million (2017: $1,193 million), which was mainly attributed to the net repayment of bank loans during the year.

CONTINGENT LIABILITY

As at 31 March 2018, the Group had no contingent liability (2017: Nil).

PLEDGE OF ASSETS

As at 31 March 2018, certain property interests, property, plant and equipment, bank balances, debt instruments and securities account of the Group with an aggregate value of about $1,010 million (2017: $924 million), as well as the Company's investments in certain subsidiaries of about $279 million (2017: $445 million) were pledged to banks and financial institutions to secure general credit facilities granted to the Group.

COMMITMENTS

As at 31 March 2018, 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 properties interests in a total amount of about $48 million (2017: $11 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Group employed a total of 1,432 (2017: 1,486) full time employees. Remuneration packages consisted of salary as well as performance-based bonus. Further, the Company has implemented various 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 year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

In the Corporate Governance Report published in PYI's 2017 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") for the year ended 31 March 2017.

Throughout the year ended 31 March 2018, PYI continued to comply with the code provisions as set out in 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 not less 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 required standard set out in the Model Code throughout the year ended 31 March 2018.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31 March 2018 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 2018 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 send our gratitude to our shareholders, clients and partners for their continuous support and confidence to the Group, and express our appreciation to our executives and staff across the nation for their dedication and contribution during the past year.

PUBLICATION OF FINAL RESULTS AND ANNUAL 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 ("HKEx") at www.hkexnews.hk under "Listed Company Information". The 2018 Annual Report will be despatched to shareholders of PYI and posted on the aforesaid websites in July 2018.

ANNUAL GENERAL MEETING

The 2018 AGM is scheduled to be held on Friday, 7 September 2018. Notice of the 2018 AGM will be published on the websites of both HKEx and PYI and despatched to PYI's shareholders in due course.

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

Hong Kong, 22 June 2018

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 Sue Ka Lok	:	Executive Director
Ms Wu Yan Yee	:	Executive Director
Mr Chan Shu Kin	:	Independent Non-Executive Director
Ms Wong Lai Kin, Elsa	:	Independent Non-Executive Director
Mr Leung Chung Ki	:	Independent Non-Executive Director