



News Release

PYI Announces Strong FY2007 Annual Results Net Profit Reaches HK\$346 Million

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On Track with the Yangtze Strategy

FY '07 Final Results			
	31/3/2007		Change
● Turnover	HK\$4,782m		+35%
● NPAT	HK\$346m		+24%
● EPS	HK¢23.6		+16%
● NAV/S	HK\$1.86		-
● DPS (special)	HK¢22.2		-68%
● DPS (interim)	HK¢1.5		-
● DPS (final)	HK¢1.5		-
● ROE	12%		+9%
● Total Shareholder Return	38%		+ 3%

(22 July 2007, Hong Kong) – **PYI Corporation Limited** (“PYI” or the “Group”) (0498.HK), the bulk cargo port and infrastructure operation group, announced its annual results for the year ended 31 March 2007, with net profit of HK\$346 million on turnover HK\$4,782 million. The Board declared a final dividend of HK¢1.5/share.

Segmental contributions to the net profit by the business units are as follows:

- Ports and logistics : HK\$ 135 million
- LPG distribution : HK\$ 7 million
- Treasury investment : HK\$ 118 million
- Engineering : HK\$ 72 million
- Property : HK\$ 14 million

Commenting on this year’s achievement, **Dr. Joseph Chow, Chairman of PYI**, said, “We are pleased to report another profitable year and we have declared a HK¢1.5/share final dividend. Together with the special dividend of HK¢22.2/share and the interim dividend of HK¢1.5/share paid during the year, PYI completes another attractive capital return of HK\$370 million to our shareholders this year. It is particularly pleasing to conclude the year with a total shareholder return of 38%. We have finally completed our divestment and capital return programs and we are on track with our Yangtze Strategy.

On the Group’s operations, **Tom Lau, Managing Director of PYI**, commented, “Our new investments in Nantong Port Group and Minsheng LPG terminal have been completed at around the half year mark. These operations are performing well with strong growth trends going into the new year. Having secured the commitments from PetroChina for their LNG facilities and the closure of the syndicated financing for the infrastructural elements, development at Yangkou Port is on a fast track program now. Portion of the man-made island will be turned over to PetroChina before the end of 2007 and the Yellow Sea Crossing will be completed by the end of 2008. We are now focusing on land development at Yangkou Port as well as a significant increase of our critical mass on the Yangtze.”

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Dr. Chow concluded, "We are optimistic with the sustainable growth prospects of China, in particular the ports and logistics sector in the Yangtze River region. PYI is confident of maintaining a strategy that can ensure balanced and sustainable development of our business for delivering long-term benefits to shareholders."

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Notes to editors

Yangkou Port (75%-owned)

Construction is progressing well for the 13-km Yellow Sea Crossing and a 1.4-sq km man-made island – Sun Island with initial operation of the port scheduled for late 2008. In December 2006, PetroChina Company Limited ("PetroChina") entrusted PYI to manage, build and transfer a portion of the Sun Island for their development of a liquefied natural gas importation facility. Apart from landed with the multibillion dollar project, the Group also secured a 7-year project loan facility agreement for RMB960 million with a syndication of eight banks in July 2007 to fund the building of the above infrastructural elements. The Group is well on its way to extracting land development value in the near term and property development value in the long run from the 42-sq km land bank onshore.

Nantong Port Group (45%-owned)

Nantong Port is a major bulk cargo hub situated in the Yangtze Delta. Following the RMB435 million investment by PYI, Nantong Port Group recorded significant growth in the balance of 2006 and then first half of 2007. Cargo throughput will undergo double digit growth to over 50 million tons in 2007. Profitability enhancement is attributable to increase in revenue as well as effective cost reduction measures.

Minsheng Gas (100%-owned)

In September 2006, PYI completed the RMB470 acquisition of assets and business of Minsheng Gas, a mature liquefied petroleum gas terminal and distribution operator in Wuhan. The acquisition was financed as to RMB50 million by PYI internal funding, RMB300 million by a 7-year bank financing and RMB120 million by the issue of 3-year convertible bonds to the vendor (conversion price at HK\$4.25/share). The Minsheng LPG terminal is the largest of its kind in central China. Operations are going well with strong growth potential.

Paul Y. Engineering Group Limited (64%-owned)

Our separately listed engineering arm, Paul Y. Engineering performed well last year with net profit of HK\$113 million, a growth of 12% on revenue of HK\$4,359 million. Return on equity was at an impressive rate of over 25%. A final dividend of HK\$5.5/share was declared, making up a pay-out ratio of 47% for the year. Balance sheet was very strong with a net cash position of HK\$172 million. Order book stood at HK\$12,078 million with value of remaining contract amounting to over HK\$6,872 million. For more information, please refer to the official results announcement of Paul Y. Engineering at www.pyengineering.com.

Property Investment

PYI sold M. Bux Tower, an industrial building in Kwai Chung, Hong Kong at a cash consideration of HK\$98 million in December 2006. Together with the recent disposal of the 25% interest in Paul Y. Centre by Paul Y. Engineering, this disposal marked PYI's final exit from the Hong Kong property market so as to avail resources to focus on our Yangtze Strategy. PYI will only be involved with property when in association with its ports development.

About PYI Corporation Limited (0498.HK)

Based in Hong Kong, PYI Corporation Limited focuses on infrastructure investment in and the operation of bulk cargo port and logistics facilities in the Yangtze River region in China. It also engages in land and property development in association with port facilities. In addition, PYI provides comprehensive engineering and construction services through Paul Y. Engineering Group Limited (0577.HK).

About Paul Y. Engineering Group Limited (0577.HK)

Established in 1946, Paul Y. Engineering is an international engineering services group serving Hong Kong, China and the international market with its 60 years of expertise. It has three core areas of business: Management Contracting, Project Management and Facilities Management. With a vast pool of professional resources, Paul Y. Engineering has developed expertise in handling complex development and construction projects.