

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

ACQUISITION OF REMAINING 25% EQUITY INTEREST IN JIANGSU WANHUA CONNECTED TRANSACTION

On 28 November 2006, PYI entered into a share transfer agreement to acquire, at a consideration of US\$625,000, the remaining 25% equity interest in Jiangsu Wanhua, a 75% owned PYI subsidiary which undertakes property development and investment activities in Yangkou Port.

The consideration is established at par to the net asset value of Jiangsu Wanhua. The acquisition will streamline Jiangsu Wanhua's ownership structure in carrying out property development and investment activities in Yangkou Port.

By virtue of the seller being a connected person of PYI within the meaning of the Listing Rules, the acquisition constitutes a connected transaction for PYI but is exempt from the requirement of independent shareholders' approval.

ACQUISITION OF REMAINING EQUITY INTEREST IN JIANGSU WANHUA

The Directors announce that, on 28 November 2006, Glory Well Property, a wholly-owned subsidiary of PYI, entered into a share transfer agreement to acquire the remaining 25% equity interest in Jiangsu Wanhua at a consideration of US\$625,000.

Jiangsu Wanhua is a Sino-foreign joint venture enterprise established in the Jiangsu Province, PRC in November 2005 as a vehicle for the Yangkou Port project for undertaking property development and investment activities in Yangkou Port. The land being developed by Jiangsu Wanhua is part and parcel of the whole Yangkou Port project and subject of joint venture with the PRC partner as acquired by the PYI Group in 2004. Jiangsu Wanhua's shareholding structure has therefore followed exactly that of the other Yangkou Port subsidiaries of the PYI Group, and it was initially owned as to 60% by Glory Well Property and 40% by the Seller (a state-owned enterprise in the PRC). In March 2006, Glory Well Property entered into a share transfer agreement to acquire a further 15% equity interest from the Seller at a consideration of US\$375,000. In June 2006, the transfer was completed and Jiangsu Wanhua became 75% owned by Glory Well Property and 25% owned by the Seller. Jiangsu Wanhua currently has a registered capital of US\$8,800,000, out of which US\$4,450,000 has been injected as at 30 September 2006 with US\$625,000 by the Seller. Jiangsu Wanhua's core business is property development and investment in Yangkou Port.

The major asset of Jiangsu Wanhua is the piece of land being developed which is part and parcel of the whole Yangkou Port project. Jiangsu Wanhua has commenced business since its incorporation in November 2005 and has recorded a net loss in the amount of about RMB0.9 million for the six months ended 30 September 2006.

The consideration for the Acquisition is US\$625,000, which was determined at par to the net asset value of Jiangsu Wanhua as at 30 September 2006 and shall be paid in one lump sum to the Seller within one month after completion of all necessary registration procedures for the transfer.

Transfer of the equity interest will take effect upon the obtaining of the requisite governmental approval and completion of all necessary registration procedures, which are expected to be fulfilled by end of December 2006. There is no other condition precedent to completion of the Acquisition.

Upon completion of the Acquisition, Jiangsu Wanhua will become wholly owned by Glory Well Property and, indirectly, by PYI. All the directors of Jiangsu Wanhua will be appointed by the PYI Group.

REASONS FOR THE TRANSACTION

The Acquisition marks the PYI Group's further commitment towards its investments in the Yangkou Port development and is in line with the core business strategies of the PYI Group. It will also streamline the ownership structure of Jiangsu Wanhua in carrying out the property development and investment activities in Yangkou Port.

The Directors, including the independent non-executive Directors, consider that the terms of the Acquisition (including the consideration, which is determined with reference to the net asset value of approximately RMB35.4 million of Jiangsu Wanhua as at 30 September 2006 as valued by an independent firm of certified public accountants in the PRC) are fair and reasonable and in the interests of PYI and its shareholders as a whole.

CONNECTED TRANSACTION

The Seller is a substantial shareholder of PYI's project subsidiaries for the Yangkou Port development, including Jiangsu Wanhua, Jiangsu Yangkou Port Development and Investment Co., Ltd. (江蘇洋口港投資開發有限公司) and Jiangsu Yangtong Investment and Development Co., Ltd. (江蘇洋通開發投資有限公司). The Seller is therefore a connected person of PYI within the meaning of the Listing Rules.

The previous acquisition of a 15% equity interest in Jiangsu Wanhua by Glory Well Property from the Seller was a de minimis connected transaction for PYI and was exempt from any disclosure or shareholders' approval requirement under the Listing Rules pursuant to Rule 14A.31(2)(a).

The Acquisition, whether alone or aggregated with the previous acquisition, constitutes a connected transaction for PYI under Rule 14A.13(1)(a) of the Listing Rules. However, since the aggregate consideration to be paid by the PYI Group (taking also into account the outstanding liability of the Seller in respect of the unpaid registered capital of Jiangsu Wanhua in the amount of US\$1,575,000) is less than 2.5% of the applicable percentage ratios, the Acquisition is exempt from the requirement of independent shareholders' approval pursuant to Rule 14A.32 of the Listing Rules and subject only to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

GENERAL

The PYI Group is principally engaged in the business of development and investment in port and other infrastructure projects, land and property development and investment in association with port facilities, treasury investment and, through its subsidiary, Paul Y. Engineering Group Limited, construction and engineering, project management and facilities management.

The Seller is a state-owned enterprise in the PRC.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the remaining 25% equity interest in Jiangsu Wanhua;
“Board”	the board of Directors;
“Directors”	the directors of PYI;
“Glory Well Property”	Glory Well Property Investment Limited, a company incorporated in Hong Kong and wholly owned by PYI;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jiangsu Wanhua”	Jiangsu Wanhua Real Estate Development Co., Ltd. (江蘇萬華房地產開發有限公司), a Sino-foreign joint venture enterprise established in the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PYI”	PYI Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“PYI Group”	PYI and its subsidiaries;
“Seller”	如東縣東泰社會發展投資有限責任公司, a state-owned enterprise in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“RMB”	Renminbi, the lawful currency of the PRC; and
“US\$”	United States Dollars, the lawful currency of the United States of America.

By Order of the Board
PYI Corporation Limited
Wong Lai Kin, Elsa
Company Secretary

Hong Kong, 30 November 2006

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

Dr. Chow Ming Kuen, Joseph <i>OBE, JP</i>	: <i>Chairman</i> (<i>Independent Non-Executive Director</i>)
Mr. Lau Ko Yuen, Tom	: <i>Deputy Chairman and</i> <i>Managing Director</i>
Dr. Chan Kwok Keung, Charles	: <i>Non-Executive Director</i>
Mr. Kwok Shiu Keung, Ernest	: <i>Independent Non-Executive Director</i>
Mr. Chan Shu Kin	: <i>Independent Non-Executive Director</i>
Mr. Leung Po Wing, Bowen Joseph <i>GBS, JP</i>	: <i>Independent Non-Executive Director</i>

Please also refer to the published version of this announcement in The Standard.