



# News Release

## **PYI Seeks Mandate from Shareholders to Increase its Stake in Nantong Port Group**

(4 November 2007, Hong Kong) **PYI Corporation Limited (0498.HK)**, the bulk cargo port and infrastructure group announces that it will seek a mandate from its shareholders to participate in the public tendering process for a 12.32% equity interest held by SDIC Communications Co. in Nantong Port Group Limited, currently a 45% associate company of PYI at a maximum price of RMB 1 billion. If the acquisition is materialized, PYI's stake in Nantong Port Group will be increased to over 50%, thus making Nantong Port Group a subsidiary of PYI.

Currently, the equity interest of Nantong Port Group is owned as to 45% by PYI, as to 42.68% by Nantong State-owned Assets Investment Holdings Limited and as to 12.32% by SDIC Communications (a wholly-owned subsidiary of State Development & Investment Corp.). SDIC Communications has notified PYI of its intention to dispose of its entire equity interest in Nantong Port Group. PYI as a shareholder can participate in the public tendering process or exercise its pre-emption right to match the price of the highest bidder in order to acquire the relevant interest whether in whole or in part (if the other shareholder also exercise such pre-emption right). The acquisition, if materialised, will constitute a major transaction of PYI and requires shareholders' approval.

For the financial year ended 31 December 2006, the profit after tax of Nantong Port Group is RMB 52.4 million with shareholders' fund of RMB 1,041 million.

Commenting on the intended acquisition, **Mr. Tom Lau, Managing Director of PYI**, said, "The current opportunity is in many ways unique to PYI. We started our current 45% investment in Nantong Port Group in August 2005 and we are satisfied with its performance in the past two years. Given the nature of the public tendering process of state-owned assets in the PRC, it is necessary for us to seek a mandate from our shareholders in advance in order to participate in such process in a timely manner. The acquisition, if successful, will make Nantong Port Group a PYI subsidiary with its balance sheet and results consolidated into the Group's. We are confident that the profitability of PYI will be further enhanced as a result of an increase of our stake in Nantong Port Group."

For more particulars of the intended acquisition, please click [here](#) to view the official announcement.

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### **Notes to editors:**

#### **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 property-related services through Paul Y. Engineering Group Limited (0577.HK).

#### **About Nantong Port Group Limited**

Nantong Port Group is principally engaged in providing cargo loading and discharging, stevedoring, stockpiling, storage, shipping agent, cargo agent, ship anchoring, ship repairing, port machinery, shipping logistics and ship piloting services in the Nantong Port, which is located in Nantong, Jiangsu Province. It is the core port enterprise at Nantong Port, accounting for nearly 50% of its total throughput. Nantong

Port Group owns and operates 6 terminals with 26 main berths for dry bulk cargo as well as containers. It is a key hub port for international and domestic cargo transshipment in the Yangtze River region.

**About SDIC Communications Co.**

SDIC Communications is a wholly-owned subsidiary of State Development & Investment Corp., a state-owned investment holding company. The major operating business of SDIC Communications includes investment, management and construction of ports, toll roads, bridges and other investments in transportation related projects.

**Photo of Nantong Port**

