



PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 498)

RESULTS OF ELECTION SPECIAL DIVIDEND BY WAY OF DISTRIBUTION OF THE VALUE IN GDI SHARES

- 311,232,201 PYI Shares (21%) opted for Hanny Shares plus cash
- 1,153,100,543 PYI Shares (79%) opted for Hanny Bonds
- Special Dividend will be satisfied in the following forms:
 - 4,979,616 Hanny Shares plus HK\$8,963,308.8 in cash
 - Hanny Bonds in face value of HK\$276,737,520
- HK\$36.8 million undistributed Hanny Bonds will be retained by PYI
- Pay date: before end June 2006

Reference is made to the announcement and the circular (the “Circular”) issued by PYI Corporation Limited (“PYI”) dated 8 May 2006 and 29 May 2006 respectively regarding the payment of a special dividend (the “Special Dividend”) by way of distribution of the value derived from shares of Group Dragon Investments Limited (“GDI”) as held by PYI upon completion of the group reorganisation of China Strategic Holdings Limited. Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

RESULTS OF ELECTION

The board of directors of PYI announces that as at 4:00 p.m. on 12 June 2006 (the “Closing Date”), being the latest time and date for return of the election form, election for Hanny Shares plus cash in respect of 311,232,201 PYI Shares, representing approximately 21.25% of PYI Shareholders entitled to the Special Dividend as at the Closing Date, had been received. In other words, approximately 78.75% PYI Shareholders, in respect of 1,153,100,543 PYI Shares entitled to the Special Dividend as at the Closing Date, have elected to and will receive the Special Dividend by way of Hanny Bonds.

Based on the abovementioned election of PYI Shareholders, PYI has accepted the GDI Offer (which closed on 16 June 2006) in respect of its entire shareholding in GDI and has elected to receive Option 1 consideration of the GDI Offer in respect of 24,898,080 GDI Shares and Option 2 consideration in respect of 104,511,817 GDI Shares. PYI will pay the Special Dividend equivalent to the value derived from 117,143,920 GDI Shares in the following forms:

1. An aggregate of 4,979,616 Hanny Shares plus a total of HK\$8,963,308.8 in cash; and
2. Hanny Bonds in an aggregate face value of HK\$276,737,520.

After satisfaction of payment of the Special Dividend to PYI Shareholders in full, PYI will still hold approximately HK\$36.8 million in face value of undistributed Hanny Bonds which will be retained for PYI’s own benefit.

Certificates in respect of the Hanny Shares or the Hanny Bonds and cheques in respect of the cash element of the Special Dividend are expected to be sent to PYI Shareholders by post at their risk before end June 2006.

GENERAL

As at the date of this announcement, the following are the directors of PYI:

Dr. Chow Ming Kuen, Joseph OBE, JP	: Chairman (Independent Non-Executive Director)
Mr. Lau Ko Yuen, Tom	: Deputy Chairman and Managing Director
Dr. Chan Kwok Keung, Charles	: Non-Executive Director
Mr. Kwok Shiu Keung, Ernest	: Independent Non-Executive Director
Mr. Chan Shu Kin	: Independent Non-Executive Director

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

Hong Kong, 16 June 2006

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