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PYI Corporation Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 498)

DISCLOSEABLE TRANSACTIONS
DISPOSAL OF AN AGGREGATE OF 15% INTEREST IN
JIANGSU YANGKOU PORT DEVELOPMENT AND INVESTMENT CO., LTD.

AND

RESUMPTION OF TRADING

The Board announces that on 30 November 2009, Glory Well, a wholly-owned subsidiary of PYI, entered into the Agreement for the disposal of an aggregate of 15% interest in Yangkou Port Co as to (1) 10% to Nantong SOA at a consideration of RMB200 million (HK\$227 million); and (2) 5% to Ritai at a consideration of RMB100 million (HK\$114 million).

Completion of the Disposals shall take place within 30 days from the date of the Agreement subject to obtaining of the requisite governmental approval. After completion, Glory Well's equity interest in Yangkou Port Co will decrease from 75% to 60% and Yangkou Port Co will remain a subsidiary of PYI.

The Disposals individually and collectively constitute discloseable transactions for the Company pursuant to Rule 14.06(2) of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 1 December 2009.

THE AGREEMENT

On 30 November 2009, Glory Well entered into the Agreement for the disposal of an aggregate of 15% interest in Yangkou Port Co, as to 10% to Nantong SOA at a consideration of RMB200 million in cash (equivalent to approximately HK\$227 million) and as to 5% to Ritai at a consideration of RMB100 million in cash (equivalent to approximately HK\$114 million). Dongtai joined in the Agreement to confirm waiver of its pre-emption right to acquire such 15% interest.

Nantong SOA is a company incorporated in the PRC with limited liability and wholly owned by State-owned Assets Supervision and Administration Commission of Nantong Municipal Government carrying on investment and asset management activities while Ritai is a company incorporated in the PRC with limited liability principally engaged in investment and asset management for infrastructure.

To the best of the knowledge, information and belief of the Directors and after making all reasonable enquiries, Nantong SOA, Ritai and their respective ultimate beneficial owners are third parties independent of PYI and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

Consideration

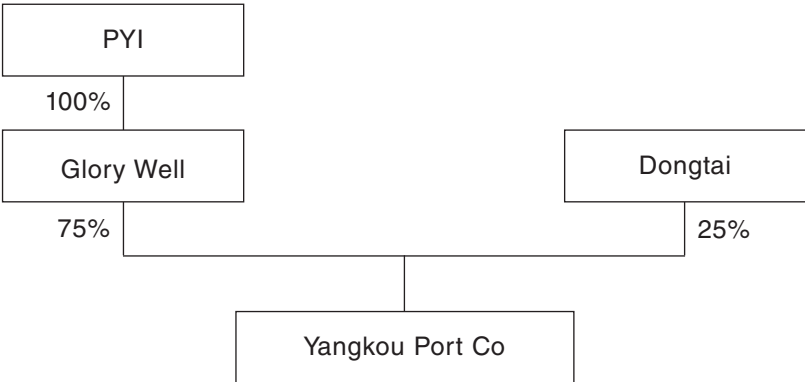
The consideration of RMB300 million (equivalent to approximately HK\$341 million) for the Disposals was arrived at after arm's length negotiations between Glory Well and the purchasers with reference to the unaudited net carrying value of Yangkou Port Co of approximately RMB2 billion (equivalent to approximately HK\$2.2 billion) as at 31 March 2009 in accordance with HKGAAP and an independent valuation of the net assets of Yangkou Port Co at a sum of approximately RMB2.1 billion (equivalent to approximately HK\$2.4 billion) as at 31 October 2008.

Completion

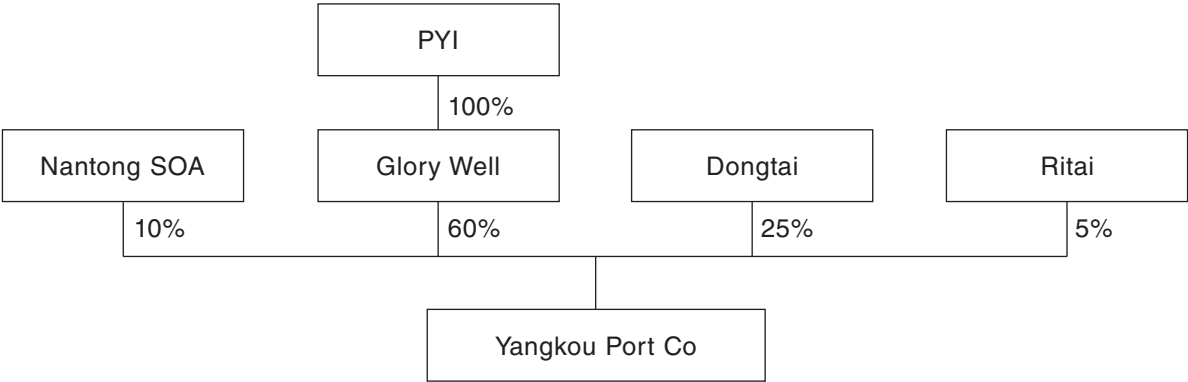
Completion of the Disposals shall take place within 30 days from the date of the Agreement subject to obtaining of the requisite governmental approval. The consideration of RMB200 million (equivalent to approximately HK\$227 million) shall be payable by Nantong SOA and the consideration of RMB100 million (equivalent to approximately HK\$114 million) shall be payable by Ritai upon the completion.

Shareholding in Yangkou Port Co

Set out below is the shareholding structure of Yangkou Port Co immediately before completion of the Disposals:



Set out below is the shareholding structure of Yangkou Port Co immediately after completion of the Disposals:



INFORMATION ON YANGKOU PORT CO

Yangkou Port Co is a sino-foreign joint venture company established in the PRC and a 75% owned subsidiary of the Company. Yangkou Port Co was established to build and operate a bulk cargo handling sea port and related land and other facilities at Yangkou Port. For the year ended 31 March 2008, the unaudited profits before and after tax of Yangkou Port Co in accordance with HKGAAP were approximately HK\$757 million and HK\$458 million respectively. For the year ended 31 March 2009, the unaudited profits before and after tax of Yangkou Port Co in accordance with HKGAAP were approximately HK\$390 million and HK\$218 million respectively.

REASONS FOR THE DISPOSALS

Since 2003, Yangkou Port Co has overcome various risks in its initial development, including scientific research, design, construction, financing, policy, and all types of business viability risks. It has also successfully completed major infrastructures for port development including man-made island, Yellow Sea Crossing, berth with capacity of 10,000 tonnes and 10 square kilometer of coastal industrial zone, and has achieved Yangkou Port's soft opening.

In June 2009, the State Council of the PRC has approved the "Jiangsu Coastal Region Development Plan" (江蘇沿海地區發展規劃), which raised the strategy on development of Jiangsu Coastal Region into national level, that further enhanced the development level and importance of Yangkou Port. In support of the strategy on development of Yangkou Port, Jiangsu Provincial Government has issued the "Circular addressing Issues in Supporting Faster Development of Yangkou Port" (關於支持洋口港加快發展有關問題的函) and Nantong Municipal Government has also indicated that it would actively promote the development of Yangkou Port to become a new way for economic development of Nantong area. In view of the current development trend, the Board believes it is suitable timing for introducing new shareholders, broadening the shareholders base of Yangkou Port Co and optimize background of shareholders to facilitate its future development. Also, the Board considers the Disposals a good opportunity for PYI Group to crystalize its investment value in Yangkou Port Co while maintaining its controlling interest in the company.

The net proceeds from the Disposals will be used as general working capital and for strategic investment. The Directors consider the terms of the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Upon completion of the Disposals, the Company's equity interest in Yangkou Port Co will decrease from 75% to 60% and the board representation of Glory Well will be reduced from 7 to 6 out of 10 members, and Yangkou Port Co will remain a subsidiary of the Company.

FINANCIAL EFFECT OF THE DISPOSALS

Since the Disposals are at net carrying value of Yangkou Port Co as at 31 March 2009, they have no material effect on profit or loss before taxation. It should be noted that the actual gain or loss on disposal to be recorded by PYI will depend on the net carrying value of Yangkou Port Co as at the date of completion.

INFORMATION ON PYI GROUP

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, comprehensive engineering and property-related services.

GENERAL

The Disposals individually and collectively constitute discloseable transactions for the Company pursuant to Rule 14.06(2) of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 1 December 2009.

DEFINITIONS

In this announcement, the following terms have the meanings set out below:

“Agreement”	the conditional agreement dated 30 November 2009 relating to the Disposals with Glory Well as vendor and Nantong SOA and Ritai as purchasers
“Board”	the board of Directors
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of PYI
“Disposals”	Nantong SOA Disposal and Ritai Disposal
“Dongtai”	如東縣東泰社會發展投資有限責任公司, the 25% substantial shareholder of Yangkou Port Co and a PRC state owned enterprise
“Glory Well”	Glory Well Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKGAAP”	accounting principles generally accepted in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Nantong SOA”	南通國有資產投資控股有限公司(Nantong State-owned Assets Investment Holdings Limited), a company incorporated in the PRC with limited liability and wholly owned by State-owned Assets Supervision and Administration Commission of Nantong Municipal Government
“Nantong SOA Disposal”	the disposal of 10% interest in Yangkou Port Co by Glory Well to Nantong SOA under the Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PYI” or “the Company”	PYI Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“PYI Group”	PYI and its subsidiaries
“Ritai”	如東縣日泰基礎設施建設投資有限公司, a company incorporated in the PRC with limited liability
“Ritai Disposal”	the disposal of 5% interest in Yangkou Port Co by Glory Well to Ritai under the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder(s) of Shares
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of PYI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yangkou Port”	the port developed and operated by Yangkou Port Co at Nantong, Jiangsu Province, the PRC
“Yangkou Port Co”	Jiangsu YangKou Port Development and Investment Co., Ltd. (江蘇洋口港投資開發有限公司), a sino foreign joint venture company established in the PRC

“%”

per cent

By Order of the Board
PYI Corporation Limited
Lau Ko Yuen, Tom
Deputy Chairman and Managing Director

Hong Kong, 30 November 2009

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 (Independent Non-Executive Director)</i>
Mr. Lau Ko Yuen, Tom	:	<i>Deputy Chairman and 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>
Mr. Li Chang An	:	<i>Independent Non-Executive Director</i>

Notes:

In this announcement, the exchange rate of HK\$1 to RMB0.88 has been used for reference only.

If there is any inconsistency between the chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese version shall prevail.