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Unless the context otherwise requires or specifically defined herein, terms used in this announcement shall have the same meaning as defined in the circular of PYI Corporation Limited dated 1 August 2008 (the “Circular”).



PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

**LISTING OF WARRANTS ON THE MAIN BOARD
OF THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF WARRANTS ISSUE AS FINAL DIVIDEND
FOR THE YEAR ENDED 31 MARCH 2008
AND
ADJUSTMENTS TO THE CONVERSION
PRICE OF THE CONVERTIBLE NOTES AND THE EXERCISE
PRICE AND NUMBER OF THE SHARE OPTIONS**

Number of Warrants : 251,398,919

Subscription Price : HK\$1.00, subject to anti-dilutive adjustments

Stock Code of the Warrants : 00849

Reference is made to the announcement of the Company dated 23 July 2008 and the Circular. Terms defined in the Circular shall have the same meanings when used in this announcement unless defined otherwise.

Reference is also made to the ordinary resolution passed at the annual general meeting of the Company on 5 September 2008 whereby PYI Shareholders approved the Warrants Issue in relation to the final dividend for the year ended 31 March 2008 by the Company entitling the holders thereof to subscribe for new PYI Shares at an initial subscription price of HK\$1.00 per PYI Share (subject to anti-dilutive adjustments).

According to the determination by independent valuer engaged by the Company, the fair value of one Warrant as at 5 September 2008 is approximately HK\$0.051. Therefore, each PYI Shareholder is entitled to a final dividend of approximately HK\$0.0085 per PYI Share which will be applied out of the retained profits of the Company.

Application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Warrants to be issued as mentioned in the Circular including such number of PYI Shares which may be issued upon exercise of the subscription rights attached to the Warrants. Dealings in the Warrants on the Main Board of the Stock Exchange are expected to commence on Monday, 29 September 2008. Subject to the granting of the approval for the listing of, and permission to deal in, the Warrants on the Main Board of the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

The Warrants Issue comprises 251,398,919 Warrants to be issued to PYI Shareholders whose names appear on the register of members of the Company on 18 September 2008 on the basis of one Warrant for every six PYI Shares held.

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one PYI Share at an initial subscription price of HK\$1.00, subject to anti-dilutive adjustments, at any time during the period commencing on 26 September 2008 and ending on 25 September 2009 (or if that day is not a business day, the business day immediately preceding that day) (both days inclusive) (the "Subscription Period").

The Subscription Rights attaching to the Warrants ("Subscription Rights") may be exercised during the Subscription Period. Any Subscription Rights which have not been exercised during the Subscription Period will lapse and the relevant Warrant certificates will cease to be valid for any purpose.

Each Warrant certificate will contain a subscription form. In order to exercise the Subscription Rights, a holder of Warrants must complete and sign the subscription form (which shall, once signed and completed, be irrevocable) and deliver the Warrant certificate (and, if the subscription form used is not the form endorsed on the Warrant certificate, the separate subscription form) to Tricor Secretaries Limited in Hong Kong or such other person, firm or company situated in Hong Kong as may be approved from time to time by the Directors to act as the branch registrar in relation to the Warrants and transfer of the Warrants together with a remittance of the relevant subscription monies for the new PYI Shares in respect of which the Subscription Rights are being exercised.

No fraction of a new PYI Share will be allotted but any balance representing fractions of the subscription monies paid on the exercise of the Subscription Rights will be paid by the Company to the relevant holder of Warrants, provided always that if the Subscription Rights comprised in one or more Warrant certificates are exercised on the same date by the same holder of Warrants then, for the purpose of determining whether any (and if so what) fraction of a PYI Share arises, the Subscription Rights represented by such Warrant certificates will be aggregated.

Certificates for the Warrants (together with the subscription forms) are expected to be dispatched on or before 26 September 2008 at the risk of the PYI Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants on the Main Board of the Stock Exchange are expected to commence on Monday, 29 September 2008. The Warrants will be traded in board lots of 5,000 Warrants. The stock code of the Warrants is 00849.

In accordance with the terms of the 3-year convertible note of a principal amount of RMB120 million issued by the Company (the "Convertible Note") (details of which are set out in the circular of the Company dated 2 June 2006), the conversion price of the Convertible Note shall be adjusted from HK\$4.25 per PYI Share to HK\$4.135 per PYI Share as a result of the Warrants Issue. Also, in accordance with the Share Option Scheme, the range of the exercise price of the share options shall be adjusted from HK\$1.24 and HK\$4.50 to HK\$1.0628 and HK\$3.8571 and the total number of outstanding share options under the Share Option Scheme shall be adjusted from 148,554,000 to 173,313,000 as a result of the Warrants Issue. Save for the above adjustments, all other terms and conditions of the Convertible Note and Share Option Scheme remain unchanged. The above adjustments were made having regard to the terms and conditions of the Convertible Note and Share Option Scheme and have been reviewed and confirmed by Access Capital Limited, who was appointed for the purpose of providing an opinion on the adjusted price and adjustments to the Convertible Note and the outstanding share options of the Company under the Share Option Scheme respectively.

A copy of the Circular is available for inspection during normal business hours at the principal place of business of the Company at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong for a period of 14 days from the date of this announcement.

By order of the Board
Mui Ching Hung, Joanna
Company Secretary

Hong Kong, 24 September 2008

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

Dr Chow Ming Kuen, Joseph <small>OBE, JP</small>	:	<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 <small>GBS, JP</small>	:	<i>Independent Non-Executive Director</i>
Mr Li Chang An	:	<i>Independent Non-Executive Director</i>

* *for identification only*