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## **PYI Corporation Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

### **EXTENSION OF THE DATE FOR COMPLETION OF CONDITIONS PRECEDENT UNDER THE AGREEMENT FOR INVESTMENT FOR 51% INTEREST IN YICHANG PORT GROUP LIMITED**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that on 2 December 2008, PYI, Yichang State-owned Assets Commission, Yiling and Yichang Port Group entered into the Extension Agreement to extend the date of completion of all conditions precedent under the Agreement from 2 December 2008 to 18 February 2009.

Reference is made to the announcement of PYI Corporation Limited (“PYI”) dated 3 September 2008 and the circular of PYI dated 23 September 2008 (“Circular”) in relation to, among others, the Investment. Capitalized terms used herein shall have the same meaning as defined in the Circular.

#### **BACKGROUND**

As stated in the Circular, the Agreement is a master agreement and conditional. After signing of the Agreement, Yichang State-owned Assets Commission, Yiling and the Subscriber will enter into a capital injection agreement in relation to the injection of the New Capital upon satisfaction of various conditions precedent contained in the Agreement. It is also stated that the parties shall facilitate completion of the conditions precedent within 3 months from the date of the Agreement (or such extended time as the parties may agree) and agree to enter into the relevant capital injection agreement to formalise PYI Group’s capital injection and to enter into the joint venture agreement and articles of association of Yichang Port Group in order to apply for relevant PRC government approval for the conversion of Yichang Port Group into a Sino-foreign joint venture as soon as practicable after the signing of the Agreement.

## **EXTENSION OF COMPLETION OF CONDITIONS PRECEDENT**

As at the date of this announcement, the conditions precedent under the Agreement set out below have not been fulfilled by the parties thereto:

1. all relevant documentation in respect of completion of the transfer of the equity interest in Yichang Port Group held by Fuling Port Authority to Yiling having been obtained and filing completed;
2. completion of the asset reorganisation of Yichang Port Group;
3. completion of the audit of the construction works in progress of Yichang Port Group;
4. the parties being satisfied with the valuation of the assets of Yichang Port Group;
5. no material issues being revealed by the financial and legal due diligence of Yichang Port Group;
6. Yichang Port Group having obtained legal opinion on the establishment of Yichang Port Group, its assets and liabilities and other material aspects as well as the legality of the asset reorganisation mentioned above having been obtained; and
7. written confirmation having been obtained from the financing banks of Yichang Port Group of the continuation of the existing banking facilities after the conversion of the company into a Sino-foreign joint venture.

Having made enquiries on the status of each of the abovementioned conditions precedent, PYI, Yichang State-owned Assets Commission, Yiling and Yichang Port Group being the parties to the Agreement are of the view that additional time is required for the completion of such conditions precedent. Therefore, the parties have mutually agreed and entered into an extension agreement (the "Extension Agreement") on 2 December 2008 to extend the completion date of the conditions precedent from 2 December 2008 to 18 February 2009 (or such other date as may further be agreed by the parties). Save as disclosed herein, all other terms and conditions of the Agreement remain unchanged.

## **GENERAL**

The Board considers that the Extension Agreement has been concluded after arm's length negotiations between the parties to the Agreement on normal commercial terms and is fair and reasonable so far as PYI and its Shareholders as a whole are concerned. As a result of the extension, it is expected that the time for entering into the capital injection agreement, the joint venture agreement and articles of association of Yichang Port Group will also be extended by the same period accordingly. The Board also expects that the certificate of approval for foreign-invested enterprises and new

business licence of Yichang Port Group will not be issued until around March and April 2009 respectively and that the payment of the total consideration for the Investment will be postponed accordingly.

This announcement is made pursuant to Rule 13.09 of the Listing Rules. Action will be taken by PYI to comply with the disclosure requirements under the Listing Rules in respect of the Investment.

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

Hong Kong, 2 December 2008

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>