
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this supplemental circular or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **PYI Corporation Limited** (the “Company”), you should at once hand this supplemental circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



PYI Corporation Limited

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

SUPPLEMENTAL CIRCULAR
TO
THE CIRCULAR TO SHAREHOLDERS DATED 31 JULY 2006
IN RESPECT OF MATTERS RELATING TO, INTER ALIA,
RE-ELECTION OF RETIRING DIRECTORS
AT THE 2006 ANNUAL GENERAL MEETING

This supplemental circular should be read together with the circular to shareholders dated 31 July 2006 (the “Circular”). The notice of annual general meeting of the Company to be held at JW Marriott Ballroom on Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 8 September 2006 at 10:30 a.m. is set out on page 13 to 16 of the Circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed new form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company in Hong Kong at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the new proxy form shall not preclude you from attending and voting in person at the Company’s 2006 annual general meeting or at any adjourned meeting should you so wish.

25 August 2006



PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 498)

Chow Ming Kuen, Joseph *OBE, JP*
(Chairman and Independent Non-Executive Director)

Lau Ko Yuen, Tom
(Deputy Chairman and Managing Director)

Chan Kwok Keung, Charles
(Non-Executive Director)

Kwok Shiu Keung, Ernest
(Independent Non-Executive Director)

Chan Shu Kin
(Independent Non-Executive Director)

Leung Po Wing, Bowen Joseph *GBS, JP*
(Independent Non-Executive Director)

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
31st Floor, Paul Y. Centre
51 Hung To Road
Kwun Tong
Kowloon
Hong Kong

25 August 2006

To the Shareholders

Dear Sir or Madam,

RE-ELECTION OF RETIRING DIRECTORS

INTRODUCTION

This supplemental circular should be read together with the circular of Company dated 31 July 2006 (the "Circular") which carries information on, inter alia, the re-election of retiring Directors at the 2006 AGM.

In this supplemental circular, terms used shall have the same meanings as ascribed thereto in the Circular, unless the context requires otherwise.

On 1 August 2006, the Company announced the appointment of Mr Leung Po Wing, Bowen Joseph as an independent non-executive Director and that Mr Leung will be subject to retirement under bye-law 86(2) of the Bye-laws. The purpose of this supplemental circular is to provide you with further information relating to the re-election of Directors, including Mr Leung Po Wing, Bowen Joseph, at the 2006 AGM.

RE-ELECTION OF RETIRING DIRECTORS

As explained in the Circular, the terms of office of two Directors, Dr Chan Kwok Keung, Charles and Mr Kwok Shiu Keung, Ernest, will expire at the conclusion of the 2006 AGM but both of them are eligible for re-election. The Nomination Committee has nominated and the Board has recommended both Dr Chan and Mr Kwok to stand for re-election at the 2006 AGM. The biographical details of Dr Chan and Mr Kwok were included in the Circular.

Mr Leung Po Wing, Bowen Joseph, being Director appointed by the Board on 1 August 2006, will retire under bye-law 86(2) of the Bye-laws and, being eligible, will offer himself for re-election. The biographical and other details of Mr Leung are set out below for Shareholders' consideration:

Mr Leung Po Wing, Bowen Joseph, aged 56, is an independent non-executive Director and a member of the Company's Audit Committee and Remuneration Committee. Mr Leung previously served the Hong Kong Government for over 32 years until his retirement as the Director of the Office of the Government of the Hong Kong Special Administration Region in Beijing ("Beijing Office") in November 2005. He joined the Administrative Service in June 1973 and rose to the rank of Administrative Officer Staff Grade A1 in June 1996. During his service in the Administrative Service, Mr Leung had served in various policy bureaux and departments. Senior positions held by Mr Leung included: Deputy Secretary

for District Administration (later retitled as Deputy Secretary for Home Affairs) (April 1987 – September 1990); Deputy Secretary for Planning, Environment and Lands (September 1990 – December 1992); Private Secretary, Government House (December 1992 – March 1995); and Secretary for Planning, Environment and Lands (May 1995 – November 1998). He was appointed the Director of the Beijing Office in November 1998.

Mr Leung has extensive experience in corporate leadership and public administration. During his tenure as the Director of the Beijing Office, he had made commendable efforts in promoting Hong Kong on the Mainland, as well as fostering better understanding, establishing closer links and facilitating exchanges in various spheres between Hong Kong and the Mainland.

Mr Leung did not hold any directorships in any listed public companies in the last three years, and he does not hold any positions with PYI or any member of the Group other than acting as an independent non-executive director to two PRC project subsidiaries of PYI.

Mr Leung did not have any interest in the Shares or underlying Shares which are discloseable under Part XV of the SFO, nor did he have any relationship with any Directors or senior management or substantial shareholder or controlling shareholder of PYI. He has not entered into any service contract with PYI and is subject to retirement by rotation at least once every three years. Mr Leung is entitled to an annual director's fee of HK\$300,000 for the performance of his duties as an independent non-executive Director and an additional fee of HK\$20,000 per annum (and a pro rata portion thereof if the appointment has been less than a period of 12 months) for being a member of each of the Audit Committee and Remuneration Committee of PYI. Such remuneration is determined with reference to the prevailing market conditions and having regard to the nature of the Board's work, workload and the requisite time spent by Mr Leung on the Board's activities.

Save as disclosed above, Mr Leung is not aware of any other matters that need to be brought to the attention of the Shareholders of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Including Mr Leung, there are a total of three retiring Directors standing for re-election as Directors at the 2006 AGM. Shareholders are advised to read this supplemental circular together with the Circular for information of the voting arrangements.

SECOND PROXY FORM

Since the form of proxy (the "First Proxy Form") sent together with the Circular and 2006 Annual Report of the Company does not contain the proposed resolution for the re-election of Mr Leung Po Wing, Bowen Joseph as retiring Director as set out in this supplemental circular, a new form of proxy (the "Second Proxy Form") has been prepared and is enclosed with this supplemental circular.

You are requested to complete the Second Proxy Form in accordance with the instructions printed thereon and return it to the office of the principal place of business of the Company in Hong Kong at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2006 AGM, i.e. 10:30 a.m. on Wednesday, 6 September 2006 (the "Closing Time").

If you have appointed or intend to appoint proxies to attend the 2006 AGM, you are requested to pay particular attention to the special arrangements set out below.

If you have not yet lodged the First Proxy Form with the Company, you are requested to lodge the Second Proxy Form if you wish to appoint proxies to attend the AGM on your behalf. In this case, the First Proxy Form should **not** be lodged with the Company.

If you have already lodged the First Proxy Form with the Company, you should note that:

- (i) If no Second Proxy Form is lodged with the Company, the First Proxy Form will be treated as a valid proxy form lodged by you, if correctly completed. The proxy so appointed by you will be entitled to vote at his discretion or abstain from voting on any resolution properly put to the 2006 AGM other than those referred to in the notice convening the 2006 AGM and the First Proxy Form, including a resolution for the re-election of an additional retiring Director set out in this supplemental circular.
- (ii) If the Second Proxy Form is lodged with the Company before the Closing Time, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by you. The Second Proxy Form will be treated as a valid proxy form lodged by you, if correctly completed.

- (iii) If the Second Proxy Form is lodged with the Company after the Closing Time, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by you, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which may be taken on a proposed resolution. Accordingly, you are advised not to lodge the Second Proxy Form after the Closing Time. If you wish to vote at the 2006 AGM, you will have to attend in person and vote at the 2006 AGM yourselves.

You are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude you from attending and voting in person at the 2006 AGM or at any adjourned meeting should you so wish.

RESPONSIBILITY STATEMENT

This supplemental circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this supplemental circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the re-election of Mr Leung Po Wing, Bowen Joseph as an independent non-executive Director is beneficial to and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the resolution to be proposed at the 2006 AGM in relation to the re-election of Mr Leung.

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