PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

INSIDE INFORMATION
EXPECTED REDUCTION IN LOSS

This announcement is made by PYI Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**"), pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the review on the draft unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 and other information currently available to the Company, the Group is expected to record a loss attributable to Shareholders of approximately HK$34 million for the six months ended 30 September 2020 (the "**Period**"), representing a significant reduction in loss, as compared with a loss attributable to Shareholders of approximately HK$205 million for the corresponding period in 2019 (the "**Period 2019**").

Such expected reduction in loss for the Period was mainly attributable to the net impact of:

(a) write-down of stock of properties of approximately HK$302 million, after netting off relevant deferred tax credit of approximately HK$156 million and share of loss by non-controlling interest of approximately HK$89 million, as compared with the write-down of HK$18 million in the Period 2019;

(b) loss on fair value on investment properties of approximately HK$88 million, after netting off relevant deferred tax credit of approximately HK$82 million and share of loss by non-controlling interest of approximately HK$22 million, as compared with the fair value gain of approximately HK$11 million in the Period 2019, after netting off relevant deferred tax charge of approximately HK$12 million and share of profit by non-controlling interest of approximately HK$3 million;

(c) impairment loss on certain financial assets (mainly loans and related interest receivables) of approximately HK$75 million, as compared with the impairment loss of approximately HK$72 million in the Period 2019;

(d) fair value gain of investments in equity and debt instruments held for trading of approximately HK$273 million, as compared with the fair value loss of HK$162 million in the Period 2019;

(e) net gain after taxation on disposal of subsidiaries (as detailed in the Company's announcements dated 16 December 2019, 17 April 2020, 14 July 2020, 22 July 2020 and 20 November 2020 and the circular dated 15 January 2020, respectively) of approximately HK$111 million, as compared with the net gain after taxation on disposal of subsidiaries of HK$60 million in the Period 2019; and

(f) net exchange gain of approximately HK$22 million, as compared with the net exchange loss of approximately HK$22 million in the Period 2019.

The aforesaid losses for the Period are non-cash in nature. The management is of the view that the overall operation, financial position and cash flow condition of the Group remain solid.

The Company is still in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is only based on the assessment of the draft unaudited consolidated management accounts of the Group for the Period and other information currently available to the Company, which is subject to possible adjustment and further review by the Board. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the Period, which is expected to be published on 27 November 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
PYI Corporation Limited
Ho Sze Nga, Maggie
Company Secretary

Hong Kong, 26 November 2020

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

Mr. Lau Tom Ko Yuen	:	*Chairman and Managing Director*
Mr. Sue Ka Lok	:	*Executive Director*
Ms. Wu Yan Yee	:	*Executive Director*
Mr. Chan Shu Kin	:	*Independent Non-Executive Director*
Ms. Wong Lai Kin, Elsa	:	*Independent Non-Executive Director*
Mr. Leung Chung Ki	:	*Independent Non-Executive Director*