



News Release

PYI Calls SGM to Approve the Deemed Disposal of Interest in Paul Y. Engineering

(23 September 2011, Hong Kong) – Bulk cargo port and infrastructure group **PYI Corporation Limited** (“PYI”, 0498.HK) despatched today a circular containing information on the deemed disposal of a very substantial interest in Paul Y. Engineering Group Limited (“PYE”, 0577.HK) due to the proposed placing by PYE and a notice to convene a special general meeting (“SGM”) to approve it.

On 21 August 2011, PYE proposed an acquisition of a 50% interest in a new film joint venture, Legendary East Ltd. for a total consideration of US\$220.5 million. The acquisition will be funded by a proposed placing by PYE of up to 3,180 million new shares through UBS AG, to institutional and professional investors; and subscription of up to 420 million new shares by private equity firm AID Partners. The proposed placing and subscription will lead to a deemed very substantial disposal for PYI, whose equity interest in PYE will be diluted from 61.92% to up to 8.93%, and which will require shareholders’ approval.

PYE also proposed to distribute 49% of PYE BVI, the intermediate holding company of PYE’s entire existing businesses, which will be held as to 51% by PYE, 30.34% by PYI and 18.66% by other PYE shareholders. PYI has undertaken to acquire up to the full 18.66% stake in PYE BVI not otherwise held by PYE or PYI at the price of HK\$0.30/share, for an aggregate cash sum of up to HK\$69 million.

Mr. Tom Lau, Managing Director of PYI, said, “PYI expects to realise an estimated gain on the deemed disposal of about HK\$158 million before transaction costs, in the event that the distribution of 49% of PYE BVI by PYE is made. The proposal of PYE will enable PYI to enjoy the growth from the new development of PYE while maintain significant direct interests in its existing businesses, which have been consistently profitable in recent years.”

Mr. Lau added, “The Board considers that the deemed disposal is fair and reasonable and that the effect of the transactions are ultimately in the interests of the PYI shareholders as a whole; and therefore, recommends them to vote in favour of the resolution at the SGM.”

Shareholders are encouraged to attend the SGM at 10:30am on 17 October 2011.

For full detail of the circular and the notice of SGM, please click [here](#).

For the form of proxy for use at the SGM, please click [here](#).

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Notes to editors:

PYI Corporation Limited (0498.HK)

Based in Hong Kong, PYI Corporation Limited focuses on infrastructure investment in and the operation of bulk cargo port and logistics facilities in the Yangtze River region of China. It

also engages in land and property development and investment. In addition, PYI provides comprehensive engineering and property-related services through Paul Y. Engineering Group Limited (0577.HK). For more information about PYI, please visit www.pyicorp.com.

Paul Y. Engineering Group Limited (0577.HK)

Established in 1946, PYE is an international engineering and property services group, with three core business functions: management contracting, property development management and property investment in Hong Kong, Macau and the Mainland China. PYE serves a wide spectrum of distinguished clients, including the government and major enterprises. For over 60 years, PYE has played a significant role in shaping Hong Kong's skyline and its world-class infrastructure. For more information, please refer to www.pyengineering.com.