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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, 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 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.

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## **PYI Corporation Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

**(Warrant Code: 849)**

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
REMUNERATION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE PYI SHARES AND  
TO REPURCHASE PYI SHARES AND WARRANTS,  
REFRESHMENT OF THE 10% LIMIT ON GRANT  
OF OPTIONS UNDER PYI SHARE OPTION SCHEME  
AND  
REFRESHMENT OF THE 10% LIMIT ON GRANT  
OF OPTIONS UNDER PYE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 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 Monday, 31 August 2009 at 10:00 a.m. is set out on pages 15 to 18 of this circular. If you are not able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it 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 of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

31 July 2009

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“2008 AGM”	the annual general meeting of PYI held on 5 September 2008
“2009 AGM”	the annual general meeting of PYI to be held at JW Marriott Ballroom on Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 31 August 2009 at 10:00 a.m., notice of which is set out on pages 15 to 18 of this circular
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company” or “PYI”	PYI Corporation Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Eligible Person(s)”	any employee (whether full time or part time), executive or officer, director (including executive, non-executive and independent non-executive directors) of any member of the PYI Group or any Invested Entity and any celebrity, consultant, adviser or agent of any member of the PYI Group or any Invested Entity, who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the PYI Group or any Invested Entity
“General Mandates”	the general mandate to issue PYI Shares and Repurchase Mandate to be sought at the 2009 AGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the PYI Group holds an equity interest
“Latest Practicable Date”	27 July 2009, being the latest practicable date for ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Paul Y. Engineering”	Paul Y. Engineering Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and a subsidiary of the Company
“PYE 2009 AGM”	the annual general meeting of Paul Y. Engineering to be held at Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 28 August 2009 at 10:00 a.m.
“PYE Refreshment”	proposal by Paul Y. Engineering for refreshment of the 10% limit on grant of options under the PYE Share Option Scheme and all other share option scheme(s) of Paul Y. Engineering
“PYE Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of Paul Y. Engineering
“PYE Share Option Scheme”	the share option scheme adopted by Paul Y. Engineering on 7 September 2005 which is in compliance with the applicable requirements of Chapter 17 of the Listing Rules

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## DEFINITIONS

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“PYI Group”	the Company and its subsidiaries
“PYI Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of PYI
“PYI Shareholder(s)”	holder(s) of PYI Shares
“PYI Share Option Scheme”	share option scheme of the Company adopted by PYI Shareholders on 27 August 2002 which is in compliance with the applicable requirements of Chapter 17 of the Listing Rules
“Repurchase Mandate”	the proposed new general mandate to be sought at the 2009 AGM to authorize the Directors to repurchase PYI Shares and Warrants in the manner as set out in the notice of the 2009 AGM
“Scheme Mandate Limit”	10% of the issued share capital of the Company as at the date of adoption of the PYI Share Option Scheme/date of approval of the refreshment of the scheme mandate limit (as the case may be) which may be issued upon exercise of all options granted/to be granted under the PYI Share Option Scheme and any other scheme(s) of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Warrants”	the warrants of the Company carrying rights to subscribe for PYI Shares in cash at the subscription price of HK\$0.51 per PYI Share (subject to anti-dilutive adjustments) at any time on or before 25 September 2009
“%”	per cent

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## LETTER FROM THE BOARD

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# PYI Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

(Warrant Code: 849)

Chow Ming Kuen, Joseph <sup>OBE, JP</sup>  
(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 <sup>GBS, JP</sup>  
(Independent Non-Executive Director)  
Li Chang An  
(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

To the PYI Shareholders and,  
for information only, holders of  
share options, Warrants and  
convertible notes of PYI

31 July 2009

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
REMUNERATION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE PYI SHARES AND  
TO REPURCHASE PYI SHARES AND WARRANTS,  
REFRESHMENT OF 10% LIMIT ON GRANT OF OPTIONS  
UNDER PYI SHARE OPTION SCHEME  
AND  
REFRESHMENT OF 10% LIMIT ON GRANT OF OPTIONS  
UNDER PYE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to give you notice of the 2009 AGM, and information on matters to be dealt with at the 2009 AGM. They are: (a) re-election of the retiring Directors; (b) remuneration of Directors; (c) grant of General Mandates; (d) refreshment of the Scheme Mandate Limit; and (e) the PYE Refreshment.

### RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, including:

- (a) the only executive director, Mr Lau Ko Yuen, Tom, Deputy Chairman and Managing Director. He was last re-elected at the Company's annual general meeting in 2007 and will hold office until the conclusion of the Company's annual general meeting to be held in 2010;

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## LETTER FROM THE BOARD

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- (b) one non-executive Director, Dr Chan Kwok Keung, Charles. He was last re-elected at the Company's annual general meeting in 2006 and his term of office will expire at the conclusion of the 2009 AGM; and
- (c) five independent non-executive Directors, namely Dr Chow Ming Kuen, Joseph, Mr Kwok Shiu Keung, Ernest, Mr Chan Shu Kin, Mr Leung Po Wing, Bowen Joseph and Mr Li Chang An. Dr Chow Ming Kuen, Joseph, Mr Kwok Shiu Keung, Ernest and Mr Leung Po Wing, Bowen Joseph were re-elected at the 2008 AGM and will hold office until the conclusion of the Company's annual general meeting to be held in 2011, whereas for both Mr Chan Shu Kin and Mr Li Chang An, they were re-elected at the Company's annual general meeting in 2007 and will hold office until the conclusion of the Company's annual general meeting to be held in 2010.

Pursuant to bye-law 87(1) of the Bye-laws, Dr Chan Kwok Keung, Charles, Mr Chan Shu Kin and Mr Li Chang An will retire from office by rotation at the 2009 AGM. All of these retiring Directors are eligible for re-election to hold office until the conclusion of the Company's annual general meeting to be held in 2012.

Bye-law 88 of the Bye-laws provides that no person other than a Director retiring at the meeting shall be eligible for election as a Director at any general meeting unless:

- (a) he is recommended by the Directors; or
- (b) a notice signed by a PYI Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as Director and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office or at the head office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a PYI Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company, namely (i) his/her notice of intention to propose a resolution and (ii) a notice executed by the nominated candidate of his/her willingness to be elected together with (A) the candidate's information required to be disclosed under rule 13.51(2) of the Listing Rules and other information, as referred to under the heading "Requisite information of the candidate(s) nominated by PYI Shareholders" below and (B) the candidate's written consent to the publication of his/her personal data.

In order to ensure that other PYI Shareholders have sufficient time to receive and consider the particulars of the nominated candidate(s), PYI Shareholders are urged to submit their proposals as early as practicable, preferably before 5:00 p.m. on Tuesday, 11 August 2009 so that an announcement can be issued on or about Wednesday, 12 August 2009 or a supplementary circular containing particulars of the candidate(s) proposed by such PYI Shareholders can be dispatched to the PYI Shareholders on or about Friday, 14 August 2009.

### **Requisite information of the candidate(s) nominated by PYI Shareholders**

In order to enable other PYI Shareholders to make an informed decision on their election of Directors, the said notice of intention to propose a resolution by a PYI Shareholder should be accompanied by the following information of the nominated candidate:

- (a) full name and age;
- (b) positions held with PYI and/or other members of the PYI Group (if any);
- (c) experience including (i) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which PYI Shareholders should be aware, pertaining to the ability or integrity of the candidate;

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## LETTER FROM THE BOARD

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- (e) length or proposed length of service with PYI (if any);
- (f) relationships with any Directors, senior management or substantial shareholders or controlling shareholders of PYI, or an appropriate negative statement;
- (g) interests in PYI Shares within the meaning of Part XV of the SFO, or an appropriate negative statement;
- (h) contact details; and
- (i) a declaration made by the nominated candidate in respect of the information required under rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements.

### **Recommendations of the Nomination Committee**

The Nomination Committee, consisting of three members namely, Dr Chow Ming Kuen, Joseph, Mr Lau Ko Yuen, Tom and Mr Kwok Shiu Keung, Ernest, held a meeting on 17 July 2009 to nominate the re-election of retiring Directors in the 2009 AGM. The Nomination Committee has nominated and recommended to the Board that Dr Chan Kwok Keung, Charles, Mr Chan Shu Kin and Mr Li Chang An, all being eligible, shall be re-elected as Directors at the 2009 AGM. In addition, all retiring Directors had abstained from voting at the Board meeting when their nominations were considered and approved by the Board for recommendation to PYI Shareholders for approval.

The biographical details of Dr Chan Kwok Keung, Charles, Mr Chan Shu Kin and Mr Li Chang An are set out in Appendix I of this circular.

The Nomination Committee is also responsible for, inter alia, assessing the independence of independent non-executive Directors. In doing so, the Nomination Committee has reviewed the individual Director's annual confirmation of independence declared pursuant to rule 3.13 of the Listing Rules and is of the view that all independent non-executive Directors, including Mr Chan Shu Kin and Mr Li Chang An, meet the independence guidelines set out in rule 3.13 of the Listing Rules and are independent in accordance with the guidelines. As a good corporate governance practice, every member of the Committee has abstained from participating in the assessment of his own independence.

### **REMUNERATION OF DIRECTORS**

At the 2008 AGM, PYI Shareholders approved the Directors' fees in an aggregate amount of not exceeding HK\$4,000,000 per annum to be paid to all Directors and be divided amongst the Directors as the Board may agree. Based on this approval, the Board resolved the following allocation: (i) a Director's fee of HK\$300,000 per annum be paid to each Director; (ii) an additional fee of HK\$300,000 per annum be paid to the Chairman; (iii) an additional fee of HK\$20,000 per annum be paid to each Director for being a member of any Board committee; and (iv) an additional fee of HK\$20,000 per annum be paid to each Director for being the chairman of any Board committee for their services rendered to the Company during the period from the conclusion of the 2008 AGM to the conclusion of the 2009 AGM. A Director who has not served the entire period will receive payment in proportion to his period of service.

The Remuneration Committee had, at its meeting held on 17 July 2009, reviewed and considered that the current scale of the Directors' fees was reasonable under the current market environment and having regard to the prevailing market conditions, salary paid by comparable companies, the duties and responsibilities of the Directors, employment conditions elsewhere and the time committed by the Directors. The Remuneration Committee recommended that the existing aggregate amount of Directors' fees of not exceeding HK\$4,000,000 per annum for all Directors shall remain unchanged for the coming year.

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## LETTER FROM THE BOARD

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Bye-law 96 of the Bye-laws provides that, among others, the ordinary remuneration of Directors shall from time to time be determined by the Company in general meeting. Accordingly, an ordinary resolution will be proposed at the 2009 AGM for PYI Shareholders to consider and, if thought fit, approve the paying of an aggregate amount of not exceeding HK\$4,000,000 per annum to all Directors and that the Board be authorized to divide this amount amongst the Directors. If approved by PYI Shareholders, the proposed Directors' fees will be effective from 31 August 2009. Payment will be made in proportion to the period of service in the case of a Director who has not served the entire period.

### **GENERAL MANDATES TO ISSUE PYI SHARES AND TO REPURCHASE PYI SHARES AND WARRANTS**

At the 2008 AGM, ordinary resolutions were passed to grant the general mandates to the Directors to issue PYI Shares and to repurchase PYI Shares and Warrants. Such general mandates will expire at the conclusion of the 2009 AGM. Ordinary resolutions will be proposed at the 2009 AGM to grant to the Directors a new general mandate, inter alia, (a) to allot and issue PYI Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of such resolution; (b) to repurchase PYI Shares not exceeding 10% of the issued share capital of the Company as at the date of the passing of such resolution and 10% of the aggregate amount of Warrants outstanding as at the date of the passing of such resolution; and (c) to extend the general mandate to issue PYI Shares by the number of PYI Shares and Warrants purchased under the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,529,025,458 PYI Shares. There were also outstanding Warrants in an aggregate amount of HK\$250,117,260.19, carrying rights to subscribe up to 490,426,000 new PYI Shares at the subscription price of HK\$0.51 per PYI Share (subject to anti-dilutive adjustments). Subject to the passing of the proposed resolution for the grant of the General Mandates to issue PYI Shares and on the basis that no PYI Shares are allotted and issued or repurchased by the Company prior to the 2009 AGM, the Directors will be allowed under the General Mandates to allot and issue 905,805,091 PYI Shares and to repurchase 452,902,545 PYI Shares and Warrants of HK\$25,011,726.01.

The Directors believe that it is in the interests of the Company and the PYI Shareholders as a whole that the General Mandates are granted at the 2009 AGM. The General Mandates provide Directors with flexibility to issue PYI Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where PYI Shares are to be issued as consideration and which has to be completed speedily. However, the Directors currently have no intention of any acquisition by the Company nor any plan for raising capital by issuing new PYI Shares.

An explanatory statement providing all the information required under the Listing Rules concerning the Repurchase Mandate is set out in Appendix II to this circular.

### **REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER PYI SHARE OPTION SCHEME**

The existing Scheme Mandate Limit was refreshed on 5 September 2008, which enables the Directors to grant options to Eligible Persons under the PYI Share Option Scheme to subscribe for up to 150,839,351 PYI Shares. If the existing Scheme Mandate Limit is not refreshed, the Company would be allowed to grant options to subscribe for up to 150,839,351 PYI Shares, representing approximately 3.33% of PYI Shares in issue as at the Latest Practicable Date. In order to provide the Company with more flexibility in providing incentives to those Eligible Persons by way of granting of options, the Board decides to seek the approval of the PYI Shareholders to refresh the Scheme Mandate Limit so that the total number of PYI Shares which may be issued upon exercise of all options to be granted under the PYI Share Option Scheme and any other scheme(s) of the Company shall not exceed 10% of the PYI Shares in issue as at the date of passing the relevant resolution at the 2009 AGM. Options previously granted under the PYI Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules and exercised options) and options not granted under the PYI Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there were in issue 4,529,025,458 PYI Shares and a total of 279,089,806 outstanding options granted under the PYI Share Option Scheme at exercise prices of HK\$0.43762 (as to 22,100,000 options), HK\$0.52940 (as to 32,810,000 options), HK\$0.70584 (as to 89,857,142 options), HK\$0.85762 (as to 3,683,334 options), HK\$0.87528 (as to 13,033,334 options), HK\$0.88232 (as to 51,674,333 options), HK\$1.05881 (as to 11,191,665 options), HK\$1.23529 (as to 29,523,333 options), HK\$1.25151 (as to 22,100,000 options), HK\$1.41173 (as to 1,841,665 options) and HK\$1.58821 (as to 1,275,000 options) per PYI Share. Save and except for these outstanding options, there were no options granted under the PYI Share Option Scheme or any other share option scheme(s) of the Company which remained outstanding as at the Latest Practicable Date.

If the Scheme Mandate Limit is refreshed, on the basis of 4,529,025,458 PYI Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of PYI Shares prior to the 2009 AGM, the Company may grant options entitling holders thereof to subscribe for a total of 452,902,545 PYI Shares (representing approximately 10% of the PYI Shares in issue as at the date of the 2009 AGM approving the refreshment of the Scheme Mandate Limit).

Pursuant to the Listing Rules, the maximum number of PYI Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the PYI Share Option Scheme and any other scheme(s) of the Company at any time must not in aggregate exceed 30% of the PYI Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The purpose of the PYI Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to and continuing efforts to promote the interests of the Company. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the PYI Shareholders as a whole.

The refreshment of the Scheme Mandate Limit is conditional on:

- (i) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the PYI Shareholders at the 2009 AGM; and
- (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the PYI Shares (representing 10% of the PYI Shares in issue as at the date of the 2009 AGM approving the refreshment of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the PYI Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of and permission to deal in the PYI Shares which may fall to be issued pursuant to the exercise of options under the PYI Share Option Scheme and any other share option scheme(s) of the Company.

### **REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER PYE SHARE OPTION SCHEME**

Paul Y. Engineering also proposes the PYE Refreshment, subject to (i) the passing of an ordinary resolution by its shareholders to approve the PYE Refreshment at the PYE 2009 AGM; (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the shares of Paul Y. Engineering to be issued upon exercise of any options granted under the refreshed limit of the PYE Share Option Scheme; and (iii) in accordance with rule 17.01(4) of the Listing Rules, the PYI Shareholders passing an ordinary resolution to approve the PYE Refreshment at the 2009 AGM.

The PYE Refreshment will enable Paul Y. Engineering to grant further options to eligible participants, being employees, executives or officers, directors of Paul Y. Engineering and its subsidiaries or any entity in which Paul Y. Engineering or its subsidiaries hold an equity interest, and any consultant, adviser or agent of Paul Y. Engineering or its subsidiaries or any entity in which Paul Y. Engineering or its subsidiaries hold an equity interest, who, in the sole discretion of the board of directors of Paul Y. Engineering, have contributed or will contribute to the growth and development of Paul Y. Engineering or its subsidiaries or any entity in which Paul Y. Engineering or its subsidiaries hold an equity interest.

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## LETTER FROM THE BOARD

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There were no options granted under the PYE Share Option Scheme which remained outstanding as at the Latest Practicable Date. If the scheme mandate limit on grant of options under the PYE Share Option Scheme is refreshed, on the basis of 602,677,142.8 PYE Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of PYE Shares prior to the PYE 2009 AGM, Paul Y. Engineering may grant options entitling holders thereof to subscribe for a total of 60,267,714 PYE Shares (representing approximately 10% of the PYE Shares in issue as at the date of the PYE 2009 AGM approving the refreshment of the scheme mandate limit on grant of options under the PYE Share Option Scheme).

If Paul Y. Engineering utilises in full the 10% limit on grant of options under the PYE Share Option Scheme and also the options are fully exercised, the Company's shareholding in Paul Y. Engineering will be reduced from approximately 62.36% to 56.69%. However, the purpose of the PYE Share Option Scheme is to provide incentive or reward to the aforesaid eligible participants for their contribution to, and continuing efforts to promote the interests of, Paul Y. Engineering. The Directors therefore consider that the PYE Refreshment is in the interest of the Company and the PYI Shareholders.

An ordinary resolution will be proposed at the 2009 AGM to approve the PYE Refreshment.

### ANNUAL GENERAL MEETING

A notice convening the 2009 AGM is set out on pages 15 to 18 of this circular at which resolutions will be proposed, inter alia, to approve (i) the re-election of retiring Directors; (ii) remuneration of Directors; (iii) the grant of the General Mandates; (iv) the refreshment of the Scheme Mandate Limit; and (v) the PYE Refreshment.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the 2009 AGM will therefore put each of the resolutions to be proposed at the 2009 AGM to be voted by way of a poll pursuant to bye-law 66 of the Bye-laws.

A form of proxy for use by PYI Shareholders at the 2009 AGM is enclosed. If you do not intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it 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 of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2009 AGM or any adjournment thereof should you so wish.

### RESPONSIBILITY STATEMENT

This 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 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 Board is pleased to recommend Dr Chan Kwok Keung, Charles, Mr Chan Shu Kin and Mr Li Chang An to stand for re-election by PYI Shareholders as Directors. Their biographies are set out in Appendix I for PYI Shareholders' consideration. The Board also believes that the proposed remuneration of Directors, the grant of the General Mandates, the refreshment of the Scheme Mandate Limit and the PYE Refreshment are in the best interest of the Company and the PYI Shareholders as a whole, and accordingly recommends the PYI Shareholders to vote in favour of all resolutions to be proposed at the 2009 AGM.

Yours faithfully,  
For and on behalf of  
**PYI Corporation Limited**  
**Chow Ming Kuen, Joseph** OBE, JP  
*Chairman*

## APPENDIX I

## PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

The biographical and other details of retiring Directors standing for re-election at the 2009 AGM are set out below:

1.	Name, age and position	Director since	Board committee memberships	Emoluments (2008/2009)	Discloseable interests within the meaning of Part XV of the SFO as at the Latest Practicable Date
	<b>Chan Kwok Keung, Charles</b> (aged 54) <i>Non-executive Director</i>	1993	Nomination Committee (Alternate to Mr Lau Ko Yuen, Tom)	HK\$320,000 (Notes 1(a), (d) and (e))	39,850,631 PYI Shares/underlying PYI Shares (Personal interests) (Note 2(a))

Dr Chan holds an Honorary degree of Doctor of Laws and a Bachelor's degree in Civil Engineering and has over 29 years' international corporate management experience in the construction and property sectors as well as in strategic investments. He joined PYI Group in 1987 and was Chairman of the Company until July 2005. Dr. Chan is also the Chairman and Executive Director of ITC Corporation Limited (0372.HK) which is a substantial shareholder of the Company, and was the Chairman of Hanny Holdings Limited (0275.HK) until September 2008.

The Listing Committee of the Stock Exchange (the "Listing Committee") made a public statement against Dr Chan on 17 December 1998 in respect of the sale (the "Sale") of shares in Nam Pei Hong (Holdings) Limited (now known as ChinaWind Power Group Limited "CWP") (0182.HK) by International Tak Cheung Holdings Limited (now known as G-Prop (Holdings) Limited) (0286.HK) and the Company to Victory Hunter Holdings Limited, a company then controlled by Mr Yau Wai Ming ("Mr Yau"), in July 1997. The Listing Committee was of the view that Dr. Chan, being a then member of the management of CWP, should have informed the Stock Exchange earlier of the meetings between Mr Yau and representatives of the Company prior to the Sale and of the Sale pursuant to the Listing Agreement. In addition, the Listing Committee found that CWP had been in breach of its obligations under the Listing Agreement and the then management of CWP, which included Dr Chan, had to be blamed for such breach.

On 15 November 2005, the Securities and Futures Commissions (the "SFC") criticised the board of directors of ITC Corporation Limited ("ITC") for breaching Rule 21.3 of the Takeovers Code in respect of the dealing in securities of Hanny Holdings Limited during an offer period without the consent of Executive Director of the Corporate Finance Division of the SFC. Dr Chan was a member of the board of directors of ITC at the material time.

Save as disclosed above, Dr Chan does not hold any positions with the Company or any of its subsidiaries, nor does he have any relationship with any Directors or senior management or substantial shareholder or controlling shareholder of the Company. There are no other matters that need to be brought to the attention of the PYI Shareholders nor there is other information required to be disclosed pursuant to any of the requirements under rule 13.51(2) of the Listing Rules.

2.	Name, age and position	Director since	Board committee memberships	Emoluments (2008/2009)	Discloseable interests within the meaning of Part XV of the SFO as at the Latest Practicable Date
	<b>Chan Shu Kin</b> (aged 54) <i>Independent non-executive Director</i>	2004	Audit Committee ( <i>Chairman</i> ) Share Repurchase Committee ( <i>Chairman</i> ) Compliance Committee (Member) Nomination Committee (Alternate to Mr Kwok Shiu Keung, Ernest)	HK\$420,000 (Notes 1(b), (d) and (e))	3,683,332 underlying PYI Shares (Personal interests) (Note 2(b))

Mr Chan has over 32 years' experience in auditing, accounting and financial management services. He graduated from The Hong Kong Polytechnic University and is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, as well as an associate member of the Institute of Chartered Accountants in England and Wales. Mr Chan is a partner of Messrs Ting Ho Kwan & Chan, Certified Public Accountants. He is currently an independent non-executive director of PetroAsian Energy Holdings Limited (formerly known as China Oil Resources Holdings Limited) (0850.HK).

Save as disclosed above, Mr Chan does not hold any positions with the Company or any of its subsidiaries, nor does he have any relationship with any Directors or senior management or substantial shareholder or controlling shareholder of the Company. There are no other matters that need to be brought to the attention of the PYI Shareholders nor there is other information required to be disclosed pursuant to any of the requirements under rule 13.51(2) of the Listing Rules.

3.	Name, age and position	Director since	Board committee memberships	Emoluments (2008/2009)	Discloseable interests within the meaning of Part XV of the SFO as at the Latest Practicable Date
	<b>Li Chang An</b> (aged 74) <i>Independent non-executive Director</i>	2007	Nil	HK\$300,000 (Notes 1(c), (d) and (e))	3,683,334 underlying PYI Shares (Personal interests) (Note 2(c))

Mr Li was the Vice Secretary of Shangdong Provincial Party Committee from 1983 to 1987. He was further appointed the Governor of Shangdong Province in June 1985. Between 1987 and 1993, he was the Deputy Secretary-General of the State Council. Mr Li was elected an alternate member of the Eleventh CPC Central Committee and a member of Twelfth CPC Central Committee.

Mr Li was the executive vice chairman of China Poly Group Corporation from 1993 to 2001. He was also appointed the chairman of the board of China Orient Telecomm Satellite Company, Limited from 1995 to 2003. Mr Li did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed above, Mr Li does not hold any positions with the Company or any of its subsidiaries, nor does he have any relationship with any Directors or senior management or substantial shareholder or controlling shareholder of the Company. There are no other matters that need to be brought to the attention of the PYI Shareholders nor there is other information required to be disclosed pursuant to any of the requirements under rule 13.51(2) of the Listing Rules.

**Notes:**

1. (a) During the financial year ended 31 March 2009, Dr Chan received an annual Director's fee of HK\$300,000 and an additional fee of HK\$20,000 for serving as an alternate member to Mr Lau Ko Yuen, Tom of the Nomination Committee.
- (b) During the financial year ended 31 March 2009, Mr Chan received an annual Director's fee of HK\$300,000 and an additional fee of HK\$120,000 for serving as chairman and member of Audit Committee and Share Repurchase Committee, as a member of the Compliance Committee and as an alternate member to Mr Kwok Shiu Keung, Ernest of the Nomination Committee.
- (c) During the financial year ended 31 March 2009, Mr Li received an annual Director's fee of HK\$300,000.
- (d) The Director's fee was determined with reference to the prevailing market conditions, salary paid by comparable companies, the duties and responsibilities of the Director, employment conditions elsewhere and the time committed by the Director.
- (e) Save as disclosed in 1(a) to 1(d) above, the Directors received no other compensation from PYI Group.

2. (a) Such interests comprised 35,936,031 PYI Shares and 3,914,600 underlying PYI Shares in respect of Warrants held by Dr Chan personally;

- (b) Such interests comprised 3,683,332 underlying PYI Shares in respect of share options granted to Mr Chan on 28 December 2004 pursuant to the PYI Share Option Scheme. Details of the above mentioned share options are as follows:

<b>Date of Grant</b>	<b>Exercise Period</b>	<b>Exercise Price per PYI Share</b>	<b>No. of underlying PYI Shares in the share options</b>
18.12.2004	28.12.2004 – 26.08.2012	HK\$0.43762	1,841,666
18.12.2004	28.12.2004 – 26.08.2012	HK\$0.52940	1,841,666

- (c) Such interests comprised 3,683,334 underlying PYI Shares in respect of share options granted to Mr Li on 6 February 2007 pursuant to the PYI Share Option Scheme. Details of the above mentioned share options are as follows:

<b>Date of Grant</b>	<b>Exercise Period</b>	<b>Exercise Price per PYI Share</b>	<b>No. of underlying PYI Shares in the share options</b>
06.02.2007	06.02.2007 – 26.08.2012	HK\$1.05881	3,683,334

3. No Director proposed for re-election at the 2009 AGM has a service contract with the Company or any of its subsidiaries that is not determinable by PYI Group within one year without payment of compensation (other than statutory compensation).

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## APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

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This is the explanatory statement given to the PYI Shareholders relating to a resolution authorising the Company to repurchase its own PYI Shares and Warrants which is proposed to be passed by the PYI Shareholders by means of an ordinary resolution at the 2009 AGM.

This explanatory statement contains a summary of the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:

### Share Capital and Warrants

- As at the Latest Practicable Date, there were in issue a total of 4,529,025,458 PYI Shares, all of which are fully paid. There were also in issue a total of outstanding Warrants in an aggregate amount of HK\$250,117,260.19, carrying rights to subscribe up to 490,426,000 new PYI Shares at the subscription price of HK\$0.51 per PYI Share, subject to anti-dilutive adjustments.
- Assuming that no further securities are issued or repurchased after the Latest Practicable Date and before the date of the 2009 AGM, there will be 4,529,025,458 PYI Shares in issue and outstanding Warrants of HK\$250,117,260.19 in issue, and exercise in full of the Repurchase Mandate would result in up to a maximum of 452,902,545 PYI Shares and Warrants of HK\$25,011,726.01 being repurchased by the Company during the relevant period referred to in ordinary resolution numbered 4(B) of the notice of the 2009 AGM.

### Reasons for repurchases

- The Directors believe that it is in the best interests of the Company and the PYI Shareholders as a whole for the Directors to have a general authority from the PYI Shareholders to enable the Directors to purchase the PYI Shares and Warrants on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per PYI Share and will benefit the Company and the PYI Shareholders.

### Funding of repurchases

- The repurchase of securities of PYI shall be made with funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased securities or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of PYI Shares made for the purpose. Any premium payable on a purchase over the par value of the securities to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the securities are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.
- As compared to the financial position of the Company as at 31 March 2009 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of securities will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

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## APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

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### Directors, their associates and connected persons

- None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Repurchase Mandate is approved by the PYI Shareholders, to sell PYI Shares and/or Warrants to the Company.
- No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell PYI Shares and/or Warrants to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the PYI Shareholders.

### Undertaking of the Directors

- The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

### Securities repurchase made by the Company

- During the six months preceding the Latest Practicable Date, the Company had not purchased any of its securities (whether on the Stock Exchange or otherwise).

## GENERAL

If as a result of a repurchase of PYI Shares a PYI Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a PYI Shareholder or a group of PYI Shareholders acting in concert, depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. If the Company were to repurchase PYI Shares up to the permitted maximum of 10% of the issued share capital of the Company, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, (i) Hollyfield Group Limited ("Hollyfield"), which is ultimately and wholly owned by ITC Corporation Limited ("ITC"), held 1,213,537,695 PYI Shares, representing approximately 26.79% of the issued share capital of the Company; (ii) OZ Management L.P. ("OZ Management"), an entity controlled by Och-Ziff Holding Corporation ("OZ Holding") which was in turn solely owned by Och-Ziff Capital Management Group LLC ("OZ Capital") (approximately 78.02% of the voting power at general meeting of which was controlled by Mr Daniel Saul Och), held, through its affiliated funds, 521,758,467 PYI Shares, representing approximately 11.52% of the issued share capital of the Company; and (iii) Third Avenue Management LLC ("Third Avenue"), through its controlled entities (including Third Avenue Small Cap Value Fund) held 475,913,056 PYI Shares, representing approximately 10.51% of the issued share capital of the Company. On the basis that no further PYI Shares are issued or repurchased and in the event that the Repurchase Mandate is exercised in full and that there is no change in the shareholding of Hollyfield, ITC, OZ Management, OZ Holding, OZ Capital, Mr Daniel Saul Och and Third Avenue in the Company, the interest of (i) Hollyfield and ITC; (ii) OZ Management, OZ Holding, OZ Capital and Mr Daniel Saul Och; and (iii) Third Avenue would be increased to approximately 29.77%, 12.80% and 11.68% of the issued share capital of the Company respectively. Such increase would not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code. Save as disclosed herein, the Directors are not aware of any single shareholder who held more than 10% of the issued share capital of the Company as at the Latest Practicable Date. The Directors have no present intention to exercise the Repurchase Mandate to an extent which will result in the number of PYI Shares held by the public being reduced to less than 25% of the total issued share capital of PYI as required under rule 8.08 of the Listing Rules.

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**APPENDIX II            EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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**PRICES OF THE PYI SHARES AND WARRANTS**

The highest and lowest prices at which the PYI Shares and Warrants were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>PYI Shares</b>		<b>Warrants</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2008</b>				
July	0.593 A	0.413 A	—	—
August	0.423 A	0.310 A	—	—
September	0.337 A	0.212 A	0.030	0.030
October	0.213 A	0.134 A	0.040	0.010
November	0.203 A	0.144 A	0.040	0.012
December	0.202 A	0.147 A	0.025	0.017
<b>2009</b>				
January	0.220 A	0.187 A	0.022	0.011
February	0.218 A	0.190 A	0.024	0.012
March	0.198 A	0.178 A	0.019	0.010
April	0.233 A	0.195 A	0.032	0.014
May	0.340 A	0.205 A	0.070	0.010
June	0.495	0.300	0.140	0.017
July (up to the Latest Practicable Date)	0.355	0.325	0.02	0.02

*Notes:*

1. The highest and lowest prices of the PYI Shares for the period from July 2008 to May 2009 were adjusted by taking into account the rights issue approved by the PYI Shareholders in June 2009.
2. Dealings in the Warrants on the Stock Exchange commenced on 29 September 2008.

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## NOTICE OF ANNUAL GENERAL MEETING

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# PYI Corporation Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

**(Warrant Code: 849)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of PYI Corporation Limited (the “Company”) will be held at JW Marriott Ballroom on Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 31 August 2009 at 10:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2009.
2. To re-elect retiring directors and to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

(A) **“THAT:**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or an issue of shares of the Company under the share option scheme of the Company or an issue of shares upon exercise of subscription rights attached to warrants which may be issued by the Company or an issue of shares of the Company by way of any scrip dividend pursuant to bye-laws of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

- (B) **“THAT:**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company and issued outstanding warrants to subscribe for shares in the capital of the Company (“Warrants”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the directors and in the case of Warrants, subject to the terms and conditions of the instrument constituting the Warrants;
- (iii) the aggregate nominal amount of the share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution, and the aggregate nominal amount of the Warrants which the directors of the Company are authorized to repurchase pursuant to the approval in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the Warrants on the date of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
  - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon resolutions numbered 4(A) and 4(B) as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered 4(B) above shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to and in accordance with the resolution numbered 4(A) as set out in the notice convening this meeting.”
- (D) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of HK\$0.10 each in the capital of the Company (representing 10 per cent. of the shares of the Company in issue as at the date of passing this resolution) which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 27 August 2002 (the “Scheme”), the refreshment of the scheme limit in respect of the grant of options to subscribe for ordinary shares in the Company under the Scheme, provided that the total number of ordinary shares which may be allotted or issued pursuant to the grant or exercise of options under the Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Mandate Limit”), be and is hereby approved and the directors of the Company be and are hereby authorised to grant options under the Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with ordinary shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”
- (E) “**THAT** the refreshment of the scheme limit on grant of options under the share option scheme adopted by Paul Y. Engineering Group Limited (“Paul Y. Engineering”, the Company’s subsidiary) on 7 September 2005 up to 10 per cent. of the shares of Paul Y. Engineering in issue as at the date of passing of the resolution for approving such refreshment by the shareholders of Paul Y. Engineering be and is hereby approved.”
5. To transact any other ordinary business of the Company.

By order of the Board  
**Ko Hiu Fung**  
*Company Secretary*

Hong Kong, 31 July 2009

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

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares of the Company. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Company's principal place of business in Hong Kong at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.

As at the date of this notice, the Directors of the Company are:-

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>