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## **Paul Y. Engineering Group Limited**

**保華建業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 577)

### **EX-ENTITLEMENT OF SHARES**

Reference is made to the joint announcement of Paul Y. Engineering Group Limited (“PYE”) and PYI Corporation Limited dated 19 November 2012, 21 January 2013 and 24 January 2013 and the circular of PYE dated 5 January 2013 (the “**Circular**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As referred to in the Circular, dealings in the Shares ex-entitlement to the Distribution in Specie, Cash Alternative and Cash Dividend shall commence on Wednesday, 30 January 2013.

**There is no assurance that the Transactions will complete. Shareholders and potential investors should note that the Shares are, from 30 January 2013, being traded on an ex-entitlement basis before the Placing Agreement and the Acquisition are due to complete. According to the proposed timetable, the Placing is proposed to complete and the Acquisition is proposed to close, in each case, on or before 8 February 2013. Under the terms of the Placing Agreement and the Falloncroft SPA, the long stop date for completion of the Placing and the Acquisition is 1 March 2013. If owing to volatile market conditions or for any other reason, the Placing and the Acquisition cannot be achieved, the Distribution in Specie, with the Cash Alternative, and the Cash Dividend will not be made. In that case, PYE will remain in its present form and, other things being equal, is likely to trade on the same basis as it did before the Transactions Announcement. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.**

\* *For identification purposes only*

**As completion of the various Transactions is, in each case, subject to the fulfillment of a number of conditions precedent and, apart from the Distribution in Specie, effectively all inter-conditional, the various Transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

By Order of the Board of  
**Paul Y. Engineering Group Limited**  
**Mui Ching Hung, Joanna**  
*Company Secretary*

Hong Kong, 29 January 2013

As at the date of this announcement, the directors of PYE are as follows:

Ir James Chiu, <i>OBE, JP</i>	:	Chairman (Independent Non-Executive Director)
Mr Lau Ko Yuen, Tom	:	Deputy Chairman (Non-Executive Director)
Mr Chan Fut Yan	:	Deputy Chairman (Executive Director)
Ir Dr Wong Kam Cheong, Stanley	:	Executive Director & Chief Executive Officer
Professor Lee Chack Fan, <i>SBS, JP</i>	:	Independent Non-Executive Director
Mr Iain Ferguson Bruce	:	Independent Non-Executive Director