



# News Release

## Paul Y. Engineering Calls SGM to Approve the US\$220.5 million Investment in Legendary East

23 October 2011, Hong Kong – Paul Y. Engineering Group Limited (“PYE” or “the Group”, 0577.HK) will despatch a circular on 24 October 2011 containing information on the proposed new film joint venture and related transactions, and a notice to convene a special general meeting (“SGM”) to approve them. PYE also announced today that, together with UBS AG, CLSA Limited has been appointed as an additional placing agent while UBS AG will also act as the sole global coordinator.

On 21 August 2011, PYE proposed an acquisition of a 50% interest in a new film joint venture, Legendary East Ltd. (“Legendary East”) for a total consideration of US\$220.5 million. The acquisition will be funded by a proposed placing and subscription of 3,100 million plus 500 million shares (over allotment) at HK\$0.65 per share, raising up to HK\$2,340 million. PYE also proposed a cash dividend of HK\$0.25 per share to the existing PYE shareholders. Furthermore, PYE proposed to seek a specific mandate for the issuance of a maximum of 4,207 million new PYE shares to be allotted to the other shareholders of Legendary East in exchange for their interests in Legendary East at their option. These proposed transactions together with the reduction in capital and the increase in authorized capital require the approval by all PYE shareholders. In addition, the proposed distribution in specie of 49% of PYE BVI, the intermediate holding company of PYE’s entire existing businesses and the cash alternative offer of HK\$0.30 per share for each PYE BVI share by PYI Corporation Limited (“PYI”, 0498.HK), require the approval by the PYE shareholders other than PYI.

**Ir James Chiu, Chairman of PYE**, said, “The proposed investment in Legendary East provides PYE and its shareholders with an invaluable opportunity to capture the infinite potential of the filmmaking business in China for distribution in the Chinese and worldwide markets, while maintaining core interests in our existing engineering and construction businesses at the same time, laying another milestone in the future growth of PYE.”

**Ir Dr Stanley Wong, Executive Director & CEO**, said, “PYE’s proposal diversifies business undertakings in a sector with growth potential and effectively enhances total shareholder’s value for all existing PYE shareholders. The appointment of CLSA Limited and UBS AG as placing agents while UBS AG also acts as the global coordinator reflects their support and enthusiasm in our proposed investment case.”

On 17 October 2011, PYE’s parent company, PYI Corporation Limited (0498.HK), announced that the deemed very substantial disposal as a result of the above proposed PYE placing and subscription has been approved by the PYI shareholders at the SGM held on that day.

**Ir Chiu** added, “The directors and the independent board committee consider that the transactions are fair and reasonable and are in the interests of PYE and the shareholders as a whole and therefore recommend the shareholders to vote in favour of the resolutions at the SGM.”

***Shareholders are encouraged to attend the SGM held at JW Marriott Ballroom on Level 3, JW Marriott Hotel Hong Kong on 15 November 2011 at 10:00am.***

For the circular and the notice of SGM issued by Paul Y. Engineering Group Limited on 24 October 2011, please click [here](#).

For the update announcement issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 23 October 2011, please click [here](#).

For the announcement on poll results of PYI SGM issued by PYI Corporation Limited on 17 October 2011, please click [here](#).

For the official announcement issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 21 August 2011, please click [here](#).

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### **About Paul Y. Engineering Group Limited (0577.HK)**

Established in 1946, Paul Y. Engineering 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](http://www.pyengineering.com).

### **About 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](http://www.pyicorp.com).

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