



News Release

Paul Y. Engineering Successfully Raised HK\$3.2 billion from International Institutional Market

25 January 2013, Hong Kong – Paul Y. Engineering Group Limited (“PYE” or “the Group”) (0577.HK) announced that PYE successfully raised gross proceeds of HK\$3,200 million from the proposed placing of PYE shares and/or convertible bonds (“Placing”) to finance the acquisition of Falloncroft Investments Limited with a plot of land in Cotai Strip, Macau (“Acquisition”).

The Placing received positive response from institutional investors. An aggregate of 2,938,236,000 shares at HK\$0.68/share (“Placing Shares”) which raised gross proceeds of HK\$1,998 million and an aggregate of HK\$1,202 million worth of convertible bonds (“CB”) at face value (“Placing Convertible Bonds”) have been allocated by CLSA Limited to not less than six placees. The completion date of the Placing is expected to be 5 February 2013 or no later than 8 February 2013.

Ontario Teachers’ Pension Plan has subscribed for HK\$1,007.50 million worth of CB which amounts to 1,481,617,647 shares, representing approximately 27.89% of the issued share capital of PYE as enlarged by the full conversion of the Placing Convertible Bonds and as enlarged by the Placing Shares. Janus Capital Management LLC has subscribed for 470,500,000 Placing Shares, representing approximately 13.27% of the issued share capital of PYE as enlarged by the Placing Shares.

	On completion of the Placing		On conversion of the Placing Convertible Bonds based on HK\$0.68	
	Number of Shares	%	Number of Shares	%
PYI	375,826,317	10.60	375,826,317	7.07
Other shareholders	231,128,005	6.52	231,128,005	4.35
Pride Wisdom	705,882,000	19.91	705,882,000	13.29
Janus Capital Management LLC	470,500,000	13.27	470,500,000	8.86
Ontario Teachers’ Pension Plan	0	0.00	1,481,617,647	27.89
Other placees	1,761,854,000	49.70	2,047,883,411	38.54
Total	3,545,190,322	100.00	5,312,837,380	100.00

Pride Wisdom, a private company indirectly owned by Mr. Sean Hung, the son of Mr. Stephen Hung, has agreed to subscribe for 705,882,000 Placing Shares at HK\$0.68/share. The appointment of Mr. Stephen Hung as an executive director and joint chairman of PYE will take effect from the date of completion of the Acquisition.

The Placing Shares represent approximately 484.10% of the existing issued share capital of PYE and approximately 82.88% of the total issued share capital of PYE as enlarged by the Placing Shares. The number of shares to be allotted and issued on exercise in full of the Placing Convertible Bonds amounts to 1,767,647,058 shares, representing approximately 291.23% of the existing issued share capital of PYE, and approximately 33.27% of the total issued share capital of PYE as enlarged by the full conversion of the Placing Convertible Bonds and as enlarged by the Placing Shares.

The contingent placing by 3 placing agents in placing a total of up to HK\$1,600 million worth of CB is still ongoing.

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

For the official announcement issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 24 January 2013, please click [here](#).

For the poll results of SGM issued by Paul Y. Engineering Group Limited on 21 January 2013, please click [here](#).

For the circular and the notice of SGM issued by Paul Y. Engineering Group Limited on 5 January 2013, please click [here](#).

For the news release issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 5 January 2013, please click [here](#).

For the official announcement issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 19 November 2012, please click [here](#).

For the news release issued by PYI Corporation Limited and Paul Y. Engineering Group Limited on 19 November 2012, please click [here](#).

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About 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.