



## News Release

### **PYI and Paul Y. Engineering Call SGMs to Approve the Acquisition of a HK\$2.0 Billion Luxury Hotel Site in Cotai, Macau**

(5 January 2013, Hong Kong) – Bulk cargo port and infrastructure group **PYI Corporation Limited** (“PYI”) (0498.HK) and its 62%-owned subsidiary, **Paul Y. Engineering Group Limited** (“PYE”) (0577.HK) announced that PYE has despatched a circular on 5 January 2013 containing information on the proposed acquisition of Falloncroft Investments Limited (“Falloncroft”) and related transactions, and a notice to convene a special general meeting (“SGM”) to approve them.

On 19 November 2012, PYE proposed a very substantial acquisition of a private company, Falloncroft for a total consideration of HK\$2,000 million (“Acquisition”). On completion of the Acquisition, Falloncroft will have exclusive contractual rights in respect of a 65,000 sq ft land parcel located on the Cotai Strip in Macau, on which a super luxury exclusive hotel, casino and retail complex is proposed to be built.

The Acquisition is conditional upon PYE raising minimum gross proceeds of HK\$3,200 million from the placing by CLSA of a minimum of 1,176 million new shares at the placing price of HK\$0.68/share (amounting to HK\$800 million) and up to HK\$2,400 million worth of additional new shares and/or convertible bonds (“CB”) which, together with an upside option to place a further HK\$1,600 million worth of new shares and/or CB, arrives at a gross amount of up to HK\$4,800 million (the “Placing”) as well as from the Contingent Placing (as defined below). Furthermore, PYE has also appointed 3 placing agents to place a total of up to HK\$1,600 million worth of CB (“Contingent Placing”). PYE also declared a special cash dividend of HK\$0.26/existing share (“Cash Dividend”) with a scrip option to subscribe for new shares at HK\$0.68/share. The Acquisition, Placing, Contingent Placing and Cash Dividend are inter-conditional on each other and will be subject to the approval by 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, require the approval by the PYE shareholders other than PYI.

PYI has undertaken to vote in favour for all resolutions other than distribution in specie on condition that the distribution in specie is approved by other PYE shareholders.

**Ir James Chiu, Chairman of PYE**, said, “The proposed transactions will provide an invaluable opportunity for PYE to capture the growth potential of hotel and gaming industry in Macau. This strategic move not only allows PYE to diversify our business activities, but also facilitates our existing construction arm to plant a firmer and more significant foothold in Macau. 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 all the resolutions at the PYE SGM.”

***PYE shareholders are encouraged to attend the PYE SGM held at Victoria Room, 2nd Floor, Mandarin Oriental, Hong Kong on 21 January 2013 at 10:30 am.***

The Placing and Contingent Placing, which will lead to a deemed very substantial disposal for PYI, is also subject to the approval by PYI shareholders.

**Mr. Tom Lau, Chairman and Managing Director of PYI**, said, “We expected the transactions will lead to a profit of some HK\$164 million for us. PYI will benefit from the high growth hotel and gaming industry in Macau through PYE while maintain significant direct interests in its existing engineering and construction businesses. 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 PYI SGM.”

PYI has issued announcement today to remind PYI shareholders on the despatch of the circular of PYE. If PYI shareholders wish to receive hard copy of the PYE circular, they are available for collection at the head office of PYI during office hours on 5-18 January 2013 upon request.

***PYI shareholders are encouraged to attend the PYI SGM held at Regus Conference Centre, 35th Floor, Central Plaza, on 18 January 2013 at 10:30 am.***

As completion of the various transactions is, in each case, subject to the fulfillment of a number of conditions precedent and effectively 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 and, or, PYI.

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

For the voluntary announcement issued by PYI Corporation Limited on 5 January 2013, please click [here](#).

For the circular and the notice of SGM issued by PYI Corporation Limited on 21 December 2012, 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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**Notes to editors:**

**PYI Corporation Limited (0498.HK)**

Based in Hong Kong, PYI Corporation Limited focuses on ports and infrastructure development and investment, and the operation of ports and logistics facilities, in the Yangtze River region of China. It also engages in land and property development and investment in association with ports and infrastructure development. 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).

**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](http://www.pyengineering.com).