



Paul Y. Engineering Group Limited

保華建業集團有限公司

Stock code 股份代號：577

THE FORCE OF
INFINITE POTENTIAL
潛力無限 蓄勢待發



INTERIM REPORT
2012
中期報告

Headquartered in Hong Kong, Paul Y. Engineering Group Limited is dedicated to providing full-fledged engineering and property services, with operations in Hong Kong, Beijing, Shanghai, Chongqing, Guangzhou, Hangzhou, Macau and Kuwait.

Riding on more than six decades of experiences and professionalism, Paul Y. Engineering adds value to its distinguished client base and properties by delivering integrated solutions, from concept to completion and ongoing management, as well as components that best match clients' needs and expectations.

保華建業集團有限公司以香港為基地，提供全方位的工程及物業相關服務，業務遍及香港、北京、上海、重慶、廣州、杭州、澳門及科威特。

保華建業憑藉六十多年的豐富經驗和專業服務，為客戶提供全面而靈活的方案，從前期的概念構思，到建造過程及落成後的持續管理，我們均完全配合客戶的需要及期望，令物業與日增值。





CONTENTS 目錄

- 02** Chairman's Statement
主席報告書
- 04** Chief Executive Officer's Report
行政總裁報告
- 09** Corporate Governance
企業管治
- 14** Other Information
其他資料
- 22** Report on Review of Interim Financial Information
中期財務資料審閱報告
- 23** Condensed Consolidated Income Statement
簡明綜合收益表
- 24** Condensed Consolidated Statement of Comprehensive Income
簡明綜合全面收益表
- 25** Condensed Consolidated Statement of Financial Position
簡明綜合財務狀況表
- 27** Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動表
- 29** Condensed Consolidated Statement of Cash Flows
簡明綜合現金流動表
- 30** Notes to the Condensed Consolidated Financial Statements
簡明綜合財務報表附註
- 47** Corporate Information
公司資料

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

I am pleased to present the Interim Report of Paul Y. Engineering Group Limited (the "Company", together with its subsidiaries, the "Group") for the six months ended 30 September 2011.

The Group's performance for the first half of the year was satisfactory despite the rising inflation. Profit attributable to shareholders of the Company was about HK\$15 million (2010: HK\$14 million), an increase of about 6% compared with the same period last year. Cash, bank balances and deposits stood strong at about HK\$355 million. Turnover during the period was about HK\$2,067 million (2010: HK\$2,232 million), a decrease of about 7% compared with the same period last year. The board of directors does not recommend the payment of an interim dividend.

Amid widespread economic uncertainty plagued by impacts of debt crisis in Europe and slackening of the US economy, Hong Kong's economic growth achieved in the beginning of the year has continued to show signs of slowing down in recent quarters. Nevertheless, with the increase in capital expenditures committed by the HKSAR Government and the investment by private investors, local public building and construction works are still in great demand. During the period, the Group secured new contracts with a total value of about HK\$3,412 million (2010: HK\$1,506 million) which was about 1.3 times more than the value for the last corresponding period. As at 30 September 2011, the value of contracts on hand was about HK\$11,158 million, while the value of remaining works stood at approximately HK\$7,219 million, up by approximately 22% as compared to the corresponding amount as at 31 March 2011. On the other hand, the shortage of professional engineers and skilled labour, and the inflation in Hong Kong pushed up the construction costs and limited the growth in profit margin.

各位股東：

本人欣然提呈保華建業集團有限公司（「本公司」）連同其附屬公司，統稱為「本集團」截至二零一一年九月三十日止六個月之中期報告。

在通脹加劇之情況下，本集團上半年業績依然令人滿意。本公司股東應佔溢利約為1,500萬港元（二零一零年：1,400萬港元），較去年同期增加約6%。現金、銀行結餘及存款亦穩站於約3.55億港元。而期內營業額約為20.67億港元（二零一零年：22.32億港元），較去年同期減少約7%。董事局不建議派發中期股息。

受制於歐債危機及美國經濟放緩雙重影響之經濟不明朗局面，本港自年初取得之經濟增長已持續於最近幾季有回落跡象。然而，由於香港特區政府之公共工程開支以及私人投資者之投資增加，對本地公共建設及建築工程仍需求殷切。本集團於期內取得之合約總值約34.12億港元（二零一零年：15.06億港元），較去年同期價值多約1.3倍。於二零一一年九月三十日，本集團手頭合約總值約111.58億港元，而未完成工程總價值約72.19億港元，較於二零一一年三月三十一日之相應金額增加約22%。不過，在專業工程師及技術勞工短缺的情況下，加上通脹因素帶動，建築成本隨之上升，限制了盈利率之增長空間。



The Group is in its continuous efforts to explore new projects and potential business developments that stand to benefit the Group and the shareholders. In August 2011, the Group announced its proposed acquisition of a 50% interest in a new film joint venture, Legendary East Ltd., for a total consideration of US\$220.5 million, to capture the infinite potential of the filmmaking business, especially in Mainland China, while at the same time maintaining major interests in our existing engineering and construction businesses. The proposal was approved by our shareholders at the special general meeting held on 15 November 2011 and is expected to be completed before the end of 2011 after fulfillment of certain conditions. The Board believes that this proposal will diversify our business undertakings in a sector with growth potential and enhance total shareholders' value for all shareholders.

I would like to express my appreciation to our shareholders, customers, and business partners for their continuous support. I would also like to thank my fellow Board members for their guidance, and all our staff for their dedication and hard work.

James Chiu, OBE, JP
Chairman

Hong Kong, 25 November 2011

本集團一直致力開拓能為集團及股東帶來收益之新項目及具潛力之業務發展。於二零一一年八月，本集團宣佈計劃以2.205億美元代價收購新電影合營企業Legendary East Ltd. 之50%權益，以捕捉尤其是中國電影製作市場之無限商機，並同時於現有之工程及建築業務中維持主要權益，此建議已於二零一一年十一月十五日之股東特別大會上獲股東批准，並預期於二零一一年年底前，達成某些條款後，完成整項交易。董事局深信，此計劃將保華建業的業務拓展至一個具潛力的行業，並有效增加所有股東的總股東價值。

本人感謝全體股東、客戶及業務夥伴一直以來的鼎力支持。本人亦同時向各位領導有方的董事局成員致意，並感謝一眾全力以赴及努力不懈之員工。

趙雅各, OBE, JP
主席

香港，二零一一年十一月二十五日

CHIEF EXECUTIVE OFFICER'S REPORT

行政總裁報告

Dear Shareholders,

It is my pleasure to present the interim results of Paul Y. Engineering Group Limited (the "Company") and its subsidiaries (the "Group") for the six months ended 30 September 2011, together with the comparative figures for the corresponding period in 2010. The consolidated income statement, consolidated statements of comprehensive income, financial position, changes in equity, and cash flows of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 23 to 46 of this report, which has been reviewed by the Company's Audit Committee and external auditor.

REVIEW OF FINANCIAL PERFORMANCE AND POSITIONS

During the period under review, the construction industry continued to benefit from the increase in capital works expenditure in both Hong Kong and Macau. Private investors and developers also started to put on stream the construction works of their building plans. Nevertheless, competition in the industry was still intense in terms of pricing and human resources.

For the six months ended 30 September 2011, the Group recorded a consolidated turnover of approximately HK\$2,067 million (2010: HK\$2,232 million), a decrease of approximately 7% from that of the last corresponding period as the Group had dedicated certain resources to the joint ventures with other contractors in major infrastructure projects. Taking into account the share of turnover of associates and jointly controlled entities attributed to the Group, the turnover would be approximately HK\$2,336 million, representing an increase of approximately 4%. Gross profit decreased by approximately 21% or approximately 6% (including share of profit (loss) before tax of associates and jointly controlled entities) as a result of the rise in manpower costs and materials price. Profit attributable to owners of the Company for the period was approximately HK\$15 million (2010: HK\$14 million), up by approximately 6%. Basic earnings per share was 2.4 HK cents.

As at 30 September 2011, total assets of the Group were approximately HK\$2,921 million, compared to approximately HK\$2,772 million as at 31 March 2011. Current assets were approximately HK\$2,397 million, representing approximately 1.05 times the current liabilities. Net cash was approximately HK\$32 million and the equity attributable to owners of the Company stood at approximately HK\$622 million.

Net cash flow used in operating activities was about HK\$62 million and net outflow in respect of investing and financing activities was approximately HK\$5 million, resulting in net decrease in cash of about HK\$67 million during the period.

各位股東：

本人欣然提呈保華建業集團有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一一年九月三十日止六個月內錄得之中期業績報告以及二零一零年同期的比較數字。本集團綜合收益表、綜合全面收益表、綜合財務狀況表、綜合權益變動表，以及綜合現金流動表均未經審核及屬簡明性質，並只附載部分說明性之附註，載於本報告第23頁至第46頁。本公司之審核委員會及外聘核數師均已審閱本中期報告。

財務表現及狀況回顧

於回顧期間，香港及澳門之建築業繼續受惠於公共工程開支之增加。私人投資者及發展商亦開始投放資源進行其興建計劃內之建築工程。然而，行業之價格及人力資源方面將繼續面對激烈競爭。

截至二零一一年九月三十日止六個月，本集團錄得綜合營業額約20.67億港元(二零一零年：22.32億港元)，較去年同期減少約7%，乃由於本集團投放若干資源與其他承建商成立合營企業以進行主要基建項目。經計及本集團攤佔聯營公司及共同控制機構之營業額後，營業額將達約23.36億港元，增加約4%。毛利減少約21%或計及攤佔聯營公司及共同控制機構之除稅前溢利(虧損)後約6%，乃由於工資成本及原材料價格上漲所致。本公司擁有人應佔期間溢利約為1,500萬港元(二零一零年：1,400萬港元)，上升約6%。每股基本盈利為2.4港仙。

於二零一一年九月三十日，本集團資產總值約為29.21億港元，而於二零一一年三月三十一日約為27.72億港元。流動資產約為23.97億港元，相當於流動負債約1.05倍。現金淨額約為3,200萬港元，而本公司擁有人應佔權益維持於約6.22億港元。

用於經營業務之現金流淨額約為6,200萬港元，而有關投資及融資活動之現金流出淨額約為500萬港元，故本期間之現金水平錄得約6,700萬港元之淨減少。

REVIEW OF OPERATIONS

Management Contracting division continued to be the major contributor during the period. Turnover of this division amounted to approximately HK\$2,042 million (2010: HK\$2,227 million), down by about 8% or approximately HK\$2,298 million if the share of turnover of associates and jointly controlled entities was included, an increase of approximately 3%. It reported operating profit of approximately HK\$36 million (2010: HK\$50 million).

During the period under review, the Management Contracting division secured new contracts of approximately HK\$3,412 million, representing an increase of approximately 127% as compared to the amount of HK\$1,505 million for the last corresponding period.

As at 30 September 2011, the value of contracts on hand was approximately HK\$11,154 million, while the value of work remaining had increased by about 22% to approximately HK\$7,217 million as compared to approximately HK\$5,908 million as at 31 March 2011. After the end of the period, the division secured further contracts of approximately HK\$1,848 million.

The Property Development Management division reported a profit of less than HK\$1 million for the period under review. The value of contracts on hand for Property Development Management division at the period end was approximately HK\$4 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group adheres to prudent funding and treasury policies in its operations, maintaining a variety of credit facilities with various banks to meet requirements for working capital. At 30 September 2011, the Group had total borrowings of approximately HK\$323 million, of which approximately HK\$312 million are repayable within one year. Cash, bank balances and deposits at period end totalled approximately HK\$355 million, of which approximately HK\$284 million, HK\$65 million and HK\$6 million were denominated in Hong Kong Dollars, Renminbi and Macau Patacas respectively.

Approximately 99.9% of the Group's borrowings as at 30 September 2011 bear interest at floating rates and are denominated either in Hong Kong Dollars or Renminbi. The Renminbi borrowings are directly tied in with the Group's business in the Mainland China. The Group's gearing ratio, based on total borrowings of approximately HK\$323 million and equity attributable to owners of the Company of around HK\$622 million, is increased to about 0.52.

業務回顧

於本期間內，承建管理部門仍是本集團的主要收入來源。該分部營業額達約20.42億港元（二零一零年：22.27億港元），下跌約8%或倘計及攤佔聯營公司及共同控制機構之營業額則達約22.98億港元，增加約3%。其錄得經營溢利約3,600萬港元（二零一零年：5,000萬港元）。

於回顧期內，承建管理部門取得之新建築工程合約價值約34.12億港元，較去年同期之約15.05億港元增加約127%。

於二零一一年九月三十日，手頭合約價值約為111.54億港元，而剩餘工程價值約72.17億港元，較於二零一一年三月三十一日之約59.08億港元增加約22%。於報告期末之後，該分部再取得約值18.48億港元之合約。

物業發展管理部門於回顧期間錄得溢利少於100萬港元。物業發展管理部門於期末之手頭合約價值約為400萬港元。

流動資金與資本來源

本集團繼續就其業務營運採納審慎之資金及財務政策，與多家銀行備有多項信貸安排以提供所需之營運資金。於二零一一年九月三十日，本集團之借款總額約為3.23億港元，當中約3.12億港元須於一年內償還。期末現金、銀行結餘及存款總額約為3.55億港元，當中約2.84億港元、6,500萬港元及600萬港元分別以港元、人民幣及澳門幣為單位。

於二零一一年九月三十日，本集團借款中約99.9%按浮動息率計息，並以港元或人民幣為單位。人民幣借款乃與本集團於中國內地業務有直接關係。按本集團之總借款約3.23億港元及本公司擁有人應佔權益約6.22億港元計算，本集團之資本負債比率增加至約0.52。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

EMPLOYEES

As at 30 September 2011, the Group had 1,292 full-time employees, including the Directors of the Group. The Group offers competitive remuneration package which is based on overall market rates and employee performance, as well as the performance of the Group. Remuneration package is comprised of salary, a performance-based bonus, and other benefits including training, provident funds and medical coverage. Three share incentive schemes (namely share option scheme, share award scheme and share financing plan) are in place to motivate and reward eligible employees.

PLEDGE OF ASSETS

As at 30 September 2011, the Group pledged bank deposits of approximately HK\$89 million, property, plant and equipment of approximately HK\$42 million, and charged the Group's benefits over certain construction contracts to secure the general banking facilities granted to the Group.

CONTINGENT LIABILITIES

Apart from the claim described in note 9 to the condensed consolidated financial statements, the Group had contingent liabilities in respect of guarantees of approximately HK\$37 million given to banks for banking facilities granted to an associate and jointly controlled entities as at 30 September 2011.

COMMITMENTS

As at 30 September 2011, the Group has expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment of approximately HK\$9 million.

EVENT AFTER THE END OF THE INTERIM PERIOD

On 21 August 2011, the Group decided to diversify its business through a series of transactions, including (i) placing to issue a total of 3,100 million new shares at HK\$0.65 each, with an option of up to an additional 500 million new shares; (ii) acquisition of a 50% interest in a film joint venture to which the Group will contribute US\$220.5 million (approximately HK\$1,719.9 million) in cash; (iii) capital reduction and distribution in specie of a 49% interest in the Group's existing businesses with a cash alternative; and (iv) cash dividend of HK\$0.25 per share with a scrip alternative (the "Transactions").

Details of the Transactions are set out in the joint announcement of the Company and PYI Corporation Limited and the circular of the Company dated 21 August 2011 and 24 October 2011, respectively.

僱員

於二零一一年九月三十日，本集團共聘用1,292名全職僱員（包括本集團董事）。本集團根據整體市況及僱員之表現乃至本集團之業務表現，提供具競爭力之酬金。酬金包括薪金、按表現發放之花紅，以及培訓、公積金及醫療福利等其他福利。三項股份獎勵計劃（即購股權計劃、股份獎勵計劃及股份融資計劃）已予採納，為合資格僱員提供鼓勵及獎賞。

資產抵押

於二零一一年九月三十日，本集團將約8,900萬港元之已抵押銀行存款、約4,200萬港元之物業、機械及設備，及本集團於若干建築工程合約之利益抵押予銀行，作為授予本集團之一般銀行信貸融資之擔保。

或然負債

除簡明綜合財務報表附註9所述之索償外，於二零一一年九月三十日，本集團就一間聯營公司及共同控制機構獲授之銀行信貸給予銀行之擔保，有約3,700萬港元之或然負債。

承擔

於二零一一年九月三十日，本集團就購置物業、機械及設備擁有已訂約但未於簡明綜合財務報表撥備之開支約900萬港元。

中期期間末後之事項

於二零一一年八月二十一日，本集團決定透過一連串交易作多元化發展其業務，包括(i)進行配售以按每股0.65港元發行合共31億股新股份，連同一項選擇權可要求發行最多額外5億股新股份；(ii)收購一間電影合營企業之50%權益，據此本集團將注資現金2.205億美元（約17.199億港元）；(iii)進行資本削減及實物分派本集團現有業務之49%權益連同現金替代；及(iv)現金股息每股0.25港元連同以股代息選擇（「該等交易」）。

有關該等交易之詳情分別載於本公司與保華集團有限公司於二零一一年八月二十一日發表之聯合公佈及本公司於二零一一年十月二十四日之通函內。

On 15 November 2011, the Transactions were approved by the shareholders of the Company at a special general meeting. The Transactions are subject to the satisfaction of other certain conditions, and hence the Transactions are not yet completed at the date these condensed consolidated financial statements are authorised for issue.

SECURITIES IN ISSUE

As at 30 September 2011, there were 606,954,322 shares in issue, with no outstanding share options.

During the period under review, no share was issued and no share options were granted.

INTERIM DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2011, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities.

OUTLOOK

With the threat of global slowdown and turmoil in the Eurozone looming over the Hong Kong economy, uncertainties in the external environment abounds. Although each of the United States and the European Union has put forth the operation twist and rescue package, respectively, with an attempt to stop the deterioration of their economies, the effects of such measures are still unknown. As an international financial centre, Hong Kong is inevitably facing the risk of an economic downturn in the event of further worsening of global economic conditions.

On the other hand, the prospect of the local construction market remains brilliant. The new housing policy (including the increase in number of public rental housing, the launch of new home ownership scheme and the increase in land supply), the development of East Kowloon as a second core business district and the tender of the second logistics site at Tsing Yi as announced by the Chief Executive in his 2011-12 Policy Address will boost further demand of building and infrastructure works on top of the infrastructure projects already put on stream. However, this will trigger off a further competition of professional engineers, skilled labour, machinery and building materials in our local market. It is expected that profit margin of the industry will be restrained by the increase in costs.

於二零一一年十一月十五日，該等交易已於股東特別大會上獲本公司股東批准。該等交易須待其他若干條件之達成，因此該等交易於簡明綜合財務報表獲批准發行之日期尚未完成。

已發行證券

於二零一一年九月三十日，已發行股份為606,954,322股，並無未行使購股權。

回顧期間內，概無股份發行及購股權授出。

中期股息

本公司董事局不建議派付截至二零一一年九月三十日止六個月之中期股息(二零一零年：無)。

購買、出售或贖回本公司上市證券

於截至二零一一年九月三十日止六個月期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

展望

本港經濟在環球經濟放緩及歐元區局勢動盪之陰霾籠罩下，正面對外圍環境多項不明朗因素。儘管美國及歐盟成員國分別推出「扭曲操作」及其他救助方案，意圖遏阻其國內經濟持續惡化，此等措施成效如何仍是未知之數。環球經濟若進一步衰退，香港作為國際金融中心，將難免面對經濟下行的風險。

然而，本地建築市場依然暢旺，除已逐步落實之基建工程外，行政長官於其2011-2012年施政報告中公佈之最新房屋政策(其中包括增建公共房屋、推出全新居者有其屋計劃及增加土地供應)、發展東九龍成為第二個核心商業區及於青衣招標興建第二個物流中心，均進一步令建築及基建工程需求大增。不過，此趨勢將引發本地市場爭奪專業工程師、技術勞工、機械及建築材料，預期建築業之盈利率增長空間將受制於成本上升之因素。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

Facing up to these challenges, the Group will concentrate more on risk analysis and forward planning to cope with clients' needs and maintain an optimal balance of risk and return to shareholders. More resources will be put in the Mainland China and Macau to capture the business expansion opportunity in these markets. Equipped with professional expertise and a solid foundation, the Group remains confident in increasing our order book and is well-positioned to take advantage of the thriving construction market. Riding on its core businesses, the Group has continued to seek opportunities to diversify our business for enhancing total shareholders' value.

The recent proposed film joint venture with Legend Pictures, LLC ("Legendary") and Huayi Brothers Media Corporation approved by our shareholders on 15 November 2011 provides the Group an opportunity to enter a new business sector with growth potential. Subject to the fulfillment of certain conditions such as the completion of share placing, it is expected that the transaction will be completed in December 2011. The film joint venture will initially plan to produce one to two films annually. The title of the first film in development is "The Great Wall". In addition, it will co-finance and participate in a 25% equity stake in two films of Legendary, "Paradise Lost" and "The Seventh Son". The films are anticipated to be released in 2013. To attain sustainable returns for our shareholders, the Group will strive to maintain a steady growth in our existing construction business and will endeavour to achieve more significant growth through the filmmaking business to be acquired.

Wong Kam Cheong, Stanley

Executive Director & Chief Executive Officer

Hong Kong, 25 November 2011

面對這些挑戰，本集團將更集中於風險評估及富前瞻性之部署策劃，以滿足客戶需求之餘，亦能有效平衡風險，為股東帶來盈利。展望未來，將投放更多資源於中國內地及澳門市場，以爭取拓展這些市場之機會；憑藉穩固之根基及專業經驗，本集團已準備就緒把握當前生機處處之建築市場，對增加合約量極具信心。在鞏固核心業務的同時，本集團亦一直尋找機會拓展業務，以提升總股東價值。

最近獲股東於二零一一年十一月十五日批准與Legend Pictures, LLC (「Legendary」) 及華誼兄弟傳媒股份有限公司成立電影合營企業之計劃，正為本集團提供機會，進軍一個深具增長潛力的行業。待完成股份配售等若干條款後，預期此交易將於二零一一年十二月內完成。按初步計劃，電影合營企業將每年製作一至兩部電影，首部籌備中之電影暫定名為「長城」；此外，亦將以合資形式及以25%權益參與Legendary之兩部電影「失樂園」及「第七子」。該些電影均預計於二零一三年推出。為求持續為股東帶來回報，本集團將致力於現有建築業務中維持穩定增長，並力求於即將羅致的電影業務中取得更大之增長空間。

黃錦昌

執行董事兼行政總裁

香港，二零一一年十一月二十五日



CORPORATE GOVERNANCE

企業管治

Paul Y. Engineering Group Limited (the “Company”, together with its subsidiaries, the “Group”) is committed to maintaining high standards of corporate governance because we believe that is the best way to enhance shareholders’ value. The Company places strong emphasis on an effective board (the “Board”) of directors (the “Directors”) of the Company, accountability, sound internal control, appropriate risk-assessment procedures, and transparency to all shareholders.

The Company has complied with all code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 September 2011. It has also adopted most of the recommended best practices stated therein.

BOARD OF DIRECTORS

The Board is responsible for overseeing the Company’s strategic direction and the controls applied to its activities, and ensuring that Management has appropriate processes in place for risk-assessment, management, and internal control over the Company’s day-to-day affairs.

The Board has a balanced composition of Executive and Non-Executive Directors to ensure independent viewpoints in all discussions. The Board currently comprises six Directors, including three Independent Non-Executive Directors, one Non-Executive Director, and two Executive Directors. More than one-third of the Board is made up of Independent Non-Executive Directors, one of whom has appropriate professional qualifications, or accounting or related financial management expertise, as required by the Listing Rules. There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

To ensure a balance of power and authority, the positions of Chairman and Chief Executive Officer of the Company are held by separate individuals, with segregated duties. The division of responsibilities between the Chairman and Chief Executive Officer is clearly established and set out in writing. The Chairman of the Company is Ir James Chiu (an Independent Non-Executive Director and the Chairman of the Audit Committee of the Company). The Chief Executive Officer of the Company is Ir Dr Wong Kam Cheong, Stanley.

The Board meets regularly and at least four times a year. In order to have an effective Board, Directors are provided with information on activities and developments in the Group’s business on a regular and timely basis to keep them apprised of the latest development of the Group.

保華建業集團有限公司(「本公司」，連同其附屬公司，統稱為「本集團」)致力維持高水平之企業管治，蓋因本公司相信良好企業管治為提升股東價值之最佳方法。本公司強調有效之本公司董事(「董事」)局(「董事局」)、問責性、有效之內部監控、恰當之風險評估程序及對全體股東之透明度。

截至二零一一年九月三十日止六個月，本公司已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載企業管治常規守則之所有守則條文。本公司亦已採納當中所載之大部份建議最佳常規。

董事局

董事局負責監查本公司之策略方向及對業務活動之控制，確保管理層已為風險作評估、本公司日常事務之管理及內部監控採取適當程序。

董事局中執行董事及非執行董事之組合保持均衡，確保所有討論具備獨立觀點。董事局現由六位董事組成(包括三位獨立非執行董事、一位非執行董事及兩位執行董事)。董事局中有超過三分之一為獨立非執行董事，而其中一位擁有上市規則所規定之合適專業資歷或會計或相關財務管理專長。董事局各成員之間並無諸如財務、商業、家族或其他重大／相關性質之關係。

主席與行政總裁之職位由不同人士擔任，各司其職，以確保權力及授權之均衡。主席與行政總裁分工清晰並以書面列明。本公司之主席為趙雅各工程師(獨立非執行董事及本公司審核委員會主席)。本公司之行政總裁為黃錦昌博士，工程師。

董事局定期開會，並每年最少舉行四次會議。為確保董事局行事有效，董事獲定期及適時提供本集團業務之活動及發展之資料，以使董事瞭解本集團之最新發展狀況。

CORPORATE GOVERNANCE 企業管治

BOARD COMMITTEES

To facilitate the work of the Board, Board committees have been set up with written terms of reference which clearly define the role, authority, and functions of each committee. Each Board committee is required to report their decisions or recommendations to the Board. The role and function of each Board committee are set out below:

Audit Committee

The Audit Committee consists of three members, all of whom are Independent Non-Executive Directors. The current members of this Committee are Ir James Chiu (Chairman), Professor Lee Chack Fan and Mr Iain Ferguson Bruce.

The principal duties of this Committee include oversight of the Group's financial reporting system and internal control procedures, review of the Group's financial information, and review of the relationship with the external auditor of the Company. This Committee also meets regularly with the Company's external auditor to discuss the audit process and accounting issues.

The Group's interim results for the six months ended 30 September 2011 has been reviewed by the Audit Committee and the Company's external auditor.

Remuneration Committee

The Remuneration Committee consists of three members, the majority of whom are Independent Non-Executive Directors. The current members of this Committee are Ir James Chiu (Chairman), Ir Dr Wong Kam Cheong, Stanley and Professor Lee Chack Fan.

This Committee has been established to ensure there is a formal and transparent procedure for setting policy on the remuneration of Executive Directors and for fixing the remuneration packages for all Directors. This Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of Directors and Senior Management, and making recommendations on the manpower deployment plan.

董事委員會

為使董事局工作更為順利，特成立以書面列明職權範圍之董事委員會，清晰界定各委員會角色、權限及職能。各董事委員會均須向董事局報告彼等之決議或建議。各董事委員會之角色及職能載列如下：

審核委員會

審核委員會由三位成員組成，他們均為獨立非執行董事。本委員會現時由趙雅各工程師（主席）、李焯芬教授及布魯士先生組成。

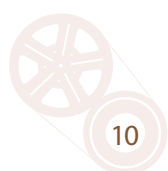
本委員會之主要職責包括督導本集團之財務申報制度及內部監控程序、檢討本集團之財務資料，並檢討與本公司外聘核數師之關係。本委員會亦與本公司之外聘核數師定期會晤，以商討審核之流程及會計事項。

本集團截至二零一一年九月三十日止六個月之中期業績已經審核委員會及本公司外聘核數師審閱。

薪酬委員會

薪酬委員會由三位成員組成，他們當中大部份成員為獨立非執行董事。本委員會現時由趙雅各工程師（主席）、黃錦昌博士，工程師及李焯芬教授組成。

成立本委員會旨在確保在釐定執行董事薪酬之政策及釐定全體董事之薪津組合方面，有一套正式且具透明度的程序。本委員會主責就本公司有關董事及高級管理層之薪酬政策及架構，向董事局提供建議，並就人力資源調配方案提供建議。



Nomination Committee

The Nomination Committee consists of three members, the majority of whom are Independent Non-Executive Directors. The current members of this Committee are Professor Lee Chack Fan (Chairman), Mr Lau Ko Yuen, Tom and Mr Iain Ferguson Bruce.

This Committee was established to ensure there is a formal, considered and transparent procedure for the appointment of new Directors to the Board. The duties of this Committee include reviewing the structure, size and composition of the Board and, if necessary, recommending changes. It is also responsible for identifying individuals suitably qualified to become members of the Board, selecting, or making recommendations to the Board on the selection of, individuals to be nominated for directorships and reviewing the effectiveness of the Directors.

Finance and Investment Committee

The Finance and Investment Committee consists of three members. The current members of this Committee are Mr Iain Ferguson Bruce (Chairman), Ir Dr Wong Kam Cheong, Stanley and Mr Law Hon Wa, William.

This Committee is mainly responsible for making recommendations to the Board on matters relating to investing in assets, evaluating the budgets of all key expenditures, reviewing financial performance against forecast, and considering dividend payout.

Disclosures Committee

The Disclosures Committee consists of three members. The current members of this Committee are Mr Iain Ferguson Bruce (Chairman), Mr Lau Ko Yuen, Tom and Mr Law Hon Wa, William.

This Committee is mainly responsible for overseeing disclosures to shareholders, the public, and relevant statutory authorities, and for overseeing compliance with any applicable legal requirements for disclosure.

Corporate Governance Committee

The Corporate Governance Committee consists of three members, the majority of whom are Independent Non-Executive Directors. The current members of this Committee are Ir James Chiu (Chairman), Mr Lau Ko Yuen, Tom and Mr Iain Ferguson Bruce.

This Committee is mainly responsible for developing and regularly reviewing the Company's compliance with legal, regulatory and corporate governance standards and making recommendations to the Board.

提名委員會

提名委員會由三位成員組成，他們當中大部份成員為獨立非執行董事。本委員會現時由李焯芬教授(主席)、劉高原先生及布魯士先生組成。

成立本委員會旨在確保在委任新董事加入董事局方面有一套正式、經深思熟慮及具透明度之程序。本委員會之主要職責包括檢討董事局之架構、人數及組成，並於必要時提出改變的建議。其亦負責物色合資格加入董事局之人士，挑選或就獲提名出任董事人士之遴選向董事局作出推薦及檢討董事之效能。

財務及投資委員會

財務及投資委員會由三位成員組成，本委員會現時由布魯士先生(主席)、黃錦昌博士，工程師及羅漢華先生組成。

本委員會主要負責就有關資產投資向董事局提出建議、評估一切主要開支預算、審閱財政表現與預測進行比較，以及考慮派付股息。

披露委員會

披露委員會由三位成員組成。本委員會現時由布魯士先生(主席)、劉高原先生及羅漢華先生組成。

本委員會主要負責監督向股東、公眾及相關法定機構作出之披露，亦督導確保遵守任何有關披露之適用法例規定。

企業管治委員會

企業管治委員會由三位成員組成，他們當中大部份成員為獨立非執行董事。本委員會現時由趙雅各工程師(主席)、劉高原先生及布魯士先生組成。

本委員會主要負責制定及定期檢討本公司在法律、監管及企業管治準則之遵行，並向董事局提出建議。

CORPORATE GOVERNANCE

企業管治

Executive Committee

The current members of the Executive Committee are Ir Dr Wong Kam Cheong, Stanley (Chairman), Mr Chan Fut Yan and Mr Law Hon Wa, William.

This Committee is mainly responsible for handling the management and operations of the day-to-day business of the Group.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2011 Annual Report are set out below:

1. Ir James Chiu has been elected as a director of BEAM Society Limited with effect from 26 August 2011;
2. the role of Mr Lau Ko Yuen, Tom in PYI Corporation Limited (0498.HK) has been changed from deputy chairman and managing director to chairman and managing director with effect from 26 September 2011; and
3. Mr Lau Ko Yuen, Tom retired as an independent non-executive director of China National Building Material Company Limited (3323.HK) with effect from 15 November 2011.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the six months ended 30 September 2011.

EXTERNAL AUDITOR

At the Company's Annual General Meeting held on 26 August 2011, shareholders approved the re-appointment of Deloitte Touche Tohmatsu as the Company's external auditor for the financial year ending 31 March 2012. The Audit Committee of the Company is responsible for approving the remuneration and terms of engagement of the external auditor and ensuring the continuing objectivity and independence of the external auditor.

執行委員會

本執行委員會之現任成員為黃錦昌博士，工程師（主席）、陳佛恩先生及羅漢華先生。

本委員會主要負責處理本集團日常業務之管理以及營運事宜。

董事資料之變動

根據上市規則第13.51B(1)條，自刊發二零一一年年報日期起，董事資料之變更載列如下：

1. 趙雅各工程師獲選為建築環保評估協會有限公司之董事，由二零一一年八月二十六日起生效；
2. 劉高原先生於保華集團有限公司(0498.HK)之職責由副主席兼董事總經理更改為主席兼董事總經理，由二零一一年九月二十六日起生效；及
3. 劉高原先生已退任中國建材股份有限公司(3323.HK)之獨立非執行董事，由二零一一年十一月十五日起生效。

董事之證券交易

本公司已採納上市規則附錄十所載，上市發行人董事進行證券交易的標準守則（「標準守則」），作為有關董事進行證券交易之操守守則。本公司作出具體查詢後，全體董事已經確認，彼等於截至二零一一年九月三十日止六個月內均有遵守標準守則規定之準則。

外聘核數師

在本公司於二零一一年八月二十六日舉行之股東週年大會上，股東批准續聘德勤·關黃陳方會計師行為本公司截至二零一二年三月三十一日止財政年度之外聘核數師。本公司審核委員會負責審批聘用外聘核數師之薪酬及條件，並保證外聘核數師之持續客觀性及獨立性。



INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. In meeting its responsibility, the Board seeks to increase risk awareness across the Company's business operations and has put in place policies and procedures which provide a framework for controls and management of risks.

The Board is also committed to managing risks and monitoring its business and financial activities in a manner which enables it to maximize profitable business opportunities, avoid or reduce risks which can cause loss or reputational damage, ensure compliance with applicable laws and regulations, and enhance resilience to external events.

Details of the standards, processes and effectiveness of the Company's internal control and risk management were set out in the Corporate Governance Report on pages 33 to 38 of the Company's 2011 Annual Report.

內部監控及風險管理

董事局負責本公司之內部監控系統及檢討其效益。為履行此責任，董事局致力於本公司業務營運中增強風險意識，並合理制定相關政策及程序，為風險監控及管理提供框架。

董事局亦致力風險管理及監督其業務及財務活動，以將有利可圖之商機盡量增加，避免或減少可導致損失或破壞聲譽之風險，確保遵守適用法例法規，以及加強對外界事件之回應。

本公司內部監控及風險管理之準則、過程及效果詳情載於本公司二零一一年年報第33頁至第38頁之企業管治報告。

OTHER INFORMATION 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2011, the interests and short positions of the directors and chief executives of Paul Y. Engineering Group Limited (the "Company") in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

(a) Interests in shares and underlying shares of the Company

Name of director	Capacity	Long position	Number of shares of the Company held	Approximate percentage of shareholding of the Company
董事姓名	身份	好倉	所持本公司股份數目	佔本公司股權之概約百分比
Iain Ferguson Bruce 布魯士	Beneficial owner 實益擁有人	Long position 好倉	817,111	0.13%

董事於股份、相關股份及債券之權益及淡倉

於二零一一年九月三十日，保華建業集團有限公司（「本公司」）董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第十五部）之股份、相關股份及債券中持有根據證券及期貨條例第352條須存置於本公司登記冊內之權益及淡倉，或根據香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）之上市發行人董事進行證券交易的標準守則（「標準守則」）而須另行知會本公司及香港聯交所之權益及淡倉如下：

(a) 於本公司股份及相關股份之權益



(b) Interests in shares and underlying shares of PYI Corporation Limited (“PYI”)

(b) 於保華集團有限公司(「PYI」)之股份及相關股份之權益

Name of director	Capacity	Long position	Number of shares of PYI held	Number of underlying shares (in respect of the share options (unlisted equity derivatives)) of PYI held	Total	Approximate percentage of shareholding of PYI
董事姓名	身份	好倉	所持PYI股份數目	所持PYI相關股份(有關購股權(非上市股本衍生工具))數目	總計	佔PYI股權之概約百分比
Lau Ko Yuen, Tom 劉高原	Beneficial owner 實益擁有人	Long position 好倉	14,237,475	36,833,332 (Note 1) (附註1)	51,070,807	1.13%
Lau Ko Yuen, Tom 劉高原	Family interest and Interest of controlled corporation 家族權益及於受控制法團之權益	Long position 好倉	146,863,544 (Note 2) (附註2)	–	146,863,544	3.24%
Chan Fut Yan 陳佛恩	Beneficial owner 實益擁有人	Long position 好倉	–	7,083,334 (Note 3) (附註3)	7,083,334	0.16%

Notes:

- The share options were granted to Mr Lau Ko Yuen, Tom on 28 December 2004 under the share option scheme of PYI adopted on 27 August 2002 (the “PYI Share Option Scheme”) and entitle him to subscribe for a total of 36,833,332 shares upon exercise at the exercise prices of HK\$0.43762 (as to 18,416,666 options) and HK\$0.52940 (as to 18,416,666 options) per share exercisable during the period from 28 December 2004 to 26 August 2012.
- Such interests are indirectly held by a company which is equally owned by Mr Lau Ko Yuen, Tom and his wife.
- The share options were granted to Mr Chan Fut Yan on 28 December 2004 under the PYI Share Option Scheme and entitle him to subscribe for a total of 7,083,334 shares upon exercise at an exercise price of HK\$0.52940 per share exercisable during the period from 28 December 2004 to 26 August 2012.

附註：

- 該等購股權乃根據PYI於二零零二年八月二十七日採納之購股權計劃(「PYI購股權計劃」)於二零零四年十二月二十八日授予劉高原先生，授權彼認購合共36,833,332股股份，可於二零零四年十二月二十八日至二零一二年八月二十六日期間按行使價每股股份0.43762港元(其中18,416,666股購股權)及0.52940港元(其中18,416,666股購股權)行使。
- 該等權益乃由劉高原先生及其妻子持有同等權益之公司間接持有。
- 該等購股權乃根據PYI購股權計劃於二零零四年十二月二十八日授予陳佛恩先生，並授權彼認購合共7,083,334股股份，行使價為每股0.52940港元，可於二零零四年十二月二十八日至二零一二年八月二十六日期間行使。

OTHER INFORMATION 其他資料

PYI, the ultimate holding company of the Company, is an associated corporation, within the meaning of Part XV of the SFO, of the Company.

本公司之最終控股公司PYI，為本公司之相聯法團，定義見證券及期貨條例第十五部。

Save as disclosed above, at 30 September 2011, none of the directors or chief executives of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一一年九月三十日，本公司董事或主要行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例第十五部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須存置於本公司登記冊內之任何權益或淡倉，或根據標準守則而須另行知會本公司及香港聯交所之權益或淡倉。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

(a) The Company

i) Share options scheme

As at 30 September 2011, there were no outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 7 September 2005.

No share options of the Company were granted, exercised, cancelled or lapsed during the period.

ii) Share award scheme

This scheme, which was adopted by the Company on 6 September 2006, allows the Company to make bonus payments to eligible persons (including employees, directors, consultants, advisers and agents of the Company and its subsidiaries (the "Group")) by way of the Company's shares acquired by and held through an independent trustee until fulfilment of specified conditions before vesting.

None of the directors of the Company were awarded any of the Company's shares under this scheme during the period or at 30 September 2011.

購買股份或債券之安排

(a) 本公司

i) 購股權計劃

於二零一一年九月三十日，概無本公司根據本公司於二零零五年九月七日採納之購股權計劃授出而未行使之購股權。

期內，概無授出、行使、註銷或失效之本公司購股權。

ii) 股份獎勵計劃

根據本公司於二零零六年九月六日採納之股份獎勵計劃，本公司可向合資格人士（包括本公司及其附屬公司（「本集團」）之僱員、董事、顧問、諮詢人及代理人）以本公司之股份之形式派發花紅，此等股份將由一名獨立受託人購入及持有，直至指定的歸屬條件達成為止。

期內或於二零一一年九月三十日，概無本公司董事根據此股份獎勵計劃獲授任何本公司股份。



iii) *Share financing plan*

This plan, which was adopted by the Company on 6 September 2006, allows eligible persons (including employees, directors, consultants, advisers and agents of the Group) to borrow funds from the Company or from a company within the Group to acquire new or old shares of the Company on a non-recourse basis with the subject shares pledged to the Company as security subject always to connected transaction and other relevant provisions under the Listing Rules.

None of directors of the Company acquired any the Company's shares under this plan during the period or at 30 September 2011.

(b) PYI

i) *Share options scheme*

Details of movements in the share options of PYI granted under the share option scheme of PYI adopted on 27 August 2002 to the directors of the Company during the period are as follows:

Name of director	Date of grant	Vesting date	Exercise period	Exercise price per share	Number of shares of PYI to be issued upon exercise of the share options	
					Outstanding at 1.4.2011	Outstanding at 30.9.2011
董事姓名	授出日期	歸屬日期	行使期	每股股份行使價 HK\$ 港元	於二零一一年四月一日尚未行使	於二零一一年九月三十日尚未行使
Lau Ko Yuen, Tom 劉高原	28.12.2004	28.12.2004	28.12.2004 – 26.8.2012	0.43762	18,416,666	18,416,666
	28.12.2004	28.12.2004	28.12.2004 – 26.8.2012	0.52940	18,416,666	18,416,666
Chan Fut Yan 陳佛恩	28.12.2004	28.12.2004	28.12.2004 – 26.8.2012	0.52940	7,083,334	7,083,334
					43,916,666	43,916,666

iii) *股份融資計劃*

本公司於二零零六年九月六日採納之計劃容許合資格人士(包括本集團之僱員、董事、顧問、諮詢人及代理人)向本公司或本集團內一間公司借款以無追索權基準購買本公司新或舊股份，而此等股份則質押予本公司作為抵押品，惟須符合上市規則有關關連交易及其他相關條文之規定。

期內或於二零一一年九月三十日，概無本公司董事根據此股份融資計劃購買任何本公司股份。

(b) PYI

i) *購股權計劃*

期內，本公司董事根據PYI於二零零二年八月二十七日採納之購股權計劃獲授之PYI購股權之變動詳情如下：

OTHER INFORMATION 其他資料

During the period or at 30 September 2011, none of the directors of the Company were granted any share options of PYI and no share options of PYI granted to the above directors of the Company were exercised, cancelled or lapsed.

ii) *Share award scheme*

This scheme, which was adopted by PYI on 23 February 2006, allows PYI to make bonus payments to eligible persons (including employees, directors, consultants, advisers and agents of PYI and its subsidiaries ("PYI Group")) by way of PYI's shares acquired by and held through an independent trustee until fulfilment of specified conditions before vesting.

None of the directors of the Company were awarded any of PYI's shares under this scheme during the period or at 30 September 2011.

iii) *Share financing plan*

This plan, which was adopted by PYI on 14 February 2006, allows eligible persons (including employees, directors, consultants, advisers and agents of the PYI Group) to borrow funds from PYI or from a company within the PYI Group to acquire new or old PYI's shares on a non-recourse basis with the subject shares pledged to PYI as security subject always to connected transaction and other relevant provisions under the Listing Rules.

None of the directors of the Company acquired any of PYI's shares under this plan during the period or at 30 September 2011.

Save as disclosed herein, at no time during the period was the Company or any of its subsidiaries or holding company or any subsidiaries of the Company's holding company, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate and none of the directors, chief executives or their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such rights during the period.

期內或於二零一一年九月三十日，本公司董事概無獲授任何PYI購股權及上述本公司董事獲授之PYI購股權概無被行使、註銷或失效。

ii) *股份獎勵計劃*

根據PYI於二零零六年二月二十三日採納之股份獎勵計劃，PYI可向合資格人士（包括PYI及其附屬公司（「PYI集團」）之僱員、董事、顧問、諮詢人及代理人）以PYI之股份的形式派發花紅，此等股份將由一名獨立受託人購入及持有直至指定的歸屬條件達成為止。

期內或於二零一一年九月三十日，並無根據此計劃向任何本公司董事授予任何PYI股份。

iii) *股份融資計劃*

PYI於二零零六年二月十四日採納之計劃容許合資格人士（包括PYI集團之僱員、董事、顧問、諮詢人及代理人）向PYI或PYI集團內一間公司借款以無追索權基準購買PYI新或舊股份，而此等股份則質押予PYI作為抵押品，惟須符合上市規則有關關連交易及其他相關條文之規定。

期內或於二零一一年九月三十日，概無本公司董事根據此股份融資計劃購買任何PYI股份。

除上文所披露者外，本公司或其任何附屬公司或控股公司，或本公司的控股公司的附屬公司，於期內任何時間概無參與訂立任何安排，以令本公司董事可藉購入本公司或任何其他實體機構之股份或債務證券（包括債券）而獲利，且董事、主要行政人員或彼等之配偶及未滿十八歲之子女概無權認購本公司證券，亦無於期內行使任何該等權利。



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

At 30 September 2011, so far as is known to the directors and the chief executives of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

(a) Interests of substantial shareholders in the shares and underlying shares of the Company

根據證券及期貨條例第336條存置之登記冊所記錄之主要股東／其他人士之權益及淡倉

於二零一一年九月三十日，就本公司董事及主要行政人員所知，根據證券及期貨條例第336條存置之本公司登記冊所記錄之主要股東／其他人士於本公司之股份及相關股份之權益或淡倉如下：

(a) 主要股東於本公司股份及相關股份之權益

Name of shareholder	Capacity	Long position	Number of shares of the Company held	Number of underlying shares of the Company held	Total	Approximate percentage of shareholding of the Company
股東姓名／名稱	身份	好倉	所持本公司股份數目	所持本公司相關股份數目	總計	佔本公司股權之概約百分比
PYI	Interest of controlled corporation (Note 1) 於受控制法團之權益 (附註1)	Long position 好倉	375,826,317	-	375,826,317	61.92%
PYI Treasury Group Limited ("PYIT")	Interest of controlled corporation (Note 1) 於受控制法團之權益 (附註1)	Long position 好倉	375,826,317	-	375,826,317	61.92%
Growing Success Limited ("Growing Success")	Interest of controlled corporation (Note 1) 於受控制法團之權益 (附註1)	Long position 好倉	375,826,317	-	375,826,317	61.92%
Paul Y. Investments Limited ("PYIL")	Beneficial owner (Note 1) 實益擁有人 (附註1)	Long position 好倉	375,826,317	-	375,826,317	61.92%
Mr Wu King Shiu, Kelvin ("Mr Wu") 胡景邵先生 (「胡先生」)	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%

OTHER INFORMATION 其他資料

Name of shareholder	Capacity	Long position	Number of shares of the Company held	Number of underlying shares of the Company held	Total	Approximate percentage of shareholding of the Company
股東姓名／名稱	身份	好倉	所持本公司股份數目	所持本公司相關股份數目	總計	佔本公司股權之概約百分比
Mr Chang Tat Joel ("Mr Chang") 鄭達祖先生(「鄭先生」)	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
AID Partners Ltd.	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
AID Partners GP1, L.P.	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
AID Partners Capital I, L.P. ("AID Capital") (「滙友資本」)	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
AID Partners Assets Management Limited	Interest of controlled corporation (Note 2) 於受控制法團之權益 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
Rising Wealth Group Limited ("AID Subscriber 1") 昇發集團有限公司 (「滙友資本第一認購方」)	Beneficial owner (Note 2) 實益擁有人 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
Profit Billion Limited ("AID Subscriber 2") 利兆有限公司 (「滙友資本第二認購方」)	Beneficial owner (Note 2) 實益擁有人 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%
Mighty Merit Group Limited ("AID Subscriber 3") (「滙友資本第三認購方」)	Beneficial owner (Note 2) 實益擁有人 (附註2)	Long position 好倉	360,000,000	60,000,000	420,000,000	69.20%

Notes:

1. PYIL was a wholly-owned subsidiary of Growing Success which was in turn a wholly-owned subsidiary of PYIT. PYIT was a wholly-owned subsidiary of PYI. Growing Success, PYIT and PYI were deemed to be interested in the shares of the Company held by PYIL.
2. AID Subscriber 1, AID Subscriber 2 and AID Subscriber 3 were the wholly-owned subsidiaries of AID Partners Assets Management Limited which was in turn the wholly-owned subsidiary of AID Capital, whose general partner was AID Partners GP1, L.P. whose general partner was AID Partners Ltd. whose shareholders were Mr Wu and Mr Chang. AID Partners Assets Management Limited, AID Capital, AID Partners GP1, L.P., AID Partners Ltd., Mr Wu and Mr Chang were deemed to be interested in the shares of the Company due to be subscribed by AID Subscriber 1, AID Subscriber 2 and AID Subscriber 3 pursuant to a subscription agreement dated 21 August 2011 between the Company, AID Subscriber 1, AID Subscriber 2 and AID Subscriber 3, details of which were set out in the circular of the Company dated 24 October 2011.

附註：

1. PYIL為Growing Success之全資附屬公司，而Growing Success則為PYIT之全資附屬公司。PYIT為PYI之全資附屬公司。Growing Success、PYIT及PYI被視為於PYIL持有之本公司股份中擁有權益。
2. 滙友資本第一認購方、滙友資本第二認購方及滙友資本第三認購方均為AID Partners Assets Management Limited之全資附屬公司，AID Partners Assets Management Limited為滙友資本之全資附屬公司，滙友資本之一般合夥人為AID Partners GP1, L.P.，而AID Partners GP1, L.P.之一般合夥人為AID Partners Ltd.，而AID Partners Ltd.之股東為胡先生及鄭先生。AID Partners Assets Management Limited、滙友資本、AID Partners GP1, L.P.、AID Partners Ltd.、胡先生及鄭先生被視為於本公司股份中擁有權益，乃由於該等股份根據本公司、滙友資本第一認購方、滙友資本第二認購方及滙友資本第三認購方於二零一一年八月二十一日訂立之認購協議獲滙友資本第一認購方、滙友資本第二認購方及滙友資本第三認購方認購，詳情載於日期為二零一一年十月二十四日之通函內。

(b) Interests of other persons in shares and underlying shares of the Company

(b) 其他人士於本公司股份及相關股份之權益

Name of person	Capacity	Long position	Number of shares of the Company held 所持本公司 股份數目	Total 總計	Approximate percentage of shareholding of the Company 佔本公司股權 之概約百分比
其他人士名稱	身份	好倉			
Platinum Global Dividend Fund Limited	Investment manager 投資經理	Long position 好倉	36,000,000	36,000,000	5.93%

Save as disclosed above, at 30 September 2011, the Company has not been notified of any interests or short position in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO.

除上文所披露者外，於二零一一年九月三十日，根據證券及期貨條例第336條本公司須存置之登記冊所記錄，本公司概無獲知會有其他人士擁有本公司之股份及相關股份之權益或淡倉。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION 中期財務資料審閱報告

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF
PAUL Y. ENGINEERING GROUP LIMITED
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 46, which comprises the condensed consolidated statement of financial position of Paul Y. Engineering Group Limited (the "Company") and its subsidiaries as of 30 September 2011 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

致保華建業集團有限公司董事局
(於百慕達註冊成立之有限公司)

引言

本行已審閱第23頁至第46頁所載之中期財務資料，當中包括保華建業集團有限公司（「本公司」）及其附屬公司於二零一一年九月三十日之簡明綜合財務狀況表，以及截至該日止六個月期間之相關簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流動表以及若干說明性之附註。香港聯合交易所有限公司主板證券上市規則規定，中期財務資料之編製須符合當中訂明之相關條文，以及由香港會計師公會頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。貴公司董事須負責根據香港會計準則第34號編製及呈報這些中期財務資料。本行之責任是根據審閱之結果，對這些中期財務資料作出結論，並按照雙方所協定之委聘書條款僅向整體董事局報告，除此之外本報告不可用作其他用途。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

本行依據香港會計師公會頒佈之香港審閱項目準則第2410號「由獨立核數師執行之中期財務資料審閱」進行本行之審閱工作。審閱中期財務資料主要包括向負責財務和會計事務之人員作出查詢，以及進行分析性和其他審閱程序。由於審閱之範圍遠較根據香港審計準則進行審核之範圍為小，故本行不保證可知悉所有在審核中可能發現之重大事項。因此，本行不會發表審核意見。

結論

根據本行之審閱結果，本行並無發現任何事項而令本行相信中期財務資料在任何重大方面未有根據香港會計準則第34號編製。

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 25 November 2011

德勤•關黃陳方會計師行
執業會計師

香港，二零一一年十一月二十五日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 September 截至九月三十日止六個月	
		2011 二零一一年	2010 二零一零年
		HK\$' 000 千港元	HK\$' 000 千港元
	NOTES 附註		
Turnover	營業額		
The Company and its subsidiaries	本公司及其附屬公司	2,067,297	2,231,654
Share of associates and jointly controlled entities	攤佔聯營公司及共同控制機構	268,344	23,086
		2,335,641	2,254,740
Group turnover	本集團營業額	2,067,297	2,231,654
Cost of sales	銷售成本	(1,993,042)	(2,137,455)
Gross profit	毛利	74,255	94,199
Other income	其他收入	6,184	7,863
Administrative expenses	行政費用	(66,737)	(76,884)
Gain on changes in fair value of investments held for trading	持作買賣投資之公平值變動之收益	-	25
Finance costs	融資成本	(6,093)	(5,213)
Share of results of associates	攤佔聯營公司業績	(230)	(3,300)
Share of results of jointly controlled entities	攤佔共同控制機構業績	9,235	(221)
Profit before tax	除稅前溢利	16,614	16,469
Income tax expense	所得稅費用	(815)	(291)
Profit for the period	期間溢利	15,799	16,178
Profit for the period attributable to:	應佔期間溢利：		
Owners of the Company	本公司擁有人	14,663	13,865
Non-controlling interests	非控股權益	1,136	2,313
		15,799	16,178
		HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利		
Basic	基本	2.4	2.3

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 September 截至九月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit for the period	期間溢利	15,799	16,178
Other comprehensive income (expense):	其他全面收益(開支):		
Exchange differences arising from translation of foreign operations	換算海外業務產生之匯兌差額	6,411	3,364
Increase in fair value of available-for-sale investments	可供出售之投資之公平值增加	-	18
Share of translation reserve of associates	攤佔聯營公司匯兌儲備	1,888	808
Transfer to profit or loss on disposal of available-for-sale investments	出售可供出售之投資時轉入溢利或虧損	-	(66)
		8,299	4,124
Total comprehensive income for the period	期間全面收益總額	24,098	20,302
Total comprehensive income attributable to:	應佔全面收益總額:		
Owners of the Company	本公司擁有人	22,962	17,989
Non-controlling interests	非控股權益	1,136	2,313
		24,098	20,302

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 September 2011 於二零一一年九月三十日

			Unaudited 未經審核 30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	Audited 經審核 31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元 (Restated) (經重列)
	NOTES 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	8	物業、機械及設備	174,773	148,956
Prepaid land lease payments		預付土地租賃款項	19,974	20,261
Goodwill		商譽	61,646	61,646
Other intangible assets		其他無形資產	7,570	7,570
Interests in associates		聯營公司權益	86,430	82,178
Interests in jointly controlled entities		共同控制機構權益	15,350	4,065
Other debtors – non-current portion	9	其他應收款項 – 非流動部分	158,286	153,211
			524,029	477,887
CURRENT ASSETS		流動資產		
Prepaid land lease payments		預付土地租賃款項	575	575
Amounts due from customers for contract works		應收客戶合約工程 款項	260,969	258,350
Trade and other debtors, deposits and prepayments	9	貿易及其他應收款項、 訂金及預付款項	1,562,553	1,426,020
Amount due from a related company	18(b)	應收一間關連公司款項	86	–
Amounts due from associates	18(b)	應收聯營公司款項	24,703	43,760
Amounts due from jointly controlled entities	18(b)	應收共同控制機構 款項	39,185	22,956
Amounts due from fellow subsidiaries	18(b)	應收同系附屬公司款項	145,741	126,845
Other loan receivable	10	其他應收貸款	8,148	8,148
Pledged bank deposits		已抵押銀行存款	89,179	75,026
Short term bank deposits		短期銀行存款	131,490	177,513
Bank balances and cash		銀行結餘及現金	134,451	154,568
			2,397,080	2,293,761

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

At 30 September 2011 於二零一一年九月三十日

		NOTES 附註	Unaudited 未經審核 30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	Audited 經審核 31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元 (Restated) (經重列)
CURRENT LIABILITIES	流動負債			
Amounts due to customers for contract works	應付客戶合約工程款項		881,485	947,938
Trade and other creditors and accrued expenses	貿易及其他應付款項及應計開支	11	967,667	848,557
Amounts due to associates	應付聯營公司款項	18(b)	78,704	57,557
Amounts due to jointly controlled entities	應付共同控制機構款項	18(b)	38,840	45,000
Amounts due to non-controlling interests	應付非控股權益款項	18(b)	61	61
Taxation payable	應付稅項		3,177	14,344
Dividend payable	應付股息		6,070	–
Bank borrowings – due within one year	一年內到期之銀行借款	12	311,702	244,667
			2,287,706	2,158,124
NET CURRENT ASSETS	流動資產淨值		109,374	135,637
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		633,403	613,524
NON-CURRENT LIABILITY	非流動負債			
Bank borrowings – due after one year	一年後到期之銀行借款	12	11,054	9,203
			622,349	604,321
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	13	303,477	303,477
Reserves	儲備		318,808	301,916
Equity attributable to owners of the Company	本公司擁有人應佔權益		622,285	605,393
Non-controlling interests	非控股權益		64	(1,072)
TOTAL EQUITY	總權益		622,349	604,321



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests	Total
		Share capital	Share premium	Special reserve	Investment revaluation reserve	Translation reserve	Retained profits	Sub-total		
		股本	股份溢價	特別儲備	投資重估儲備	匯兌儲備	保留溢利	小計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2011 (audited)	於二零一一年四月一日 (經審核)	303,477	272,558	(153,767)	-	14,343	168,782	605,393	(1,072)	604,321
Exchange difference arising from translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	6,411	-	6,411	-	6,411
Share of translation reserve of associates	攤佔聯營公司匯兌儲備	-	-	-	-	1,888	-	1,888	-	1,888
Profit for the period	期間溢利	-	-	-	-	-	14,663	14,663	1,136	15,799
Total comprehensive income for the period	期間全面收益總額	-	-	-	-	8,299	14,663	22,962	1,136	24,098
Dividends recognised as distribution (Note 6)	確認為分派之股息(附註6)	-	-	-	-	-	(6,070)	(6,070)	-	(6,070)
At 30 September 2011 (unaudited)	於二零一一年九月三十日 (未經審核)	303,477	272,558	(153,767)	-	22,642	177,375	622,285	64	622,349
At 1 April 2010 (audited)	於二零一零年四月一日 (經審核)	303,000	273,035	(153,767)	48	4,505	147,836	574,657	14,756	589,413
Exchange difference arising from translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	3,364	-	3,364	-	3,364
Increase in fair value of available-for-sale investments	可供出售之投資之公平值增加	-	-	-	18	-	-	18	-	18
Share of translation reserve of associates	攤佔聯營公司匯兌儲備	-	-	-	-	808	-	808	-	808
Transfer to profit or loss on disposal of available-for-sale investments	出售可供出售之投資時轉入溢利或虧損	-	-	-	(66)	-	-	(66)	-	(66)
Profit for the period	期間溢利	-	-	-	-	-	13,865	13,865	2,313	16,178
Total comprehensive (expenses) income for the period	期間全面(開支)收益總額	-	-	-	(48)	4,172	13,865	17,989	2,313	20,302
Dividends recognised as distribution (Note 6)	確認為分派之股息(附註6)	-	-	-	-	-	(9,696)	(9,696)	-	(9,696)
At 30 September 2010 (unaudited)	於二零一零年九月三十日 (未經審核)	303,000	273,035	(153,767)	-	8,677	152,005	582,950	17,069	600,019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

The special reserve of the Group includes the following:

- (a) a credit amount of HK\$1,000,000 representing the difference between the cost of acquisition of two subsidiaries and the nominal amount of their share capital at the date on which they were acquired by Paul Y. Management Contracting Group Limited ("Paul Y. Management Contracting") before the reverse acquisition as mentioned in note (b) below; and
- (b) a debit amount of HK\$154,767,000 representing the reserve arising from the reverse acquisition of Paul Y. Management Contracting and its subsidiaries (collectively referred to as "Paul Y. Management Contracting Group"), net of refund from ex-shareholder of Paul Y. Management Contracting for the shortfall in net asset value of Paul Y. Management Contracting Group upon completion of the acquisition by the Company from PYI Corporation Limited ("PYI"), the ultimate holding company, of the entire equity interest in, and shareholders' loan to Paul Y. Management Contracting Group in January 2005.

本集團之特別儲備包括以下項目：

- (a) 一筆為數1,000,000港元之進賬，即收購兩間附屬公司之成本與有關附屬公司於下文附註(b)所述反收購前被保華建設工程集團有限公司（「Paul Y. Management Contracting」）收購當日之股本面值之間的差額；及
- (b) 一筆為數154,767,000港元之借記款，即反收購Paul Y. Management Contracting及其附屬公司（統稱「Paul Y. Management Contracting Group」）產生之儲備，並扣除Paul Y. Management Contracting前股東因本公司於二零零五年一月完成向最終控股公司保華集團有限公司（「PYI」）收購Paul Y. Management Contracting Group全部股本權益及股東貸款時Paul Y. Management Contracting Group之資產淨值不足而支付之退款。



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流動表

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

Unaudited
未經審核
Six months ended 30 September
截至九月三十日止六個月

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (經重列)
Net cash (used in) from operating activities	(用於) 來自經營業務之現金淨額	(62,075)	184,881
Net cash (used in) from investing activities	(用於) 來自投資業務之現金淨額		
Purchase of property, plant and equipment	購置物業、機械及設備	(38,201)	(24,317)
Contribution to jointly controlled entities	注資入共同控制機構	(2,050)	(4,600)
(Increase) decrease in pledged bank deposits	已抵押銀行存款(增加)減少	(14,153)	31,569
Acquisition of additional interests in an associate	收購一間聯營公司額外權益	(2,594)	-
Advancement of a loan	借出貸款	(10,000)	-
Repayment of loans	償還貸款	10,000	69,352
Refundable deposits paid for potential projects	就潛在項目已支付之可退回訂金	-	(50,000)
Refundable deposits refunded for potential projects	就潛在項目已退回之可退回訂金	-	25,000
Proceeds from disposal of available-for-sale investments	出售可供出售之投資所得款項	-	436
Other investing cash flows	其他投資現金流	629	1,728
		(56,369)	49,168
Net cash from (used in) financing activities	來自(用於)融資活動之現金淨額		
Bank loans raised	新造銀行借款	180,929	38,700
Repayment of bank loans	償還銀行借款	(117,336)	(148,238)
Other financing cash flows	其他融資現金流	(12,508)	(4,827)
		51,085	(114,365)
Net (decrease) increase in cash and cash equivalents	現金及與現金等值項目(減少)增加淨額	(67,359)	119,684
Effect of foreign exchange rate changes	外幣匯率變動之影響	1,219	1,437
Cash and cash equivalents brought forward	現金及與現金等值項目承前	332,081	291,016
Cash and cash equivalents carried forward	現金及與現金等值項目結轉	265,941	412,137
Analysis of the balances of cash and cash equivalents	現金及與現金等值項目結餘分析		
Short term bank deposits	短期銀行存款	131,490	259,281
Bank balances and cash	銀行結餘及現金	134,451	152,856
		265,941	412,137

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011.

In the current interim period, the Group has applied, for the first time, the following new or revised standard, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has applied HKAS 24 (as revised in 2009) Related Party Disclosures for the first time in the current period. HKAS 24 (as revised in 2009) has changed the definition of a related party.

HKAS 24 (as revised in 2009) requires retrospective application. The related party disclosures as set out in note 18 to the condensed consolidated financial statements have been changed to reflect the application of HKAS 24 (as revised in 2009). The comparative figures in the condensed consolidated financial statements have also been restated.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定及香港會計準則第34號（香港會計準則第34號）「中期財務報告」之規定而編製。

2. 主要會計政策

除若干金融工具按公平值計量外，簡明綜合財務報表乃根據歷史成本法編製。

截至二零一一年九月三十日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與編製本集團截至二零一一年三月三十一日止年度之年度財務報表所採用者一致。

於本中期期間，本集團首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂或經修改準則、修訂及詮釋（「新訂或經修改香港財務報告準則」）。

香港財務報告準則（修訂）	於二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號 （二零零九年經修改）	關連人士之披露
香港（國際財務報告詮釋委員會） — 詮釋第14號（修訂）	最低資金要求之預付款
香港（國際財務報告詮釋委員會） — 詮釋第19號	以股本工具消除金融負債

本集團於本期間首次應用香港會計準則第24號（二零零九年經修改）關連人士之披露。香港會計準則第24號（二零零九年經修改）已更改關連人士之定義。

香港會計準則第24號（二零零九年經修改）要求追溯應用。簡明綜合財務報表附註18所載之關連人士披露已作更改，以反映應用香港會計準則第24號（二零零九年經修改）。簡明綜合財務報表之比較數字亦已重列。



The associates of ITC Corporation Limited ("ITC"), which is a substantial shareholder of, and has significant influence over, the Company's ultimate holding company, previously considered to be related parties are no longer considered as related parties under the new definition of a related party in accordance with HKAS 24 (as revised in 2009) and transactions with these companies are not disclosed accordingly.

Amounts due from these companies with the aggregate carrying amount of HK\$36,602,000 have been classified as trade and other debtors, deposits and prepayments as at 30 September 2011. In addition, at 30 September 2011, loan to a former related company amounting to approximately HK\$8,148,000 has been classified as other loan receivable.

The effect of changes in the definition of a related party described above on the financial position of the Group as at 31 March 2011 is as follows:

德祥企業集團有限公司(「德祥企業」)為本公司最終控股公司之主要股東及對本公司最終控股公司擁有重大影響力，其聯營公司於過往被視為關連人士，根據香港會計準則第24號(二零零九年經修改)對於關連人士之新定義，已不再被視為關連人士，因此，並無披露與該等公司進行之交易。

於二零一一年九月三十日，應收該等公司款項之賬面值合共36,602,000港元已分類為貿易及其他應收款項、訂金及預付款項。此外，於二零一一年九月三十日，貸款予一間前關連公司約8,148,000港元已分類為其他應收貸款。

上述關連人士定義之變動對本集團於二零一一年三月三十一日之財務狀況之影響如下：

		31.3.2011 二零一一年 三月三十一日 (Originally stated) (原列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 (Restated) (經重列) HK\$'000 千港元
Trade and other debtors, deposits and prepayments	貿易及其他應收款項、 訂金及預付款項	1,371,647	54,373	1,426,020
Amounts due from related companies	應收關連公司款項	54,373	(54,373)	-
Loan to a related company	貸款予一間關連公司	8,148	(8,148)	-
Other loan receivable	其他應收貸款	-	8,148	8,148
Trade and other creditors and accrued expenses	貿易及其他應付款項及 應計開支	(848,426)	(131)	(848,557)
Amount due to a related company	應付一間關連公司款項	(131)	131	-
		585,611	-	585,611

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

The effect of changes in the definition of a related party described above on the financial position of the Group as at 1 April 2010 is as follows:

上述關連人士定義之變動對本集團於二零一零年四月一日之財務狀況之影響如下：

		1.4.2010 二零一零年 四月一日 (Originally stated) (原列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	1.4.2010 二零一零年 四月一日 (Restated) (經重列) HK\$'000 千港元
Trade and other debtors, deposits and prepayments	貿易及其他應收款項、 訂金及預付款項	1,373,721	47,427	1,421,148
Amounts due from related companies	應收關連公司款項	47,427	(47,427)	-
Loan to a related company	貸款予一間關連公司	15,000	(15,000)	-
Other loans receivable	其他應收貸款	62,500	15,000	77,500
Trade and other creditors and accrued expenses	貿易及其他應付款項及 應計開支	(663,446)	(1,940)	(665,386)
Amount due to a related company	應付一間關連公司款項	(1,940)	1,940	-
		833,262	-	833,262

The changes in the definition of a related party have had no impact on the reported profit and earnings per share for the current and prior periods.

關連人士定義之變動對本期間及過往期間之已呈報溢利及每股盈利並無影響。

The application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

於本中期間應用其他新訂或經修改香港財務報告準則對簡明綜合財務報表所呈報之金額及／或簡明綜合財務報表所載之披露並無重大影響。

The Group has not early applied new or revised standards, amendments and interpretation that have been issued but are not yet effective. The following new or revised standards, amendments and interpretation have been issued after the date the consolidated financial statements for the year ended 31 March 2011 were authorised for issuance and are not yet effective:

本集團並無提早應用已頒佈但尚未生效之新訂或經修改準則、修訂及詮釋。下列新訂或經修改準則、修訂及詮釋乃於截至二零一一年三月三十一日止年度之綜合財務報表獲授權刊發日期後頒佈，且尚未生效：

HKFRS 10	Consolidated Financial Statements ²	香港財務報告準則第10號	綜合財務報表 ²
HKFRS 11	Joint Arrangements ²	香港財務報告準則第11號	合營安排 ²
HKFRS 12	Disclosure of Interests in Other Entities ²	香港財務報告準則第12號	於其他實體之權益披露 ²
HKFRS 13	Fair Value Measurement ²	香港財務報告準則第13號	公平值計量 ²
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹	香港會計準則第1號(修訂)	其他全面收益項目之呈列 ¹
HKAS 19 (Revised 2011)	Employee Benefits ²	香港會計準則第19號 (二零一一年經修改)	僱員福利 ²
HKAS 27 (Revised 2011)	Separate Financial Statements ²	香港會計準則第27號 (二零一一年經修改)	獨立財務報表 ²
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ²	香港會計準則第28號 (二零一一年經修改)	於聯營公司及合營企業之投資 ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²	香港(國際財務報告 詮釋委員會) – 詮釋第20號	地表礦藏生產階段的剝採成本 ²

- ¹ Effective for annual periods beginning on or after 1 July 2012
² Effective for annual periods beginning on or after 1 January 2013

The new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for the financial year ending 31 March 2014 and the potential impact is described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgment. The directors are in the process of assessing the impact from the application of HKFRS 10 on the results and the financial position of the Group.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 that deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application of HKFRS 11 might result in changes in the classification of the Group's joint arrangements and their accounting treatments. The directors are in the process of assessing the impact from the application of HKFRS 11 on the results and the financial position of the Group.

Other than disclosed above, the directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretation will have no material impact on the results and the financial position of the Group.

- ¹ 於二零一二年七月一日或以後開始之全年期間生效
² 於二零一三年一月一日或以後開始之全年期間生效

有關綜合賬目、合營安排和披露之新訂或經修改準則乃由香港會計師公會於二零一一年六月頒佈，並於二零一三年一月一日或以後開始之全年期間生效，所有該等新訂或經修改準則可提早應用，惟須於同一時間提早應用。本公司董事預期本集團於截至二零一四年三月三十一日止財政年度之綜合財務報表將應用該等新訂或經修改準則，而其潛在影響載列於下文。

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報表」處理綜合財務報表之部分。根據香港財務報告準則第10號，綜合財務報表之唯一基準為控制權。此外，香港財務報告準則第10號包含控制權之新定義，其中包括三個元素：(a)對投資對象行使之權力；(b)因參與投資對象的營運使其承受或享有可變的回報；及(c)能夠運用其對投資對象之權力以影響投資者回報金額。香港財務報告準則第10號已就複雜情況的處理方法加入詳細指引。整體而言，應用香港財務報告準則第10號須作出大量判斷。董事正在評估應用香港財務報告準則第10號對本集團業績及財務狀況之影響。

香港財務報告準則第11號取代香港會計準則第31號「合營企業之權益」。香港財務報告準則第11號處理兩方或多於兩方之共同控制的合營安排如何分類。根據香港財務報告準則第11號，合營安排有兩種類別：合營企業及合營業務。香港財務報告準則第11號之分類乃根據各方於安排之下之權利及責任。相反，根據香港會計準則第31號，合營安排有三種不同類別：共同控制機構、共同控制資產及共同控制業務。

此外，香港財務報告準則第11號之合營企業需以權益會計法入賬，而香港會計準則第31號之共同控制機構可以權益會計法或比例合併會計法入賬。應用香港財務報告準則第11號可能導致本集團合營安排之分類及其會計處理改變。董事正在評估應用香港財務報告準則第11號對本集團業績及財務狀況之影響。

除上述披露者外，本公司董事預期應用其他新訂或經修改準則、修訂及詮釋將不會對本集團之業績及財務狀況構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

3. SEGMENT INFORMATION

The Group is organised into the following two reportable segments:

Management contracting	– building construction and civil engineering
Property development management	– development management, project management, facilities and asset management

The following is an analysis of the Group's revenue and results by reportable segment for the period under review:

For the six months ended 30 September 2011

3. 分部資料

本集團分為下列兩個可報告分部：

承建管理	– 樓宇建造及土木工程
物業發展管理	– 發展管理、項目管理、設施及資產管理

就回顧期間，以下為本集團收益及業績按可報告分部之分析：

截至二零一一年九月三十日止六個月

		Management contracting 承建管理 HK\$'000 千港元	Property development management 物業發展管理 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
SEGMENT REVENUE	分部收益					
External sales	對外銷售	2,041,816	25,481	2,067,297	-	2,067,297
Inter-segment sales	分部之間銷售	-	437	437	(437)	-
Total	總計	2,041,816	25,918	2,067,734	(437)	2,067,297
Segment profit	分部溢利	35,865	387			36,252
Corporate income	企業收入					6,184
Central administrative costs	中央行政成本					(28,734)
Finance costs	融資成本					(6,093)
Share of results of associates	攤佔聯營公司業績					
– associates engaged in property investment	– 從物業投資之聯營公司					375
– others	– 其他					(605)
Share of results of jointly controlled entities	攤佔共同控制機構業績					9,235
Profit before tax	除稅前溢利					16,614



For the six months ended 30 September 2010

截至二零一零年九月三十日止六個月

		Management contracting 承建管理 HK\$'000 千港元	Property development management 物業發展管理 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
SEGMENT REVENUE	分部收益					
External sales	對外銷售	2,226,632	5,022	2,231,654	-	2,231,654
Inter-segment sales	分部之間銷售	-	679	679	(679)	-
Total	總計	2,226,632	5,701	2,232,333	(679)	2,231,654
Segment profit (loss)	分部溢利(虧損)	50,377	(4,072)			46,305
Corporate income	企業收入					7,863
Central administrative costs	中央行政成本					(28,990)
Gain on changes in fair value of investments held for trading	持作買賣投資之公平值變動之收益					25
Finance costs	融資成本					(5,213)
Share of results of associates – associates engaged in property investment	攤佔聯營公司業績 – 從事物業投資之聯營公司					(405)
– others	– 其他					(2,895)
Share of results of jointly controlled entities	攤佔共同控制機構業績					(221)
Profit before tax	除稅前溢利					16,469

Inter-segment sales are charged at market price or, where no market price was available, at terms determined and agreed by both parties.

分部之間之銷售額乃按市價收取或(倘並無可供參考之市價)按雙方釐定及同意之條款收取。

Segment profit (loss) represents profit (loss) attributable to each segment without allocation of corporate income, central administrative costs, gain on changes in fair value of investments held for trading, finance costs, share of results of associates and jointly controlled entities. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment.

分部溢利(虧損)為各分部應佔溢利(虧損)而無分配企業收入、中央行政成本、持作買賣投資之公平值變動之收益、融資成本、攤佔聯營公司及共同控制機構業績。此乃向本集團主要營運決策者報告之計量方法，用作分配資源及評估表現。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

4. INCOME TAX EXPENSE

4. 所得稅費用

		Six months ended 30 September	
		截至九月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
The charge comprises:	支出包括：		
Taxation outside Hong Kong	海外稅項	815	291

No provision for Hong Kong Profits Tax has been made for both periods as the entities within the Group have available tax losses brought forward which were not recognised as deferred tax assets in prior years to offset the estimated assessable profits arising in Hong Kong.

Taxation outside Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

Taxation arising in other jurisdictions is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

由於本集團旗下機構擁有於過往年度並無確認為遞延稅項資產之承前稅務虧損以抵銷於香港產生之估計應課稅溢利，故並無就兩個期間作出香港利得稅撥備。

海外稅項乃根據各有關司法權區之通行稅率計算。

其他司法權區產生之稅項乃根據管理層對整個財政年度之預期加權平均全年所得稅率作出的最佳估計而確認。



5. PROFIT FOR THE PERIOD

5. 期間溢利

		Six months ended 30 September	
		截至九月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period has been arrived at after charging (crediting):	期間溢利已扣除 (計入):		
Consultancy fee (Note (a) below)	諮詢費用 (下文附註(a))	1,435	3,779
Depreciation of property, plant and equipment	物業、機械及設備之折舊	12,473	8,047
Less: Amount capitalised in respect of contracts in progress	減: 撥充在建合約工程資本之數額	(1,296)	(626)
		11,177	7,421
Legal and professional fee (Note (a) below)	法律及專業費用 (下文附註(a))	4,101	5,301
Operating lease rental on premises (Note (a) below)	物業之經營租約租金 (下文附註(a))	6,111	7,301
Release of prepaid land lease payments	轉撥預付土地租賃款項	287	287
Share of (profit) loss of jointly controlled entities (Note (b) below)	攤佔共同控制機構之(溢利)虧損 (下文附註(b))	(9,235)	221
Gain on changes in fair value of investments held for trading	持作買賣投資之公平值變動之收益	-	(25)
Interest income	利息收入	(6,184)	(7,863)

Notes:

- (a) These items are included in administrative expenses.
- (b) The Group has established joint ventures to undertake major infrastructure projects in Hong Kong which have made profit contribution to the Group for the six months ended 30 September 2011.

附註:

- (a) 該等項目已計算於行政費用內。
- (b) 本集團已成立合營企業於香港承造主要基建項目，有關項目於截至二零一一年九月三十日止六個月為本集團帶來溢利。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

6. DIVIDENDS

6. 股息

		Six months ended 30 September 截至九月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Dividends recognised as distributions to owners of the Company during the current period:	於本期間確認向本公司擁有人分派之股息：		
Final dividend declared in respect of the preceding year – 1.0 HK cent (2010: 1.6 HK cents) per share	宣派上年度之末期股息 – 每股1.0港仙(二零一零年：每股1.6港仙)	6,070	9,696

No dividend was determined by the Company for the six months ended 30 September 2011 and 2010.

本公司並無宣派截至二零一一年及二零一零年九月三十日止六個月之股息。

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company for the period is based on the following data:

7. 每股盈利

本期間內本公司擁有人應佔之每股基本盈利乃根據以下數據計算：

		Six months ended 30 September 截至九月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit for the period attributable to owners of the Company and earnings for the purpose of basic earnings per share	本公司擁有人應佔期間溢利及計算每股基本盈利之盈利	14,663	13,865
		Number of shares 股份數目	Number of shares 股份數目
Number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股數目	606,954,322	605,999,795

Diluted earnings per share has not been presented as no potential ordinary shares were outstanding during both periods.

由於兩個期間並無未行使潛在普通股，故並無呈列每股攤薄盈利。



8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$38,201,000 (1.4.2010 to 30.9.2010: HK\$24,317,000) on property, plant and equipment to expand and upgrade its operating capacity.

9. TRADE AND OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

The Group's credit terms for its management contracting business are negotiated at terms determined and agreed with its trade customers.

The following is an aged analysis of trade debtors, net of allowance for doubtful debt, presented based on the invoice date and retention receivables at the end of the reporting period:

		30.9.2011	31.3.2011
		二零一一年	二零一一年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Within 90 days	90日內	580,380	469,061
More than 90 days and within 180 days	超過90日但於180日內	-	12,563
More than 180 days	超過180日	45,878	42,764
		626,258	524,388
Retention receivables	應收保固金	501,949	503,687
		1,128,207	1,028,075

At 30 September 2011, retentions held by customers for contract works amounting to approximately HK\$501,949,000 (31.3.2011: HK\$503,687,000) were included in trade and other debtors, of which approximately HK\$164,231,000 (31.3.2011: HK\$220,954,000) are expected to be recovered or settled after more than twelve months from the end of the reporting period.

8. 物業、機械及設備

於本期間內，本集團動用約38,201,000港元（二零一零年四月一日至二零一零年九月三十日：24,317,000港元）於購置物業、機械及設備以擴張及提升經營能力。

9. 貿易及其他應收款項、訂金及預付款項

本集團承建管理業務之信貸期乃按與貿易客戶釐定及協定之條款磋商達成。

於報告期末，根據發票日期所呈列之經扣減呆賬準備後之貿易應收款項之賬齡分析及應收保固金如下：

於二零一一年九月三十日，已計入貿易及其他應收款項內客戶所持有之合約工程保固金約為501,949,000港元（二零一一年三月三十一日：503,687,000港元），其中約164,231,000港元（二零一一年三月三十一日：220,954,000港元）預期將於報告期末起超過十二個月後償還或結清。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

Included in other debtors, deposits and prepayments in the condensed consolidated statement of financial position is an amount of approximately HK\$261,578,000 (31.3.2011: HK\$253,211,000) which mainly represents amounts recoverable (together with interest thereon) from a property developer, an independent third party, in respect of amounts paid in previous years for a property development project in Beijing, the PRC (the "Project"). The principal amount was approximately HK\$183,827,000 (31.3.2011: HK\$177,932,000) and recoverable with the interest calculated at floating-rate interest at the benchmark lending interest rate as announced by the People's Bank of China plus 8% per annum. To protect the Group's interest, the Group has entered into presale contracts with the property developer for certain property units in this Project. In the opinion of the directors, the estimated portion of the amount which is expected to be recovered after twelve months from 30 September 2011 amounted to approximately HK\$158,286,000 (31.3.2011: HK\$153,211,000) and has been classified as non-current asset.

A writ of summons was served on 28 July 2011 upon the Company and two of its subsidiaries claiming for, amongst others, damages in a sum of approximately RMB780 million related to the Project. It is stated in the writ of summons that the Company and two of its subsidiaries were alleged to be in breach of certain terms contained in an alleged oral agreement (which is denied). Taken into consideration of a legal opinion, the Company is of the view that the Company and two of its subsidiaries would put up a respectable defence against the alleged claim and that it is probable that there would not be adverse material impact on the financial position of the Group.

10. OTHER LOAN RECEIVABLE

The amount is unsecured, interest bearing at a fixed rate of 10% per annum and repayable on demand. In the opinion of the directors, the amount will be repaid within twelve months from the end of the reporting period.

計入簡明綜合財務狀況表之其他應收款項、訂金及預付款項包括一筆約為261,578,000港元(二零一一年三月三十一日: 253,211,000港元)之款項, 主要是指於以往年度就中國北京一項物業發展項目(「該項目」)之已付款項而應收一位物業發展商(獨立第三方)之款項(連同有關利息)。本金額約為183,827,000港元(二零一一年三月三十一日: 177,932,000港元), 而應收利息則按浮動利率即中國人民銀行公佈之基準貸款利率加年息8%計算利息。為保障本集團利益, 本集團與該物業發展商就此項目之若干物業訂立預售合約。董事認為, 估計部份款項約158,286,000港元(二零一一年三月三十一日: 153,211,000港元)預期將於二零一一年九月三十日起計十二個月後償還, 並已分類為非流動資產。

本公司及其兩間附屬公司於二零一一年七月二十八日接獲一份傳訊令狀, 就該項目索償(其中包括)約人民幣780,000,000元之損失。該傳訊令狀指稱本公司及其兩間附屬公司違反一份所聲稱之口頭協議內之若干條款(此被否定)。經考慮法律意見後, 本公司認為本公司及其兩間附屬公司有充份理據抗辯有關指稱索償, 而有關索償將不大可能對本集團之財務狀況造成任何重大不利影響。

10. 其他應收貸款

有關款項為無抵押、按固定利率年息10%計息及須按要求償還。董事認為, 有關款項將於報告期末起十二個月內償還。



11. TRADE AND OTHER CREDITORS AND ACCRUED EXPENSES

The following is an aged analysis of trade creditors presented based on the invoice date and retention payables at the end of the reporting period:

		30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元
Within 90 days	90日內	394,748	268,985
More than 90 days and within 180 days	超過90日但於180日內	1,057	4,379
More than 180 days	超過180日	12,442	17,404
		408,247	290,768
Retention payables	應付保固金	356,653	364,200
		764,900	654,968

At 30 September 2011, retentions held by the Group for contract works amounting to approximately HK\$356,653,000 (31.3.2011: HK\$364,200,000) were included in trade and other creditors, of which approximately HK\$63,881,000 (31.3.2011: HK\$90,302,000) are expected to be paid or settled after more than twelve months from the end of the reporting period.

12. BANK BORROWINGS

During the period, the Group made repayment of bank borrowings amounting to approximately HK\$117,336,000 (1.4.2010 to 30.9.2010: HK\$148,238,000) and raised bank borrowings of approximately HK\$180,929,000 (1.4.2010 to 30.9.2010: HK\$38,700,000).

The new bank loans raised during the period carried interest rates ranging from 1.72% to 7.87% per annum and repayable over a period range from one to three years. The proceeds were used to finance the general working capital of the Group during the period.

11. 貿易及其他應付款項及應計開支

於報告期末，根據發票日期所呈列之貿易應付款項之賬齡分析及應付保固金如下：

於二零一一年九月三十日，已計入貿易及其他應付款項內本集團所持有之合約工程保固金約為356,653,000港元（二零一一年三月三十一日：364,200,000港元），其中約63,881,000港元（二零一一年三月三十一日：90,302,000港元）預期將於報告期末起超過十二個月後支付或結清。

12. 銀行借款

期內，本集團償還為數約117,336,000港元（二零一零年四月一日至二零一零年九月三十日：148,238,000港元）之銀行借款，並新造為數約180,929,000港元（二零一零年四月一日至二零一零年九月三十日：38,700,000港元）之銀行借款。

期內之新造銀行借款按年利率介乎1.72%至7.87%計息，並須於介乎一至三年內償還。所得款項用於為本集團於期內之一般營運資金提供融資。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

13. SHARE CAPITAL

13. 股本

		Number of shares 股份數目	Amount 款額 HK\$'000 千港元
Ordinary shares of HK\$0.50 each:	每股面值0.50港元之普通股：		
Authorised:	法定：		
At 1 April 2010, 31 March 2011 and 30 September 2011	於二零一零年四月一日、 二零一一年三月三十一日及 二零一一年九月三十日	1,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2010	於二零一零年四月一日	605,999,795	303,000
Issue of new shares pursuant to scrip dividend schemes	根據以股代息計劃發行 新股	954,527	477
At 31 March 2011 and 30 September 2011	於二零一一年三月三十一日及 二零一一年九月三十日	606,954,322	303,477

14. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme for eligible persons of the Group. No share options were outstanding at 30 September 2011 and 31 March 2011. No share options were granted to employees during the six months ended 30 September 2011 and 30 September 2010.

14. 以股份為基礎付款之交易

本公司為本集團合資格人士設立購股權計劃。於二零一一年九月三十日及二零一一年三月三十一日並無尚未行使之購股權。截至二零一一年九月三十日及二零一零年九月三十日止六個月期間概無向僱員授出購股權。

15. CAPITAL COMMITMENTS

15. 資本承擔

		30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	已訂約但未於簡明 綜合財務報表內撥備， 有關購置物業、機械 及設備之資本 開支	9,302	4,819



16. CONTINGENT LIABILITIES

Apart from the claim described in note 9, the Group has the following contingent liabilities:

		30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元
Guarantees given to banks in respect of banking facilities granted to:	就下列人士獲授之銀行信貸 給予銀行之擔保：		
An associate	一間聯營公司	3,542	3,542
Jointly controlled entities	共同控制機構	33,255	33,255
		36,797	36,797

At the initial date of providing these guarantees, the directors consider that the fair value of the financial guarantees were insignificant.

16. 或然負債

除附註9所述之索償外，本集團有下列或然負債：

於提供該擔保之初始日期，董事認為財務擔保之公平值微不足道。

17. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		30.9.2011 二零一一年 九月三十日 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元
Within one year	一年內	16,354	15,835
In the second to fifth year inclusive	第二至第五年(首尾兩年 包括在內)	36,667	41,499
		53,021	57,334

17. 經營租約承擔

於報告期末，本集團在不可撤銷之有關租用物業經營租約方面尚有未來最低租金款項承擔。此等承擔之支付期如下：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

18. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the period, the Group entered into the following transactions with its related parties:

18. 關連人士之披露

(a) 關連人士交易

期內，本集團與其關連人士訂立以下交易：

Class of related party 關連人士之類別	Nature of transactions 交易性質	Six months ended 30 September 截至九月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Associates of the Group 本集團之聯營公司	Construction works charged by the Group 本集團收取合約工程費	650	–
	Construction works charged to the Group 本集團支付合約工程費	38,301	–
Jointly controlled entities of the Group 本集團之共同控制機構	Construction works charged by the Group 本集團收取合約工程費	135,984	–
	Construction works charged to the Group 本集團支付合約工程費	11,831	–
	Service fees charged by the Group 本集團收取服務費	8	8
Fellow subsidiaries of the Group 本集團之同系附屬公司	Construction works charged by the Group 本集團收取合約工程費	–	46
	Project and facilities management fees charged by the Group 本集團收取項目及設施管理費	23,928	687
	Interest charged by the Group 本集團收取利息	5,164	5,683

(b) Related party balances

The amounts due from (to) associates, jointly controlled entities and non-controlling interests are unsecured, interest free and repayable on demand except for amounts due from associates and jointly controlled entities of approximately HK\$23,844,000 (31.3.2011: HK\$40,485,000) and HK\$39,181,000 (31.3.2011: HK\$22,952,000), respectively, which have credit periods ranging from 60 to 90 days and are trade in nature.

(b) 關連人士之結餘

應收(應付)聯營公司、共同控制機構及非控股權益之款項為無抵押、免息及須按要求償還，惟應收聯營公司及共同控制機構款項分別約23,844,000港元(二零一一年三月三十一日：40,485,000港元)及39,181,000港元(二零一一年三月三十一日：22,952,000港元)之信貸期為60日至90日且屬貿易性質。



The aged analysis of the amounts due from associates presented based on the invoice date at the end of the reporting period is as follows:

		30.9.2011	31.3.2011
		二零一一年	二零一一年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Within 90 days	90日內	650	12,620
More than 90 days and within 180 days	超過90日但於180日內	12,415	42
More than 180 days	超過180日	10,779	27,823
		23,844	40,485

The amounts due from jointly controlled entities of approximately HK\$39,181,000 (31.3.2011: HK\$22,952,000) are aged within 90 days based on the invoice date at the end of the reporting period. The directors of the Company consider that there has not been a significant change in credit quality of associates and jointly controlled entities and there is no recent history of default, therefore, the amounts are considered recoverable. The Group does not hold any collateral over these balances.

An amount due to an associate of approximately HK\$77,707,000 (31.3.2011: HK\$56,550,000) which represents retention held by the Group for contract works, of which approximately HK\$51,817,000 (31.3.2011: HK\$56,550,000) is expected to be paid or settled after more than twelve months from the end of the reporting period.

The amounts due from fellow subsidiaries are unsecured, interest free and repayable on demand except for an amount due from a fellow subsidiary of approximately HK\$70,618,000 (31.3.2011: HK\$68,049,000) which is interest bearing at floating-rate at the benchmark lending rate as announced by the People's Bank of China or relevant borrowing rate, whichever is higher, plus 8% per annum which is approximately 14.56% (31.3.2011: 14.06%) per annum.

Amount due from a related company represents other receivable balance due from ITC Management Limited, a company in which ITC has control over it. The amount is unsecured, interest free and repayable on demand.

於報告期末，根據發票日期呈列之應收聯營公司款項之賬齡分析如下：

應收共同控制機構之款項約39,181,000港元(二零一一年三月三十一日：22,952,000港元)於報告期末根據發票日期之賬齡為90日內。本公司董事認為聯營公司及共同控制機構之信貸質素並無重大變化，且並無不良記錄，故認為有關款項應可予收回。本集團就該等結餘未持有任何抵押品。

應付一間聯營公司款項約77,707,000港元(二零一一年三月三十一日：56,550,000港元)是指本集團所持有之合約工程保固金，當中約51,817,000港元(二零一一年三月三十一日：56,550,000港元)預期將於報告期末起超過十二個月後支付或結清。

應收同系附屬公司款項為無抵押、免息及須按要求償還，惟應收一間同系附屬公司款項約70,618,000港元(二零一一年三月三十一日：68,049,000港元)按浮動利率即中國人民銀行所公佈之基準貸款利率或有關之借款利率(以較高者為準)加每年8%，年利率約14.56%(二零一一年三月三十一日：14.06%)計息除外。

應收一間關連公司之款項指應收ITC Management Limited之其他應收款項結餘，ITC Management Limited由德祥企業控制。有關款項為無抵押、免息及須按要求償還。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

For the six months ended 30 September 2011 截至二零一一年九月三十日止六個月

(c) The remuneration of directors and other members of key management during the period was as follows:

		Six months ended 30 September	
		截至九月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	3,350	3,261
Post-employment benefits	退休福利	12	13
		3,362	3,274

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

(c) 期內董事及其他管理層要員之薪酬如下：

董事之薪酬乃由薪酬委員會參考個別人員之表現及市場趨勢而釐定。

19. EVENT AFTER THE END OF THE INTERIM PERIOD

On 21 August 2011, the Group decided to diversify its business through a series of transactions, including (i) placing to issue a total of 3,100 million new shares at HK\$0.65 each, with an option of up to an additional 500 million new shares; (ii) acquisition of a 50% interest in a film joint venture to which the Group will contribute US\$220.5 million (approximately HK\$1,719.9 million) in cash; (iii) capital reduction and distribution in specie of a 49% interest in the Group's existing businesses with a cash alternative; and (iv) cash dividend of HK\$0.25 per share with a scrip alternative (the "Transactions").

Details of the Transactions are set out in the joint announcement of the Company and PYI and the circular of the Company dated 21 August 2011 and 24 October 2011, respectively.

On 15 November 2011, the Transactions were approved by the shareholders of the Company at a special general meeting. The Transactions are subject to the satisfaction of other certain conditions, and hence the Transactions are not yet completed at the date these condensed consolidated financial statements are authorised for issue.

19. 中期期間未後之事項

於二零一一年八月二十一日，本集團決定透過一連串交易作多元化發展其業務，包括(i)進行配售以按每股0.65港元發行合共31億股新股份，連同一項選擇權可要求發行最多額外5億股新股份；(ii)收購一間電影合營企業之50%權益，據此本集團將注資現金2.205億美元(約17.199億港元)；(iii)進行資本削減及實物分派本集團現有業務之49%權益連同現金替代；及(iv)現金股息每股0.25港元連同以股代息選擇(「該等交易」)。

有關該等交易之詳情分別載於本公司與PYI於二零一一年八月二十一日發表之聯合公佈及本公司於二零一一年十月二十四日之通函內。

於二零一一年十一月十五日，該等交易已於股東特別大會上獲本公司股東批准。該等交易須待其他若干條件之達成，因此該等交易於簡明綜合財務報表獲批准發行之日期尚未完成。



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

James Chiu, OBE, JP *Chairman (Independent Non-Executive Director)*
Lau Ko Yuen, Tom *Deputy Chairman (Non-Executive Director)*
Chan Fut Yan *Deputy Chairman (Executive Director)*
Wong Kam Cheong, Stanley *Executive Director & Chief Executive Officer*
Lee Chack Fan, SBS, JP *Independent Non-Executive Director*
Iain Ferguson Bruce *Independent Non-Executive Director*

AUDIT COMMITTEE

James Chiu, OBE, JP *(Chairman)*
Lee Chack Fan, SBS, JP
Iain Ferguson Bruce

REMUNERATION COMMITTEE

James Chiu, OBE, JP *(Chairman)*
Wong Kam Cheong, Stanley
Lee Chack Fan, SBS, JP

NOMINATION COMMITTEE

Lee Chack Fan, SBS, JP *(Chairman)*
Lau Ko Yuen, Tom
Iain Ferguson Bruce

FINANCE AND INVESTMENT COMMITTEE

Iain Ferguson Bruce *(Chairman)*
Wong Kam Cheong, Stanley
Law Hon Wa, William

DISCLOSURES COMMITTEE

Iain Ferguson Bruce *(Chairman)*
Lau Ko Yuen, Tom
Law Hon Wa, William

CORPORATE GOVERNANCE COMMITTEE

James Chiu, OBE, JP *(Chairman)*
Lau Ko Yuen, Tom
Iain Ferguson Bruce

EXECUTIVE COMMITTEE

Wong Kam Cheong, Stanley *(Chairman)*
Chan Fut Yan
Law Hon Wa, William

COMPANY SECRETARY

Mui Ching Hung, Joanna

SOLICITORS

Richards Butler *(Hong Kong)*
Conyers Dill & Pearman *(Bermuda)*

董事局

趙雅各, OBE, JP *主席 (獨立非執行董事)*
劉高原 *副主席 (非執行董事)*
陳佛恩 *副主席 (執行董事)*
黃錦昌 *執行董事兼行政總裁*
李焯芬, SBS, JP *獨立非執行董事*
布魯士 *獨立非執行董事*

審核委員會

趙雅各, OBE, JP *(主席)*
李焯芬, SBS, JP
布魯士

薪酬委員會

趙雅各, OBE, JP *(主席)*
黃錦昌
李焯芬, SBS, JP

提名委員會

李焯芬, SBS, JP *(主席)*
劉高原
布魯士

財務及投資委員會

布魯士 *(主席)*
黃錦昌
羅漢華

披露委員會

布魯士 *(主席)*
劉高原
羅漢華

企業管治委員會

趙雅各, OBE, JP *(主席)*
劉高原
布魯士

執行委員會

黃錦昌 *(主席)*
陳佛恩
羅漢華

公司秘書

梅靜紅

律師

齊伯禮律師行 *(香港)*
Conyers Dill & Pearman *(百慕達)*

CORPORATE INFORMATION

公司資料

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation, Beijing Branch
CITIC Bank International Limited
DBS Bank (China) Limited, Beijing Branch
DBS Bank (Hong Kong) Limited
Deutsche Bank AG, Hong Kong Branch
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
The Bank of East Asia (China) Limited, Beijing Branch
The Hongkong and Shanghai Banking Corporation Limited
Wing Hang Bank, Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

16/F, Paul Y. Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong
Tel : +852 2831 8338
Fax: +852 2833 1030

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
26/F, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

WEBSITE

www.pyengineering.com

STOCK CODE

Hong Kong Stock Exchange 577
Reuters 0577 . HK
Bloomberg 577 : HK

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
中國建設銀行(亞洲)股份有限公司
中國建設銀行股份有限公司·北京王府井支行
中信銀行國際有限公司
星展銀行(中國)有限公司·北京分行
星展銀行(香港)有限公司
德意志銀行(香港分行)
富邦銀行(香港)有限公司
東亞銀行有限公司
東亞銀行(中國)有限公司·北京分行
香港上海滙豐銀行有限公司
永亨銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要營業地點

香港
九龍觀塘
鴻圖道51號
保華企業中心16樓
電話 : +852 2831 8338
傳真 : +852 2833 1030

股份過戶登記總處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

股份過戶登記分處

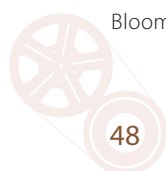
卓佳標準有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

網址

www.pyengineering.com

股份代號

香港聯交所 577
路透社 0577 . HK
彭博 577 : HK



Paul Y. Engineering Group Limited
保華建業集團有限公司

16/F, Paul Y. Centre, 51 Hung To Road
Kwun Tong, Kowloon, Hong Kong
香港九龍觀塘鴻圖道51號保華企業中心16樓
T 電話 +852 2831 8338
F 傳真 +852 2833 1030

www.pyengineering.com