

Chairman's Statement 主席報告書



The value of contracts on hand was HK\$10,093 million as at year end.

本集團於年結日之手頭合約總值達
100.93億港元。

Dear Shareholders,

I am pleased to present the annual report of Paul Y. Engineering Group Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2010.

Profit attributable to owners of the Company this year amounted to HK\$45 million (2009: HK\$40 million), a growth of about 11% as compared to the previous year. Our shareholders' fund stood at approximately HK\$575 million or 95 HK cents per share. Cash, bank balances and deposits stood at approximately HK\$322 million. However, our turnover this year was down by approximately 18% year on year to HK\$3,645 million (2009: HK\$4,427 million). The board of directors (the "Board") is pleased to propose a final dividend of 1.6 HK cents per share, which equals to a payout ratio of approximately 22% for this financial year.

With the unprecedented joint efforts of fiscal policies and stimulus initiatives by the major economies, the global economy weathered through a challenging period and subsequently showed signs of stabilization in 2009. Rebound of the Mainland economy was particularly impressive. Benefited from the strong development in the Mainland and the inflow of capital, the overall Hong Kong economy also recovered significantly. During the year under review, despite the overall recovery, competition of the local construction industry remained keen as competitors were eager to replenish their order books after the financial tsunami.

各位股東：

本人欣然向閣下提呈保華建業集團有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一零年三月三十一日止年度之年報。

年內本公司擁有人應佔溢利達4,500萬港元(二零零九年：4,000萬港元)，按年增幅約11%。股東資金約為5.75億港元或每股95港仙。現金、銀行結餘及存款約為3.22億港元。然而，本年度集團的營業額下降約18%至36.45億港元(二零零九年：44.27億港元)。董事局(「董事局」)建議派發末期股息每股1.6港仙；本年度股息派息比率約為22%。

隨著多個經濟體史無前例地聯手實施多種金融措施及刺激經濟方案，全球經濟渡過了重重挑戰，並在二零零九年漸趨穩定；其中內地經濟反彈的速度和幅度，尤其令國際注目。受惠於內地經濟強勁增長及資金流入，香港整體經濟也顯著復甦。縱然整體復甦，於回顧年內，承建商在經歷金融海嘯衝擊後，急於補充手頭合約，令本地建築業競爭激烈的局面持續。

Our strategy this year was to achieve balance between expanding our workbook with quality projects while maintaining a reasonable profit margin. The Group has secured new contracts amounting to approximately HK\$4,493 million, a growth of 8% year on year. As at year end, the value of contracts on hand was approximately HK\$10,093 million. A detailed review of our operations during the year is set out in the Chief Executive Officer's Report.

The outlook of the global economy remains uncertain. Most developed economies are still lacking momentum in their recovery, particularly with the recent economic crisis in Europe. Moreover, the progress of recovery can be affected by the timing and lack of coordination in implementing the "exit strategies" by the major economies. Although the short-term outlook of the Hong Kong economy might be affected by these external factors, prospect of the local construction industry is well-supported by the implementation of the Ten Major Infrastructure Projects and other capital investments as announced in the 2010-11 Budget of the Hong Kong SAR Government. The Group will continue to tap the best opportunities with our solid foundation and expertise in order to maximize return to our shareholders.

Quality management and corporate citizenship are also key aspects of the Group's strategy for sustainable business. The Group has been recognized as a Caring Company for the second consecutive year. Moreover, the Group has been acclaimed with nearly 20 awards in the areas of quality, project management, environmental and safety.

In May 2010, Mr Chan Fut Yan joined the Board as Deputy Chairman & Executive Director. In June 2010, Mr Cheung Lee Ming, Andy resigned from his role as Executive Director & Chief Financial Officer. On behalf of the Board, I would like to thank Mr Cheung for his valuable contribution to the Group during his tenure of office, and offer our warmest welcome to Mr Chan. We also welcome the appointment of our new Chief Operation Officer, Mr Law Man Wah, Conrad, and new Chief Financial Officer, Mr Law Hon Wa, William.

I sincerely take this opportunity to give recognition to my fellow Board members for their successful leadership, and our staff for their loyalty and dedication. I would also like to thank our shareholders and business partners for their trust in our vision over the year. The Group has paved the way for its ongoing success, and will continue building a better future for ourselves and our community, and deliver sustainable returns for our shareholders.

James Chiu, OBE, JP
Chairman

Hong Kong, 16 July 2010

年內本集團致力取得平衡，在爭取優質項目合約的同時，也保持其利潤於合理水平。本集團獲得總值約44.93億港元的新合約，按年增幅約8%。截至年結日，手頭合約總值約100.93億港元。有關年內本集團的營運狀況，詳見《行政總裁報告書》。

展望全球經濟，前景仍然不明朗。大部分已發展國家的經濟仍然缺乏復甦的動力，而近期歐洲的經濟更重現危機。而各主要經濟體未有明確的退市時間表，加上彼此之間缺乏協調，也會影響經濟復甦的進度。雖然這些外圍因素可能在短期內影響香港，但是隨著香港特區政府開展十大基建項目，又在2010至11年度財政預算案內公佈更多投資項目，令本地建造業的前景仍俱良好支持。本集團憑著多年的穩固根基和專業精神，將繼續爭取優質項目，為股東帶來優厚回報。

本集團注重業務的可持續發展，以品質管理和企業社會責任為要。除了連續第二年獲頒「商界展關懷」榮譽之外，本集團的團隊在品質、項目管理、環境和安全等方面亦廣受讚譽，獲得近20個獎項。

二零一零年五月，陳佛恩先生加入董事局，並獲委任為集團副主席兼執行董事。於同年六月，張利民先生辭去執行董事及集團財務總裁一職。我衷心代表董事局感謝張先生於任期內對本集團所作出的寶貴貢獻。董事局在熱烈歡迎陳佛恩先生加入董事局的同時，亦歡迎新任營運總裁羅文華先生，及新任財務總裁羅漢華先生。

在此，本人謹向各領導有方的董事局成員，及所有竭誠盡忠的員工致意，同時感謝所有股東和業務夥伴多年來信任我們的願景。本集團已經走在成功的康莊大道上，將會繼續努力不懈，建業建家，為股東帶來持續回報。

趙雅各, OBE, JP
主席

香港，二零一零年七月十六日