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Financial Highlights

Unaudited Results for the Six Months Ended 30th September, 2005

- ❑ Gross profit increased 8% to HK\$98 million
- ❑ Net profit increased 24% to HK\$46 million
- ❑ Basic earnings per share at 7.9 HK cents
- ❑ Interim dividend per share at 3.0 HK cents
- ❑ Dividend pay-out ratio at 38%
- ❑ Net cash increased 69% to HK\$257 million
- ❑ Net operating cash inflow of HK\$103 million

Chairman's Statement

Dear Shareholders,

I take great pleasure in sending my second message to all the shareholders, with the first interim report of Paul Y. Engineering Group Limited ("Paul Y Engineering" or the "Company") for the six months ended 30th September, 2005 after completion of the Group's restructuring in January 2005.

GROUP RESTRUCTURING

As noted in my first annual report for the year ended 31st March, 2005, the successful restructuring has enabled Paul Y Engineering to resume trading on the Stock Exchange and recover from its unsatisfactory results for the past few years. As further witnessed by this interim report, I believe that the restructuring will continue to ensure that stable returns are being generated for all shareholders.

FINANCIAL PERFORMANCE AND DIVIDEND

I am pleased to report that the Company has recorded a net profit after taxation and minority interests of approximately HK\$46 million representing a return on your equity of approximately 14% for the half-year period. Riding on our quality services, the Group's net profits have been substantially increased.

Our satisfactory performance is backed by our enhanced profit margins and a balance sheet with strong net cash position. Cash inflow from operations for the six-month period amounted to approximately HK\$103 million and the net cash increased to approximately HK\$257 million. The Group is committed to a consistent dividend policy and we are pleased to announce an interim dividend of 3.0 cents per share, equivalent to a pay-out ratio of about 38% for the six-month financial period.

CORPORATE GOVERNANCE

The Company's management and the Board members have continued to comply with the requirements set down in the Code on Corporate Governance Practices (the "Code") under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. In compliance with the recommended best practices C.2.5 of the Code, the Audit Committee is currently reviewing the needs to set up an internal audit function and, in due course, will make the necessary recommendation to the Board for approval.

PROSPECTS

For its existing core areas of businesses, the Group is tendering actively for construction projects both in Hong Kong and China.

The Group is also looking vigorously for new China business opportunities in project management and facilities management which will bring stable returns. We are encouraged by the successful establishment of our facilities management business during the reporting period and look forward to seeing this enhancing the growth of the Group as a whole.

APPRECIATION

On behalf of the Board I wish to express my appreciation to all shareholders for their continuing support. We also highly value the confidence of our clients, and the dedication of consultants and major business partners. I take this opportunity also to thank our colleagues on the Board and our diligent employees for their hard work, loyal service and contributions.

Ir Ronald James Blake, OBE, JP

Chairman

Hong Kong, 13th December, 2005

Managing Director's Report

I am pleased to present to you the strong growth we achieved during the six months ended 30th September, 2005. The consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2005 and the consolidated balance sheet of the Group as at 30th September, 2005, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 16 to 26 of this report. This interim report has been reviewed by the Company's audit committee and auditors.

FINANCIAL PERFORMANCE AND POSITIONS

During the period under review, overall business sentiment in Hong Kong remained positive on the back of satisfactory growth in major world economies, that of China in particular.

The Group's net profits have been substantially increased. This is backed up by the enhanced service quality, improved profit margin and a strong net cash position. The strategy of increasing its presence in the China market has paid off, evidenced by a steady rise in both the value and the number of contracts on hand in this important market.

For the six-month period under review, the Group's consolidated turnover was approximately HK\$1,455 million, a 12% reduction from that of the last corresponding period.

Gross profit rose by 8% to approximately HK\$98 million as compared with a gross profit of approximately HK\$91 million for the last corresponding period. Gross profit margin improved from 5.5% to 6.7% as a result of cost savings in completed construction projects and increased revenues in project management and facilities management activities.

Net profit after taxation and minority interests for the six-month period was approximately HK\$46 million versus net profit of approximately HK\$37 million for the last corresponding period. Basic earnings per share was 7.9 HK cents, representing a 23% increase over the basic earnings per share of 6.4 HK cents of the last period which is normalized on the basis of the same share structure for both periods.

When compared with the Group's financial positions as at last year end, total assets increased by approximately HK\$12 million. Current assets were at approximately HK\$1,471 million, representing 1.1 times of current liabilities. Net cash was at approximately HK\$257 million, representing a 69% increase and total equity stood at approximately HK\$336 million.

Net cash inflow from operating activities was about HK\$103 million and outflow of about HK\$74 million in respect of investing and financing activities, resulting in a net cash increase of about HK\$29 million for the period.

OPERATIONS

During the period, the Group secured new contracts with an aggregate value of approximately HK\$1,734 million. At this period end, the value of work remaining increased by 9% to approximately HK\$4,933 million when compared with that of the last financial year end. Profile of contracts on hand at the end of this period is as follows:

	Value of contracts on hand As at 30/9/2005 HK\$' million	Value of work remaining As at 30/9/2005 HK\$' million
Building construction	6,096	3,909
Civil engineering	2,266	1,024
	8,362	4,933

Subsequent to the period end, the Group has secured further contracts of approximately HK\$165 million.

The uptrend in the Group's gross margin is forecast to continue. The Group is moving up the value chain to provide integrated project management, design and construction solutions as well as facilities management services to its clients. With the ongoing, vigorous cost saving measures in train, the performance of all business segments is expected to improve satisfactorily.

The Group comprises four divisions, and is well positioned to focus on selected opportunities in building construction, civil engineering, project management as well as facilities management.

The Building Construction division's turnover amounted to approximately HK\$1,009 million with an operating profit of approximately HK\$37 million, reflecting the solid performance of building construction works in Hong Kong and Macau.

The Civil Engineering division's turnover was approximately HK\$488 million with an operating profit of approximately HK\$14 million. Subsequent to the period end, this division has secured the construction of waste sorting facilities of approximately HK\$132 million and minor maintenance works of approximately HK\$33 million.

The Project Management division's turnover was approximately HK\$6 million with an operating profit of approximately HK\$4 million. A number of project management contracts in China and Hong Kong were secured during the period under review.

The Facilities Management division's turnover was approximately HK\$2 million with an operating profit of approximately HK\$2 million.

Our proven skills and experience in project management should enable us to secure more high-value contracts in the years to come.

LIQUIDITY AND CAPITAL RESOURCES

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities is maintained to meet its working capital requirements. As at 30th September, 2005, the Group's total borrowings amounted to approximately HK\$126 million which are repayable within one year. Cash balances at 30th September, 2005 amounted to approximately HK\$383 million.

As at the period end, all of the Group's borrowings bear interest at floating rates and are denominated in Hong Kong dollars. The Group's gearing ratio was 0.4 which is calculated based on the Group's total borrowings of approximately HK\$126 million and the Group's equity attributable to equity holders of the Company of approximately HK\$329 million.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

Including the directors of the Group, as at 30th September, 2005, the Group employed a total of about 1,090 full time employees. Remuneration packages comprised salary and performance based bonus. No share options were granted or exercised during the period.

PLEDGE OF ASSETS

As at 30th September, 2005, the Group did not pledge any of its assets.

Managing Director's Report *(continued)*

CONTINGENT LIABILITIES

As at 30th September, 2005, the Group has contingent liabilities in respect of outstanding performance bonds on construction contracts of approximately HK\$131 million.

In addition, a subsidiary of the Company is a defendant in a lawsuit brought during 2002 claiming approximately HK\$1.73 million relating to the outstanding sum of the contract works done by a sub-contractor, Swee Kheng & Aster Marble Company Limited ("Swee Kheng"). The subsidiary filed a defence and counterclaim claiming payment from Swee Kheng of a sum of approximately HK\$0.16 million. The subsidiary has contested the claim vigorously and no provision has been made in the financial statements.

ACQUISITION OF 25% INTEREST IN PAUL Y. CENTRE

In November 2005, the Company announced that its wholly-owned subsidiary entered into a shareholder agreement for the acquisition of 50% of the entire issued share capital of a joint venture company on 23rd November, 2005. On the same date, the joint venture company entered into another shareholder agreement for it to acquire 50% of the entire issued share capital of another joint venture company ("Purchaser"). The Purchaser then entered into a sale and purchase agreement to acquire the entire issued share capital of Linkport Holdings Limited which, through its wholly-owned subsidiaries, owns Paul Y. Centre located at No. 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

This acquisition will provide the Company with a recurring income and the opportunity for appreciation in the value of the property. The Company will also benefit from the hedging of office space currently occupied against potential increases in rental expenses. Further information of the aforesaid investment is contained in a circular of the Company dated 15th December, 2005.

SECURITIES IN ISSUE

As at 30th September, 2005, there were 576,699,394 shares in issue. There was no movement in the issued share capital during the period.

INTERIM DIVIDEND

The board of directors of the Company ("Board") has resolved to pay an interim dividend of 3.0 HK cents per share for the six months ended 30th September, 2005 (2004: Nil) to shareholders whose names appear on the register of members of the Company as at the close of business on 11th January, 2006. The interim dividend is expected to be paid to shareholders by post on or around 13th February, 2006.

The Board has also proposed that the interim dividend should be satisfied by way of a scrip dividend of shares, with an option to elect cash in respect of part or all of such dividend. The market value of the shares to be issued under the scrip dividend proposal will be fixed by reference to the average of the closing prices of the Company's shares for the three consecutive trading days ending on 11th January, 2006 less a discount of five percent of such average price or the par value of shares, whichever is higher. The proposed scrip dividend is conditional upon The Stock Exchange of Hong Kong Limited ("Stock Exchange") granting listing of, and permission to deal in, the new shares to be issued. A circular giving full details of the scrip dividend proposal and a form of election will be sent to shareholders.

CLOSE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 9th January, 2006 to 11th January, 2006, both dates inclusive, during which period no share transfer shall be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration by no later than 4:00 p.m. on 6th January, 2006 (with effect from 3rd January, 2006, the address of Standard Registrars Limited will be changed to 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong).

OUTLOOK

The recovery in the local economy sustains and advances at a faster pace. GDP, consumer price index, external trade and employment rates all witness a more prosperous economy.

The Group will continue its business in management contracting to maintain a critical mass and at the same time move up the value chain with a view to develop a well balanced income profile. The Group will further develop both project management and facilities management business to balance the work portfolio and stabilise recurring income.

Having a balance sheet in a net cash position, in addition to its existing businesses and networks, the Group will actively exploit business opportunities in different geographical markets, with primary focus on the China market. Joint ventures have been formed to pursue both the Shenzhen and the Beijing metro lines related projects, which is expected to generate stable earnings growth. Leveraging the implementation of the Closer Economic Partnership Arrangement (CEPA), the Group is one of the few Hong Kong construction companies which have obtained a construction license in China.

Ir Wong Wing Hoo, Billy, JP

Managing Director

Hong Kong, 13th December, 2005

Corporate Governance

The Company is committed to the establishment of high standards of corporate governance. 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 ("Listing Rules") throughout the six months ended 30th September, 2005.

BOARD OF DIRECTORS

The board ("Board") of directors ("Directors") of the Company (together with its subsidiaries, the "Group") oversees the Company's strategic direction and the controls applied to its activities, ensuring that management has in place the appropriate processes for risk assessment, management and internal control over the Company's day-to-day affairs.

The Board comprises six Directors (including two Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors). One-half of the Board is Independent Non-Executive Directors and one of them has appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules. All Directors are subject to retirement by rotation at least once every three years in accordance with the Company's Bye-laws.

The Chairman of the Board is an Independent Non-Executive Director. The positions of the Chairman of the Board and the Managing Director are held by separate individuals with segregated duties relating to management of the Board and day-to-day affairs of the Group.

The Board meets regularly. Between scheduled meetings, division heads of the Group provide the Directors with information on a timely basis on the activities and development in the business of the Group. In addition, the Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

AUDIT COMMITTEE

The principal duties of the Audit Committee of the Company include the review of the Group's financial reporting system and internal control procedures and review of the relationship with the external auditors of the Group. The Group's interim result for the six months ended 30th September, 2005 has been reviewed by the Audit Committee and auditors.

The Audit Committee comprises three Independent Non-Executive Directors, namely:

- Ronald James Blake, *OBE, JP* (Chairman)
- Lee Chack Fan, *SBS, JP*
- Iain Ferguson Bruce

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee of the Company is mainly responsible for making recommendations to the Board on matters relating to investment in assets, budgeting all key expenditure and reviewing financial performance.

Members of the Finance and Investment Committee are:

- Wong Wing Hoo, *Billy, JP* (Chairman)
- Lee Hon Chiu
- Iain Ferguson Bruce

REMUNERATION COMMITTEE

The Remuneration Committee of the Company is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management.

Members of the Remuneration Committee are:

- Ronald James Blake, *OBE, JP* (Chairman)
- Wong Wing Hoo, *Billy, JP*
- Lee Chack Fan, *SBS, JP*

NOMINATION COMMITTEE

The principal duties of the Nomination Committee of the Company include the review of the composition of the Board and if necessary recommends change.

Members of the Nomination Committee are:

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

DISCLOSURES COMMITTEE

The Disclosures Committee of the Company is mainly responsible for overseeing disclosures to shareholders, the public and any relevant statutory authority and overseeing compliance with any applicable legal requirements for disclosure.

Members of the Disclosures Committee are:

- Iain Ferguson Bruce (Chairman)
- Lau Ko Yuen, Tom
- Lee Hon Chiu

EXECUTIVE COMMITTEE

The Executive Committee of the Company is mainly responsible for handling the management and operation of the day-to-day business of the Company.

Members of the Executive Committee are:

- Wong Wing Hoo, Billy, *JP* (Chairman)
- Lee Hon Chiu

MODEL CODE

The Company has adopted 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 30th September, 2005.

Other Information

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

As at 30th September, 2005, the interests and short positions of the directors and chief executives of 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 ("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 ("Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (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 and short positions in the shares, underlying shares and debentures of the Company

Name of director	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of shareholding of the Company
Iain Ferguson Bruce	Beneficial owner	Long position	522,000	0.09%

(b) Interests and short positions in the shares, underlying shares and debentures of PYI Corporation Limited ("PYI", formerly known as Paul Y. - ITC Construction Holdings Limited)

Name of director	Capacity	Long position/ short position	Number of underlying shares (in respect of the share options (unlisted equity derivatives)) of PYI held	Approximate percentage of shareholding of PYI
Lau Ko Yuen, Tom	Beneficial owner	Long position	13,000,000	0.96%

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

Save as disclosed above, as at 30th September, 2005, none of the directors or chief executives of the Company had any interests and 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**(a) Share Options of the Company**

As at 30th September, 2005, there were no outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 7th September, 2005. No share options were granted, exercised, cancelled or lapsed during the period.

(b) Share options of PYI

Movements in the share options of PYI under the share option scheme of PYI adopted on 27th August, 2002 to the directors of the Company during the period are as follows:

Name of director	Date of grant	Exercise price per share HK\$	Number of shares of PYI to be issued upon exercise of the share options		
			Outstanding at 1/4/2005	Granted during the period	Outstanding at 30/9/2005
Lau Ko Yuen, Tom	28.12.2004	1.94	6,500,000	–	6,500,000
	28.12.2004	2.20	6,500,000	–	6,500,000
			13,000,000	–	13,000,000

Save as disclosed herein, at no time during the period was the Company or any of its subsidiaries 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.

Other Information *(continued)***INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO**

As at 30th September, 2005, 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 and short positions of substantial shareholders in the shares and underlying shares of the Company

Name of shareholder	Capacity	Long position/ short position	Number of shares of the Company held	Number of underlying shares (in respect of the convertible note(s) (unlisted equity derivatives)) of the Company held	Approximate percentage of shareholding of the Company
Chan Kwok Keung, Charles	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Chan Kwok Keung, Charles	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
Ng Yuen Lan, Macy	Interest of spouse <i>(Note)</i>	Long position	375,826,317	–	65.17%
Ng Yuen Lan, Macy	Interest of spouse <i>(Note)</i>	Long position	–	100,000,000	17.34%
Chinaview International Limited ("Chinaview")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Chinaview	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
Galaxyway Investments Limited ("Galaxyway")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Galaxyway	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
ITC Corporation Limited ("ITC")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%

Other Information *(continued)*

Name of shareholder	Capacity	Long position/ short position	Number of shares of the Company held	Number of underlying shares (in respect of the convertible note(s) (unlisted equity derivatives)) of the Company held	Approximate percentage of shareholding of the Company
ITC	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
ITC Investment Holdings Limited ("ITC Investment")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
ITC Investment	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
Hollyfield Group Limited ("Hollyfield")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Hollyfield	Interest of controlled corporation <i>(Note)</i>	Long position	–	100,000,000	17.34%
PYI	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
PYI	Beneficial owner <i>(Note)</i>	Long position	–	100,000,000	17.34%
PYI Investments Group Limited ("PYIG", formerly known as Paul Y. - ITC Investments Group Limited)	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Growing Success Limited ("Growing Success")	Interest of controlled corporation <i>(Note)</i>	Long position	375,826,317	–	65.17%
Paul Y. Investments Limited ("PYIL")	Beneficial owner <i>(Note)</i>	Long position	375,826,317	–	65.17%

Other Information *(continued)*

Note: PYIL was a wholly-owned subsidiary of Growing Success which was in turn a wholly-owned subsidiary of PYIG. PYIG was a wholly-owned subsidiary of PYI. Hollyfield, a wholly-owned subsidiary of ITC Investment which was in turn a wholly-owned subsidiary of ITC, owned approximately 49.96% of the issued share capital of PYI. Galaxyway, a wholly-owned subsidiary of Chinaview, owned approximately 33.55% of the issued ordinary share capital of ITC. Dr. Chan Kwok Keung, Charles owned the entire issued share capital of Chinaview. Growing Success, PYIG, PYI, Hollyfield, ITC Investment, ITC, Galaxyway, Chinaview and Dr. Chan Kwok Keung, Charles were deemed to be interested in the shares of the Company held by PYIL. Ms. Ng Yuen Lan, Macy (being the spouse of Dr. Chan Kwok Keung, Charles) was also deemed to be interested in the shares of the Company held by PYIL.

PYI and the Company entered into an agreement for the provision of an unsecured loan facility of a principal amount of up to HK\$100,000,000 to be made available by PYI to the Company pursuant to which convertible note(s) will be issued by the Company to PYI upon draw down of the facility in the principal amount of the facility drawn. Such convertible note(s) are convertible into shares of the Company at an initial conversion price of HK\$1.00 per share, up to a maximum aggregate principal amount of HK\$100,000,000. Hollyfield, ITC Investment, ITC, Galaxyway, Chinaview, Dr. Chan Kwok Keung, Charles and Ms. Ng Yuen Lan, Macy were deemed to be interested in the underlying shares (in respect of the said convertible note(s) that may be issued by the Company (unlisted equity derivatives)) held by PYI.

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

Name of person	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of shareholding of the Company
OZ Management, L.L.C. ("OZ Management")	Investment manager (Note)	Long position	30,000,000	5.20%
OZ Master Fund, Ltd. ("OZ Master")	Beneficial owner (Note)	Long position	29,185,000	5.06%

Note: OZ Master, a wholly-owned subsidiary of OZ Management, owned 29,185,000 shares of the Company. OZ Management was deemed to be interested in the said 29,185,000 shares of the Company held by OZ Master and 815,000 shares of the Company held by its two directly wholly-owned subsidiaries.

Save as disclosed above, as at 30th September, 2005, the Company has not been notified of any interests or short positions 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.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

Pursuant to Rule 13.20 of the Listing Rules, details of the trading balances including retention monies ("Trade Receivable") due from four trade customers, their subsidiaries and their affiliated companies as at 30th September, 2005, which individually exceed 8% of one or more of the relevant ratios as set out in Rule 14.07 of the Listing Rules, are as follows:

	Amount of Trade Receivable HK\$'000 <i>(Note 1)</i>	Percentage of total assets <i>(Note 2)</i>	Percentage of market capitalisation <i>(Note 3)</i>
Cheung Kong (Holdings) Limited, its subsidiaries and affiliated companies <i>(Note 4)</i>	209,613	12.8%	53.5%
Hutchison Whampoa Limited, its subsidiaries and affiliated companies <i>(Note 4)</i>	188,790	11.5%	48.1%
Pacific Century CyberWorks Limited, its subsidiaries and its affiliated companies	102,675	6.3%	26.2%
Hong Kong Housing Authority	50,922	3.1%	13.0%

Note:

1. The Trade Receivable, which is unsecured, interest free and with payment terms ranging from 30 days to 90 days, is mainly arisen from construction services rendered by the Company and its subsidiaries (the "Group") to the relevant customers.
2. Total assets amounted to approximately HK\$1,636,593,000 which is calculated based on total assets of the Group of HK\$1,688,586,000 as at 30th September, 2005 according to the Group's consolidated balance sheet as at 30th September, 2005, net of the final dividend paid in October 2005 of approximately HK\$34,602,000 and also of the interim dividend declared for the six months ended 30th September, 2005 of approximately HK\$17,391,000.
3. Market capitalisation refers to the average closing price of the Company as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the five business days immediately preceding 30th September, 2005.
4. The amounts of Trade Receivable from (1) Cheung Kong (Holdings) Limited, its subsidiaries and affiliated companies; and (2) Hutchison Whampoa Limited, its subsidiaries and affiliated companies set out in the table above both include the Trade Receivable from Hutchison Whampoa Limited and its subsidiaries in the sum of approximately HK\$90,687,000.

Independent Review Report

Deloitte. 德勤

To the board of directors of PAUL Y. ENGINEERING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 16 to 26.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, 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.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 ("SAS 700") "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of the management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2005.

Without modifying our review conclusion, we draw to your attention that the comparative condensed consolidated income statement, cash flow statement and statement of changes in equity for the six months ended 30th September, 2004 disclosed in the interim financial report have not been reviewed in accordance with SAS 700.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 13th December, 2005

Condensed Consolidated Income Statement

For the six months ended 30th September, 2005

	Notes	Unaudited Six months ended	
		30/9/2005 HK\$'000	30/9/2004 HK\$'000
Turnover	4	1,455,076	1,657,561
Cost of construction works		(1,357,128)	(1,567,046)
Gross profit		97,948	90,515
Other income		3,009	268
Administrative expenses		(58,744)	(54,337)
Finance costs		(5)	(65)
Share of results of associates		1,259	2,056
Share of results of jointly controlled entities		2,101	119
Profit before taxation	5	45,568	38,556
Taxation	6	181	(1,272)
Profit for the period		45,749	37,284
Attributable to:			
Equity holders of the Company		45,754	36,855
Minority interests		(5)	429
		45,749	37,284
Dividends	7	3.0 HK cents	–
Earnings per share – Basic	8	7.9 HK cents	9.2 HK cents

Condensed Consolidated Balance Sheet

At 30th September, 2005

	Notes	Unaudited 30/9/2005 HK\$'000	Audited 31/3/2005 HK\$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	9	75,766	85,431
Prepaid land lease payments		23,423	23,711
Goodwill		61,646	61,646
Interests in associates		33,951	32,560
Interests in jointly controlled entities		11,645	9,544
Available-for-sale investments		1,441	–
Investment securities		–	389
Club membership		7,000	7,000
Loan receivable		1,508	1,508
Loan to a related company		779	779
		217,159	222,568
CURRENT ASSETS			
Amounts due from customers for contract works		192,529	185,188
Debtors, deposits and prepayments	10	878,727	917,287
Prepaid land lease payments		575	575
Amounts due from related companies		2,914	1,909
Amounts due from associates		9,814	3,770
Amount due from a jointly controlled entity		419	425
Amount due from a fellow subsidiary		2,886	3,091
Taxation recoverable		134	2,703
Short term bank deposits		298,585	294,758
Bank balances and cash		84,844	44,649
		1,471,427	1,454,355
CURRENT LIABILITIES			
Amounts due to customers for contract works		441,885	435,198
Creditors and accrued expenses	11	722,143	704,423
Amount due to a related company		10	–
Amounts due to associates		2,390	2,281
Amount due to a jointly controlled entity		20,766	20,766
Amount due to a fellow subsidiary		842	2,024
Dividend payable		34,602	–
Taxation payable		2,342	470
Bank borrowings	12	126,306	186,984
		1,351,286	1,352,146
NET CURRENT ASSETS		120,141	102,209
TOTAL ASSETS LESS CURRENT LIABILITIES		337,300	324,777
NON-CURRENT LIABILITY			
Deferred tax liabilities		864	1,311
		336,436	323,466
CAPITAL AND RESERVES			
Share capital		288,350	288,350
Reserves		40,726	27,751
Equity attributable to equity holders of the Company		329,076	316,101
Minority interests		7,360	7,365
TOTAL EQUITY		336,436	323,466

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2005

	Attributable to equity holders of the Company						Sub-total HK\$'000	Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000			
At 1st April, 2005									
– as originally stated	288,350	278,434	(153,767)	–	(1,708)	(95,208)	316,101	7,365	323,466
– effects of changes in accounting policies (note 3)	–	–	–	–	–	1,521	1,521	–	1,521
– as restated	288,350	278,434	(153,767)	–	(1,708)	(93,687)	317,622	7,365	324,987
Exchange difference arising from translation of overseas operations	–	–	–	–	771	–	771	–	771
Deficit on revaluation of investments	–	–	–	(469)	–	–	(469)	–	(469)
Net (loss) income recognised directly in equity	–	–	–	(469)	771	–	302	–	302
Profit (loss) for the period	–	–	–	–	–	45,754	45,754	(5)	45,749
Total recognised income and expense for the period	–	–	–	(469)	771	45,754	46,056	(5)	46,051
Dividend	–	–	–	–	–	(34,602)	(34,602)	–	(34,602)
At 30th September, 2005	288,350	278,434	(153,767)	(469)	(937)	(82,535)	329,076	7,360	336,436
At 1st April, 2004	16	180,991	1,000	–	(1,722)	(175,214)	5,071	10,448	15,519
Exchange difference arising from translation of overseas operations recognised directly in equity	–	–	–	–	(9)	–	(9)	–	(9)
Profit for the period	–	–	–	–	–	36,855	36,855	429	37,284
Total recognised income and expense for the period	–	–	–	–	(9)	36,855	36,846	429	37,275
Loan repayment	–	–	–	–	–	–	–	(200)	(200)
At 30th September, 2004	16	180,991	1,000	–	(1,731)	(138,359)	41,917	10,677	52,594

Condensed Consolidated Cash Flow Statement

For the six months ended 30th September, 2005

	Unaudited Six months ended	
	30/9/2005 HK\$'000	30/9/2004 HK\$'000
Net cash from operating activities	102,876	107,319
Net cash from (used in) investing activities	2,820	(2,848)
Net cash used in financing activities	(76,672)	(92,644)
Net increase in cash and cash equivalents	29,024	11,827
Effect on foreign exchange rate changes	676	–
Cash and cash equivalents brought forward	332,423	207,251
Cash and cash equivalents carried forward	362,123	219,078
Analysis of the balances of cash and cash equivalents		
Short term bank deposits	298,585	155,060
Bank balances and cash	84,844	70,798
Bank overdrafts	(21,306)	(6,780)
	362,123	219,078

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2005

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 and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

As described in the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2005, the Company underwent a group restructuring which involved, inter alia, the acquisition (the "Acquisition") from PYI Corporation Limited ("PYI", formerly known as Paul Y. - ITC Construction Holdings Limited) the entire equity interest in, and shareholder's loan to, Paul Y. Engineering Holdings (B.V.I.) Limited ("Paul Y Construction", formerly known as Paul Y. - ITC Construction Holdings (B.V.I.) Limited). Paul Y Construction and certain of its subsidiaries ("Paul Y Construction Group") were then principally engaged in building construction, civil engineering, project management and facilities management. The Acquisition was completed in January 2005.

The Acquisition has been accounted for as a reverse acquisition. For the purpose of the preparation of the Group's consolidated financial statements, Paul Y Construction Group is treated as the acquirer while the Group is deemed to have been acquired by the Paul Y Construction Group. The comparative condensed consolidated income statement, cash flow statement and statement of changes in equity for the six months ended 30th September, 2004 have been restated accordingly.

2. SIGNIFICANT 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 used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st March, 2005, except that, in the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations ("Int") (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates/jointly controlled entities have been changed. The changes in presentation have been applied retrospectively. In addition, the adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented:

Goodwill

In previous periods, goodwill arising on acquisitions before 1st January, 2005 was capitalised and amortised over its estimated useful life. In the current period, the Group has applied the relevant transitional provisions in HKFRS 3 "Business Combinations", pursuant to which the Group has discontinued amortising such goodwill from 1st April, 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures have not been restated.

Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to "prepaid land lease payments" under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30th September, 2005

Financial instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instruments in the financial statements of the Group. HKAS 39, which is effective for accounting periods beginning on or after 1st January, 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

By 31st March, 2005, the Group classified and measured its equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 "Accounting for investment in securities" ("SSAP 24"). Under SSAP 24, investments in equity securities are classified as "investment securities". "Investment securities" are carried at cost less impairment losses (if any). From 1st April, 2005 onwards, the Group classified and measured its equity securities in accordance with HKAS 39. Under HKAS 39, the Group's equity securities are classified as "available-for-sale financial assets" which are carried at fair value, with changes in fair values recognised in equity. Balance of its investments in equity securities were re-measured at fair value with an adjustment of approximately HK\$1,521,000 to the previous carrying amounts of assets and the Group's accumulated losses at 1st April, 2005, which will be released to the income statement upon disposal or impairment of the relevant available-for-sale investments.

Financial assets and financial liabilities other than debt and equity securities

From 1st April, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortised cost using the effective interest method.

3. SUMMARY OF THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES

The financial effects of the changes in accounting policies described above are summarised as follows:

(a) Effects on the results for the current and prior periods:

	Six months ended	
	30/9/2005	30/9/2004
	HK\$'000	HK\$'000
Decrease in amortisation of goodwill	3,712	–

(b) Effects on the balance sheet as at 31st March, 2005 and 1st April, 2005:

	As at 31/3/2005 (original stated) HK\$'000	Effect of HKAS 17 HK\$'000	As at 31/3/2005 (restated) HK\$'000	Effect of HKAS 39 HK\$'000	As at 1/4/2005 (restated) HK\$'000
Effects on assets and liabilities:					
Property, plant and equipment	109,717	(24,286)	85,431	–	85,431
Prepaid land lease payments					
– non-current	–	23,711	23,711	–	23,711
– current	–	575	575	–	575
Investment securities	389	–	389	(389)	–
Available-for-sale investments	–	–	–	1,910	1,910
	110,106	–	110,106	1,521	111,627
Effect on equity:					
Accumulated losses	(95,208)	–	(95,208)	1,521	(93,687)

Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 30th September, 2005

4. SEGMENT INFORMATION

For management purposes, the Group's operations are currently organised into four operating divisions, namely building construction, civil engineering, project management and facilities management. These divisions are the basis on which the Group reports its primary segment information.

Business segment information for the six months ended 30th September, 2005 is presented below:

	Building construction HK\$'000	Civil engineering HK\$'000	Project management HK\$'000	Facilities management HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	1,008,967	438,146	6,044	1,919	-	1,455,076
Inter-segment sales	-	50,210	-	-	(50,210)	-
Total	1,008,967	488,356	6,044	1,919	(50,210)	1,455,076
RESULT						
Segment result	37,356	14,270	3,899	1,702		57,227
Unallocated corporate expenses						(18,023)
Other income						3,009
Finance costs						(5)
Share of results of associates	620	31	608	-		1,259
Share of results of jointly controlled entities	260	1,841	-	-		2,101
Profit before taxation						45,568

Business segment information for the six months ended 30th September, 2004 is presented below:

	Building construction HK\$'000	Civil engineering HK\$'000	Project management HK\$'000	Facilities management HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	1,251,056	406,505	-	-	-	1,657,561
Inter-segment sales	-	1,440	-	-	(1,440)	-
Total	1,251,056	407,945	-	-	(1,440)	1,657,561
RESULT						
Segment result	17,047	30,267	-	-		47,314
Unallocated corporate expenses						(11,136)
Other income						268
Finance costs						(65)
Share of results of associates	2,061	(5)	-	-		2,056
Share of results of jointly controlled entities	-	119	-	-		119
Profit before taxation						38,556

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

Notes to the Condensed Consolidated Financial Statements *(continued)**For the six months ended 30th September, 2005***5. PROFIT BEFORE TAXATION**

Profit before taxation has been arrived at after charging:

	Six months ended	
	30/9/2005	30/9/2004
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	10,997	17,482
Less: Amount capitalised in respect of contracts in progress	(714)	(799)
	10,283	16,683
Amortisation of goodwill (included in administrative expenses)	–	1,153
Share of tax of associates (included in share of results of associates)	331	340
Share of tax of jointly controlled entities (included in share of results of jointly controlled entities)	390	–

6. TAXATION

	Six months ended	
	30/9/2005	30/9/2004
	HK\$'000	HK\$'000
The (credit) charge comprises:		
Hong Kong Profits Tax:		
Current period	1,871	21
Overprovision in prior periods	(1,605)	–
	266	21
Overseas taxation	–	113
Deferred taxation	(447)	1,138
Taxation attributable to the Company and its subsidiaries	(181)	1,272

Hong Kong Profits Tax is calculated at the rate of 17.5% (2004: 17.5%) of the estimated assessable profits for the period.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Condensed Consolidated Financial Statements *(continued)**For the six months ended 30th September, 2005***7. DIVIDENDS**

	Six months ended	
	30/9/2005 HK\$'000	30/9/2004 HK\$'000
Interim dividend – 3.0 HK cents (2004: Nil) per share	17,391	–

The amount of the interim dividend declared for the six months ended 30th September, 2005, which will be payable in scrip form with a cash option, has been calculated by reference to the 579,712,862 issued ordinary shares outstanding as at the date of this interim report.

During the period, a final dividend for the year ended 31st March, 2005 of 6.0 HK cents per share, amounting to approximately HK\$34,602,000, was approved by, and payable to, the shareholders.

8. EARNINGS PER SHARE

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

	Six months ended	
	30/9/2005 HK\$'000	30/9/2004 HK\$'000
Earnings:		
Earnings for the purposes of basic earnings per share	45,754	36,855
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	576,699,394	400,000,000

Under the reverse acquisition method of accounting as described in note 1, the 400,000,000 ordinary shares issued by the Company to PYI to effect the Acquisition are deemed to be issued on 1st April, 2004 for the purpose of calculating the basic earnings per share.

Pursuant to the Acquisition and prior to 31st March, 2005, the Company issued and allotted 113,600,000 ordinary shares for the acquisition of entire equity interest in, and shareholder's loan to, Hidden Advantage Investments Limited and a further 45,070,995 ordinary shares by way of an open offer for additional working capital purpose. Details of these and other changes in the issued share capital of the Company are set out in the Group's annual consolidated financial statements for the year ended 31st March, 2005. At 31st March, 2005 and 30th September, 2005, the Company's ordinary shares in issue amounted to 576,699,394.

No diluted earnings per share has been presented as no potential ordinary shares were outstanding during both periods.

Notes to the Condensed Consolidated Financial Statements *(continued)**For the six months ended 30th September, 2005***9. PROPERTY, PLANT AND EQUIPMENT**

During the period, the Group spent approximately HK\$4,279,000 (2004: HK\$2,148,000) on property, plant and equipment to expand and upgrade its operating capacity. The Group also disposed of property, plant and equipment with an aggregate carrying value of approximately HK\$2,911,000 (2004: HK\$1,796,000).

10. DEBTORS, DEPOSITS AND PREPAYMENTS

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

The following is an aged analysis of trade debtors at the reporting date:

	30/9/2005 HK\$'000	31/3/2005 HK\$'000
Within 90 days	241,622	327,311
More than 90 days and within 180 days	16,345	2,794
More than 180 days	67,600	66,175
	325,567	396,280

11. CREDITORS AND ACCRUED EXPENSES

The following is an aged analysis of trade creditors at the reporting date:

	30/9/2005 HK\$'000	31/3/2005 HK\$'000
Within 90 days	213,498	217,410
More than 90 days and within 180 days	4,976	1,129
More than 180 days	14,741	17,052
	233,215	235,591

12. BANK BORROWINGS

	30/9/2005 HK\$'000	31/3/2005 HK\$'000
Bank borrowings comprise:		
Bank loan	105,000	180,000
Bank overdrafts	21,306	6,984
	126,306	186,984

Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 30th September, 2005

13. CONTINGENT LIABILITIES

	30/9/2005 HK\$'000	31/3/2005 HK\$'000
Outstanding performance bonds in respect of construction contracts	130,908	310,503

In addition, a subsidiary of the Company is a defendant in a lawsuit brought during 2002 claiming approximately HK\$1,733,000 relating to the outstanding sum of the contract works done by a sub-contractor, Swee Kheng & Aster Marble Company Limited ("Swee Kheng"). The subsidiary filed a defence and counterclaim claiming payment from Swee Kheng of a sum of approximately HK\$162,000. The subsidiary has contested the claim vigorously and no provision has been made in the financial statements.

14. COMMITMENTS

	30/9/2005 HK\$'000	31/3/2005 HK\$'000
Expenditure in respect of acquisition of equity investments contracted for but not provided in the financial statements	–	48,126

15. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with the subsidiaries and associates of PYI, its ultimate holding company, and the subsidiaries of ITC Corporation Limited ("ITC"), a substantial shareholder of PYI:

Class of related party	Nature of transactions	Six months ended	
		30/9/2005 HK\$'000	30/9/2004 HK\$'000
Associates and jointly controlled entities of the Group	Construction works charged by the Group	–	41,813
	Purchase of concrete products by the Group	112	36
	Subcontracting fees charged to the Group	–	1,917
	Project management fee charged by the Group	825	300
	Service fee charged by the Group	29	66
Fellow subsidiaries of the Group	Construction works charged by the Group	242	370
	Rentals and related building management fee charged to the Group	5,706	2,304
	Rentals charged by the Group	–	86
	Interest charged to the Group	–	345
Associates of PYI	Project management fee charged by the Group	–	770
Subsidiaries of ITC	Purchase of building materials and related installation works by the Group	–	16
Other related companies	Subcontracting fees charged by the Group	–	7
	Service fee charged to the Group	–	423

Other related companies are companies under common directorship or common control with ITC.

Corporate Information

BOARD OF DIRECTORS

Ronald James Blake, *OBE, JP* (Chairman) *
Lau Ko Yuen, Tom (Deputy Chairman)
Wong Wing Hoo, Billy, *JP* (Managing Director)
Lee Hon Chiu
Lee Chack Fan, *SBS, JP* *
Iain Ferguson Bruce *

* Independent Non-Executive Directors

AUDIT COMMITTEE

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

FINANCE AND INVESTMENT COMMITTEE

Wong Wing Hoo, Billy, *JP* (Chairman)
Lee Hon Chiu
Iain Ferguson Bruce

REMUNERATION COMMITTEE

Ronald James Blake, *OBE, JP* (Chairman)
Wong Wing Hoo, Billy, *JP*
Lee Chack Fan, *SBS, JP*

NOMINATION COMMITTEE

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

DISCLOSURES COMMITTEE

Iain Ferguson Bruce (Chairman)
Lau Ko Yuen, Tom
Lee Hon Chiu

EXECUTIVE COMMITTEE

Wong Wing Hoo, Billy, *JP* (Chairman)
Lee Hon Chiu

QUALIFIED ACCOUNTANT

Lee Hon Chiu

SECRETARY

Mui Ching Hung, Joanna

SOLICITORS

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

AUDITORS

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Wing Hang Bank, Limited

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Fax: (852) 2833 1030

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Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Standard Registrars Limited
G/F, Bank of East Asia Harbour View Centre
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Hong Kong
(up to 2nd January, 2006)

26/F, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong
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Hong Kong Stock Exchange	577
Reuters	0577.HK
Bloomberg	577 HK