

# Government responds to provisional liquidation of Paul Y Engineering Group Limited

In response to the application for provisional liquidation by Paul Y Engineering Group Limited (Paul Y), a Government spokesman today (February 21) gave the following response:

The Government noted that an application was made by Paul Y to the court recently to appoint a provisional liquidator for its five subsidiaries to handle debts and formulate a restructuring plan, and that the court held a hearing and approved the application today. Since it was a corporate decision of Paul Y to submit the application, and legal proceedings are underway, it is inappropriate for the Government to comment on the details.

The Government spokesman said that any enterprise encountering financial difficulties has its own reasons, and the enterprise has to find a suitable solution based on its actual circumstances. As there have been market rumours and media reports of financial difficulties and layoffs at Paul Y for some time, the Government has been paying close attention to the situation and making preparations to reduce the impact on relevant works projects and subcontractors and to assist affected employees.

Regarding public works projects, Paul Y's subsidiaries are undertaking the construction of 13 public works contracts, among which 12 contracts are undertaken by Paul Y and other construction companies by way of joint venture. These contracts are managed by various government departments separately, including the Civil Engineering and Development Department, the Architectural Services Department, the Electrical and Mechanical Services Department, the Highways Department, the Drainage Services Department, the Water Supplies Department and the Environmental Protection Department. As the majority of the contracts are undertaken by joint ventures, regardless of whether Paul Y is liquidated eventually, the other participants of the joint venture contracts must complete the remaining works in accordance with the contract requirements. The Development Bureau (DEVB) has assessed that the joint venture participants concerned are capable of undertaking the remaining works, and they have also expressed that they will continue to execute the contracts. The only project solely undertaken by Paul Y has largely entered the completion stage. Overall, the DEVB believes that the impact of the situation of Paul Y on relevant public works projects is manageable, and will closely monitor the situation.

On the other hand, Paul Y has also undertaken works projects of other public organisations, some of which are undertaken by joint ventures. As aforementioned, it is believed that the impact is manageable. For other projects solely undertaken by Paul Y, the public sector owners have replaced the main contractor of most of the projects in accordance with the

established mechanism to ensure the smooth completion of the projects. Owners of a few other projects are also carrying out such arrangements with a view to minimising the impact on the projects.

As the majority of the Government and public sector projects will be undertaken by other participants of the joint ventures or have the main contractor replaced in accordance with the mechanism, if Paul Y is liquidated by the court eventually, the succeeding contractor will follow the request made by the Government and public sector owners to try to accommodate the situation of existing subcontractors and workers so that they can continue to work on the relevant projects for the sake of maintaining continuity.

In respect of Paul Y's debt matters, the affected subcontractors or suppliers can apply for claims through legal means. The Government, including the Hong Kong Monetary Authority (HKMA), has been in contact with the construction industry and the banking sector. If subcontractors or suppliers face cash-flow pressure due to the Paul Y incident, the HKMA and the DEVB, together with the Construction Industry Council, will communicate with the Hong Kong Association of Banks so that banks can consider providing assistance on a case-by-case basis. Relevant enterprises can proactively contact lending banks and provide all relevant information so that the banks can understand the actual circumstances of the enterprises in a timely manner and provide flexible arrangements as far as feasible.

In respect of employment rights and benefits, the Labour Department (LD) has all along been requiring Paul Y to pay wages and provide statutory rights to its employees in accordance with the Employment Ordinance (EO) and fulfil its obligations under the EO as a main contractor to pay the first two months' unpaid wages of an employee who is employed by its subcontractors. The LD will continue to maintain contact with Paul Y, its subcontractors and relevant stakeholders to co-ordinate assistance for employees. Employees of Paul Y and its subcontractors who have enquiries on their employment rights and benefits may call the LD's dedicated hotline at 3580 8721 or visit 10 branch offices of the Labour Relations Division in the territory.

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## [\*\*Hong Kong Customs seizes suspected smuggled seafood worth about \\$1.39 million at Hong Kong-Zhuhai-Macao Bridge Hong Kong Port \(with photo\)\*\*](#)

Hong Kong Customs yesterday (February 20) detected a suspected smuggling case involving a cross-boundary goods vehicle at the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Port. A batch of suspected smuggled seafood,

including about 1 450 kilograms of oysters, 1 150kg of fish, 300kg of lobsters, with a total estimated market value of about \$1.39 million, was seized.

Based on risk assessment, Customs yesterday intercepted an outgoing goods vehicle at the HZMB Hong Kong Port. Upon inspection, Customs officers found the batch of unmanifested cargo items inside the vehicle.

A 57-year-old male driver was arrested and was put on bail pending further investigation.

Customs will continue to combat cross-boundary smuggling activities with firm enforcement action based on risk assessment and intelligence analysis.

Smuggling is a serious offence. Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

Members of the public may report any suspected smuggling activities to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)) or online form ([eform.cefs.gov.hk/form/ced002/](http://eform.cefs.gov.hk/form/ced002/)).



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## [Correctional officers intercept smuggling of suspected dangerous drug into Tai Lam Centre for Women](#)

Correctional officers at Tai Lam Centre for Women today (February 21) intercepted a female remand person in custody smuggling a suspected dangerous drug into the centre by concealing it inside her body.

The 25-year-old person in custody was remanded for the offence of

trafficking in a dangerous drug on February 18. After undergoing X-ray body scanning, she was suspected to have swallowed the dangerous drug before admission. She was therefore separated and put under close monitoring.

At 2.36pm today, she discharged one pack of the suspected dangerous drug, which weighed about 12 grams and was wrapped in a plastic sheet. The case has been reported to the Police for follow-up.

A spokesman for the Correctional Services Department said, "The department takes every measure to stop the introduction of dangerous drugs or unauthorised articles into correctional institutions in order to maintain good order and discipline, and a drug-free environment for all persons in custody."

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## [Hong Kong Customs detects case of non-registered precious metals and stones dealer carrying out specified transactions](#)

Hong Kong Customs yesterday (February 20) detected a case involving a local company that conducted multiple transactions of gold jewellery, with each transaction valued at over HK\$120,000, without registration under the Dealers in Precious Metals and Stones Regulatory Regime. The investigation is ongoing.

According to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the Regime came into effect on April 1, 2023. Any person who is seeking to carry on a business of dealing in precious metals and stones in Hong Kong and engage in any transaction(s) (whether making or receiving a payment) with a total value at or above HK\$120,000 in Hong Kong is required to register with the Commissioner of Customs and Excise. Any dealer, other than a registrant, who claims to be a registrant, claims to be authorised to carry out, or carries out any cash or non-cash transaction(s) with a total value at or above HK\$120,000 is liable to a maximum fine of HK\$100,000 and imprisonment for six months upon conviction.

Hong Kong Customs reminds all dealers that the transitional period for registration under the Regime has ended. Any dealers in precious metals and stones must obtain the relevant registration before they can carry out any cash or non-cash transaction(s) with a total value at or above HK\$120,000.

For the forms, procedures and guidelines to submit applications for registration, please visit the website for Dealers in Precious Metals and

Stones Registration System ([www.drs.customs.gov.hk](http://www.drs.customs.gov.hk)) or Hong Kong Customs' webpage ([www.customs.gov.hk/en/service-enforcement-information/anti-money-laundering/supervision-of-dealers-in-precious-metals-and-ston/index.html](http://www.customs.gov.hk/en/service-enforcement-information/anti-money-laundering/supervision-of-dealers-in-precious-metals-and-ston/index.html)).

Members of the public may report any suspected transactions involving precious metals and stones with a total value at or above HK\$120,000 conducted without the required registration to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)) or online form ([eform.cefs.gov.hk/form/ced002](http://eform.cefs.gov.hk/form/ced002)).

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## **Mainland study tour “An Exploration into the Supply of Dongjiang Water to Hong Kong” for secondary students concluded (with photos)**

â€œTo commemorate the 60th anniversary of Dongjiang (DJ) water supply to Hong Kong, the Development Bureau (DEVB), the Education Bureau (EDB) and the Water Supplies Department (WSD) jointly organised the Mainland study tour "An Exploration into the Supply of Dongjiang Water to Hong Kong" for secondary students. About 90 vice-principals, teachers and students from seven secondary schools participated in this inaugural study tour. They visited facilities related to the Dongjiang-Shenzhen Water Supply Scheme in Guangdong Province yesterday (February 20) and today (February 21) to learn about its history and operation, as well as the country's immense support and care rendered to Hong Kong through this mega water supply project.

Led by representatives from the DEVB, the EDB and the WSD, the delegation visited the Taiyuan Pumping Station in Dongguan to closely observe the quality of raw water at the intake point of DJ water supplied to Hong Kong. They also learned about the major infrastructure for safeguarding the quality of DJ water.

The delegation then visited the exhibition hall at the Dongjiang-Shenzhen Water Supply Project Memorial Park in Dongguan to gain insights into the project's history and its importance for fresh water supply in Hong Kong, and attended a seminar on water resources to learn about the Pearl River Delta Water Resources Allocation Project and water conservation measures. During an interactive session, students conducted simple water quality tests, which enabled them to appreciate the high standard that DJ water supplied to Hong Kong must meet, as well as the country's rigorous work and efforts in safeguarding water quality.

Before concluding the first day of the tour, students shared their reflections on what they had learned. Many of them expressed gratitude for the country's tremendous efforts in safeguarding the quantity and quality of DJ water supplied to Hong Kong, and that they will treasure water resources more in the future. They also developed a deeper appreciation for the country's precious water resources and the care it rendered. Accompanying teachers emphasised the significance of this study tour, noting that it enabled students to learn about the history, science, technology, ecology and environmental matters related to DJ water supply, fostering an understanding that every drop of drinking water is precious. This experience encouraged students to cherish water resources and nurtured their sense of patriotism.

The delegation visited the Shenzhen Reservoir this morning to understand the water quality monitoring system for DJ water supplied to Hong Kong. They then toured the Nanshan Museum and Nantou Ancient City in Shenzhen to learn about Nanshan's history, culture, economic development, and achievements of the country since the reform and opening up, gaining appreciation for the country's efforts in preserving and passing on cultural heritage. The delegation returned to Hong Kong this afternoon after the tour.

"An Exploration into the Supply of Dongjiang Water to Hong Kong" is one of the activities to commemorate the 60th anniversary of DJ water supply to Hong Kong under the theme "Dongjiang River – An Inseparable Bond, Our Blessed Origin". Through various activities, the DEVB and the WSD aim to enhance public understanding of the importance of DJ water to Hong Kong's prosperity, stability and long-term development as well as the country's long-standing care and support for Hong Kong.



