

TARGET

Intelligence Report

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ABLE ENGINEERING HOLDINGS LTD: THIS IS A SUCCESS STORY, DESPITE THE HORRORS OF COVID-19

Whilst the managements of many publicly listed companies, the shares of which are traded on The Stock Exchange of Hongkong Ltd, complain loudly about the effects of the horrors of the Coronavirus Disease, commonly known, today, as COVID-19, not so for the management of Able Engineering Holdings Ltd (安保工程控股有限公司) (Code: 1627, Main Board, The Stock Exchange of Hongkong Ltd).

In fact, with regard to the past five Financial Years, ended March 31, 2022, the Revenue of Able Engineering Holdings Ltd had hit a 79.21-percent record high of \$HK5,577,514,000.00, compared with the 2018-Financial Year.

In respect of the past three Financial Years, the Profit and Total Comprehensive Income for the Year, Attributable To Shareholders of the Company, ended March 31, 2022, hit a high of \$HK122,880,000.00.

Mr Ngai Chun Hung (魏振雄), the Chairman of the Board of Directors of Able Engineering Holdings Ltd, has gone on record in respect of the Current Financial Year, ending March 31, 2023, stating definitely:

‘OUTLOOK

*‘According to The Chief Executive’s 2021 Policy Address, the Government of the Hong Kong Special Administrative Region (the “**HKSAR Government**”) has identified around 350 hectares of land and around 170 hectares of land for additional supply of approximately 330,000 public housing units for the 10-year period commencing year 2022-2023 and approximately 100,000 private housing units, respectively.*

‘Also, as mentioned in The Chief Executive’s 2021 Policy Address, the HKSAR Government pursue development in various parts of the New Territories and introduced the “Northern Metropolis Development Strategy”. The Northern Metropolis Development Strategy plans to transform the northern part of Hong Kong into a lively and attractive area for housing, technology development and other industries. It includes the

provision of approximately 350,000 residential units through projects currently planned or under planning and an additional 600 hectares of land within the Northern Metropolis for residential and industrial purposes.

‘Correspondingly, The Financial Secretary estimated that approximately HK\$75.5 billion in the Capital Works Reserve Fund shall be allocated to public works programme in The 2022-2023 Budget of the HKSAR Government, representing an increase in the estimated amount of approximately HK\$67.8 billion allocated to the same category for the financial year 2021-2022, despite the on-going COVID-19 pandemic.

‘In view of the high demand for housing and healthcare services from community remains unchanged and the development plan of the Northern Metropolis, the medium to long-term outlook of the construction industry in Hong Kong looks promising.

‘Looking forward, we believe our accumulated ample experience and know-how will enable us to be competitive in tendering new projects. We also believe our subsequent upstream expansion into the production of free-standing integrated modules and wider use of modular integrated construction method through the subsequent acquisition of Gain Capital (Gain Capital Corporation Ltd [佳祺有限公司]) (as defined in this annual report) and the subsequent cooperation with Lanon Development (Lanon Development Ltd [亮雅發展有限公司]) (as defined in this annual report) to broaden our potential customer-base can assist the Group to seize the opportunity of the construction industry in Hong Kong and help create reasonable return for Shareholders in the long-run. We will continue our efforts in identifying opportunities to integrate with our business partners in order to reduce construction costs, enhance project efficiency and create synergy.’

The business of Able Engineering Holdings Ltd is explained by Management of the Company, thusly:

‘The Company is an investment holding company.

*‘The Company, along with its subsidiaries, is principally engaged in as a contractor in building construction and **repair, maintenance, alteration and addition (RMAA)** works in Hongkong.*

‘Its projects include Project A1 which is located in Tsuen Wan, Hongkong, Project A2 which is located in Central Mid-levels, Hongkong, Project A3 which is located in Cheung Sha Wan, Hongkong, and other projects.

‘The Company’s construction works involve in construction of residential building, construction of medical centre, construction of public rental housing and construction of fitting-out for residential building, among others.

'Its subsidiaries include Vital Tool Ltd, Able Engineering Company Ltd (安保工程有限公司), Able Contractors Ltd (安保建築有限公司) and Able Contracting Ltd (安保建業有限公司), among others.'

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