

TARGET

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CR CONSTRUCTION GROUP HOLDINGS LTD: COVID-19 WAS PAINFUL, NO DOUBT, BUT, TODAY, IT IS HISTORY !!!

It would appear, on scanning the financials of CR Construction Group Holdings Ltd (華營建築集團控股有限公司) (Code: 1582, Main Board, The Stock Exchange of Hongkong Ltd) in respect of the Financial Year, ended December 31, 2022, that this construction company is well on its way to a roll.

The Company's Total Revenue, with regard to the 2022 Financial Year, at \$HK6,266,589,000.00, was at a record-breaking level, compared with the past five Financial Years.

And this Company, as a publicly listed corporate entity, is only four Financial Years old!

On or about October 16, 2019, this Company's entire Issued and Fully Paid-Up Share Capital was listed on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

The Chairman of CR Construction Group Holdings Ltd, Mr Guan Man Yu (管滿宇), at Page Five of the Company's 2022 Annual Report, went on record, stating, amongst other things:

'Results

'In 2022, the Group had been awarded 24 new projects, including 2 projects in Malaysia and 1 project in the UK (The United Kingdom). The revenue for the year was approximately HK\$6.3 billion, and the net profit was approximately HK\$56.5 million. The aggregate original contract sum was approximately HK\$9.7 billion, a record high for the Group. In particular, Kai Tak public housing development project, a project newly awarded to the Group, hit a new record in the value of individual engineering contract of the Group. Confronted with numerous obstacles and challenges, the Company achieved new breakthroughs in adversity, not only expanding its business in the UK market through investments and acquisitions, but also further consolidating its operations in the Malaysian market and winning tenders for a number of mega projects such as schools, residential and public housing developments. The construction

business of the Group continued to witness improvement in diversified development, with sound momentum presented in the overall business.

‘Review

*‘In 2022, as the COVID-19 pandemic (the “**Pandemic**”) continued repeatedly, the construction industry in Hong Kong continued to suffer from various impacts. The Group, aiming for “normalization”, responded promptly to the development of the Pandemic, and successfully implemented the goal of high-quality development, amidst the COVID-19 pandemic. On the one hand, the Group continued to enhance project management, deepened and promoted its brand-building work constantly, and strictly controlled the quality of projects, winning a wide range of recognition on various areas such as quality, safety, and environmental protection for projects from the market. Specifically, The Kwun Tong Town Centre residential development project, a project undertaken by the Group, won the Five Stars Residency from Hong Kong Professional Building Inspection Academy and the award of Completed Projects — Commercial Building category under New Buildings, Green Building Award 2021 from Hong Kong Green Building Council. On the other hand, the Group further expanded into the market of public projects of the Hong Kong Government and strived to promote and apply the Modular Integrated Construction (“**MiC**”) technology. During the Reporting Period, the Group won 2 MiC projects, including 1 public MiC project. It is anticipated that successive tenders of MiC project by the Group in the first year would bring more new business opportunities and mark the further diversification in the Group’s construction business...*

‘Prospects

‘Looking ahead to 2023, with the gradual easing of global COVID-19 pandemic and the resumption of customs clearance between the Mainland China and Hong Kong, Hong Kong’s economy faced new opportunities for development, while the tender number of local construction projects is expected to return to the pre-pandemic level and continue to grow. In terms of policies, Hong Kong Government announced in 2022 that the supply target for public housing will increase to 300,000 units over the next 10 years. By vigorously promoting the “Light Public Housing” project, coupled with a number of development plans such as “Lantau Tomorrow” and “Northern Metropolis”, the construction industry will usher in new opportunities for development. On the other hand, the construction industry in Hong Kong is still facing the increase in project costs resulted from structural manpower shortages and rising wages, which brings continuous pressure to operations ...’.

At Pages Eight and Nine of the 2022 Annual Report of CR Construction Group Holdings Ltd, under the general heading, ‘**Management Discussion and Analysis**,’, subhead, ‘*Business Review*’, one was informed of the following:

‘As at 31 December 2022, the Group had 48 projects on hand with an aggregate original contract sum of approximately HK\$25.7 billion, which includes projects in progress and projects that have been awarded to the Group but not yet commenced. As at 31 December 2021, excluding the projects from the acquisition of CR Construction (U.K.) Investments Company Limited, the Group had 37 projects on hand with an aggregate original contract sum of approximately HK\$17.4 billion.

‘During the Reporting Period, the Group had been awarded 24 new projects with an aggregate original contract sum of approximately HK\$9.7 billion and had completed 14 projects with an aggregate original contract sum of approximately HK\$2.6 billion. The acquisition of CR Construction (U.K.) Investments Company Limited has led to an addition of 1 project on hand with an original contract sum of approximately HK\$1.2 billion to the Group.’

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