

FOR IMMEDIATE RELEASE

Statement by the Construction Industry Council in Response to the Provisional Liquidation of Paul Y Engineering Group Limited

Hong Kong • 21 February 2025 – Regarding the recent application to the court by Paul Y Engineering Group Limited for the appointment of a provisional liquidator for its five subsidiaries, as the application is under legal proceedings and it was a corporate decision of the company, the CIC will not comment on this individual case.

The CIC is highly concerned about the business environment of the industry and has been in close communication with the Government, industry stakeholders and the banking sector to discuss financial arrangements. At present, 18 banks have joined the customer financial arrangements negotiation mechanism and agreed to handle the financial arrangements for clients of the construction industry with flexibility, with the aim of alleviating liquidity pressure on industry stakeholders and resolve their financial difficulties.

In addition, the CIC and the Development Bureau have commenced a series of preparatory work before the Construction Industry Security of Payment Ordinance come into full operation in August 2025, which include organising a number of briefings for different stakeholders, such as owners and professionals, main contractors, sub-contractors and suppliers. It is believed that the implementation of the Ordinance will alleviate cash flow pressure on various stakeholders in the industry, control risks and costs, and improve the business environment.

Although the industry is facing challenges from a multifaceted external environment, the future still abounds with opportunities. For example, the Government will contribute about 1,700 hectares of spade-ready sites in the Northern Metropolis in the next 10 years, and the New Development Areas (NDAs) that are already under construction (Kwu Tung North / Fanling North, Hung Shui Kiu / Ha Tsuen, Yuen Long South, and San Tin Technopole) are expected to produce about 570 hectares of spade-ready sites in the next five years. The Northern Metropolis has now entered the implementation stage and is piloting a large-scale land-disposal approach for the first time. The Development Bureau will invite tenders for the three large-scale land disposal pilot areas, so as to expedite the commencement and completion of residential, industrial and public facilities. The Government has also reiterated that there will be an average of about \$90 billion of public works projects in this financial year and each of the next four years, contributing an increase of 17% over the average of the past five years.

There are ample opportunities for the long-term development of the construction industry.



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The CIC will continue to explore new building materials and new construction methods, along with providing manpower training, seminars and innovation support, with a view to assisting practitioners in the digital transformation, lowering construction costs, enhancing the industry's competitiveness and exploring new business opportunities.

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About the Construction Industry Council

The Construction Industry Council (CIC) was formed in 2007 under the Construction Industry Council Ordinance (Cap. 587). The CIC consists of a chairman and 24 members representing various sectors of the industry including employers, professionals, academics, contractors, workers, independent persons and Government officials.

The main functions of the CIC are to forge consensus on long-term strategic issues, convey the industry's needs and aspirations to the Government, provide professional training and registration services, and serve as a communication channel between the Government and the construction industry.

Please visit www.cic.hk for further details.