

HSL to benefit from 9MP

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KUCHING — Hock Seng Lee Berhad (HSL) is looking forward to the impact of the large development allocation for Sarawak under the Ninth Malaysia Plan (9MP).

On the occasion of HSL's Annual General Meeting in Kuching today, Group Managing Director Paul Yu Chee Hoe said that the RM13.5 billion allocated for Sarawak's development under the 9MP augured well for HSL as the only Main Board public listed construction counter company in the State.

He also noted that on top of the federal government's 9MP allocation for Sarawak, the State Government had just announced that it would add a further RM10 billion for development programmes over the next five years.

"We are pursuing several new contracts flowing from initiatives of the 9MP," said Mr Yu.

"We continue to focus on infrastructure works, particularly those which tap our expertise in marine engineering or land reclamation," he added.

Mr Yu made the comments after HSL's Annual General Meeting in which all resolutions were approved by shareholders including a final ordinary dividend of 7 sen per share less tax, payable on 8 June 2006.

"Added to the interim dividend of 6 sen we paid out last October, this brings the total dividend for 2005 to 13 sen," said Mr Yu.

"This is a healthy yield for our valued stakeholders and we are pleased to be able to reward their confidence in us," said Mr Yu.

The current issue of The EDGE business weekly ranks HSL the number 2 construction counter company on Bursa Malaysia in terms of returns to shareholders over the past five years.

HSL Group also announced its first quarter financial results after the Annual General Meeting showing earnings growth and further strengthening of its margins.

Group net profit before tax for the quarter ended 31 March 2006 stood at RM10.29 million, up from RM9.49 million for the corresponding quarter of 2005.

The revenue of the Group has remained at a stable level with projects completing and new ones starting up. For the quarter under review the Group achieved revenue of RM63.73 million against the preceding year corresponding quarter's figure of RM65.18 million.

Mr Yu said the property development sector under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd had put in a particularly strong performance.

In spite of the first quarter being affected by the Lunar New Year festivities and the rainy season in Sarawak, the property development arm bettered both the corresponding quarter and the preceding quarter's results of 2005.

"We have established ourselves as a dynamic new force in the local property development scene," said Mr Yu.

"Construction works on our 642 unit housing estate, *Samariang Aman*, are continuing rapidly with Phases 1, 2A and 2B virtually sold out and Phases 3A and 3B currently selling strongly," said Mr Yu.

The innovative single-storey courtyard terrace houses with a private internal outdoor space have proven to be a top seller bringing natural light and ventilation into the centre of the home where once there were long dark corridors.

HSLC is expected to launch new projects throughout the year to continue its exciting growth. Among these will be residential developments at Batu Kawa and 13 ½ mile Kuching-Serian Road.

Looking ahead generally, Mr Yu noted that with the advent of the 9MP, the construction industry was forecast to record growth for the first time in five years.

"The Government's focus on rural development as well as addressing urbanization issues such as water and waste management all mean a positive outlook for HSL," said Mr Yu.

"Moreover, our substantial financial capacity will enable us to be competitive in procuring projects including those falling under the Private Financing Initiative," he said.

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