

Strong first quarter for HSL

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KUCHING — Sarawak-based infrastructure specialist Hock Seng Lee Berhad (HSL) today announced financial results for the three months to 31 March 2009 which saw both revenue and profit growth.

Following the company's Annual General Meeting held in Kuching today, Group Chairman YB Senator Dato' Hj Idris Buang stated that Group net profit before tax for the quarter ended 31 March 2009 stood at RM13.97 million on revenue of RM77.88 million up from RM13.22 million and RM64.92 million respectively for the preceding year's corresponding quarter.

"Although the first quarter is traditionally a little slower for the industry with the festive break and the rainy season, we have returned very commendable results and the impact of our large order book can be seen with a 20 percent increase in our revenue on a quarter to quarter comparison with last year," Dato Idris noted.

"We are grateful that the government has taken such proactive measures to head off the impact of the world-wide economic slowdown and we are already seeing the positive impact of the development programmes and economic stimulus packages on the construction industry in Sarawak," Dato added.

Dato' Idris was commenting after HSL's Annual General Meeting in Kuching today in which all resolutions were approved by shareholders including the final ordinary dividend of 3 percent per share less tax at 25 percent, payable on 9 June 2009.

Added to the eight percent gross interim dividend paid out in October 2008, this brings the total dividend for 2008 to 11 percent less tax.

Group Chairman YB Senator Dato' Hj Idris Buang noted that rewarding loyal investors continued to be a priority of HSL, while at the same time, the Group was prudently ensuring capital reserves were available for machinery purchases and other contingencies.

Dato' disclosed that the Group's major waste water project for Kuching was currently underway and the company is investing in specialized machinery required for the sewage works. The package 1, pilot project for the city centre and treatment plant is expected to continue over the next four years.

With a record value of projects in hand of RM1.7 billion of which RM1.2 billion is outstanding, HSL is expecting a busy year ahead.

Furthermore, the Sarawak Corridor for Renewable Energy (SCORE) programme coupled with the flow-down of works from the economic stimulus packages are intensifying infrastructure development in Sarawak and providing HSL with more opportunities going forward.

Projects in progress include infrastructure and building works for a housing development for a local statutory authority in Kuching; an educational institution and a technical training centre in Bintulu; road works and infrastructure works contracts for the Drainage and Irrigation Department, Sarawak and two large reclamation and infrastructure works contracts for industrial estates: one in Tanjung Manis and one in Samarahan, Sarawak.

On the property development side, subsidiary Hock Seng Lee Construction Sdn Bhd recently launched the first phase of its 68-unit *Vista Aman* housing estate at Samarahan, Kuching and has enjoyed a strong take-up rate. Two other housing estate launches are planned for later in the year.

"We operate in a niche market where our core competencies of marine engineering, civil engineering and construction are in demand in helping Sarawak realize its development agenda.

With our excellent track record, we remain positive on our prospects.

However, we are always mindful of the challenges presented by the global economic uncertainties and we will be taking every precaution to mitigate such impacts on our business", concluded Dato' Idris.

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