



# HSL posts strong first half

*Q2 2010 PBT up 40% over Q2 2009*

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**Media Enquiries: Sonja Gan / Augustine Law Tel: 082-332755 / 012-8873200**

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KUCHING — Half-yearly financial results for Sarawak-based infrastructure specialist Hock Seng Lee Berhad (HSL) show marked growth against last year's first half.

YB Senator Dato' Haji Idris Buang, Chairman of HSL, announced that for the six months to 30 June 2010, HSL's net profit before tax had risen some 36 percent compared with the same period of 2009; from RM31.10 million to RM42.18 million.

On a quarter to quarter basis, earnings before tax grew from RM17.11 million for Q2 2009 to a record high of RM23.98 million for Q2 2010, an increase of 40 percent.

"Despite recording such strong growth last year, our results to date for 2010 are surpassing 2009 and given the number of procurement opportunities now flowing from SCORE (Sarawak Corridor for Renewable Energy), further expansion is on our agenda," said Dato' Idris.

Revenue for the first half of 2010 also saw strong growth, up 27% percent to RM203.66 million from RM159.98 million at the mid-way point in 2009.

The three months to the end of June 2010 saw a 35% rise in revenue to RM111.26 million from RM82.10 million for the same quarter of 2009.

HSL currently has some RM1.85 billion of projects in hand of which RM1.14 billion is outstanding.

The value of HSL's tender bids for infrastructure contracts in the last two months is approximately RM700 million. Outcomes are expected before the end of the year.

"We have added RM262 million worth of new projects in 2010 so far and believe we can add further to our orders as we have tendered for several access roads to the hydro-dams under the SCORE programme," Dato' Idris added.

These are challenging projects into relatively remote areas of Limbang and Kapit divisions where logistics including machinery procurement and transportation require good local knowledge.



“You need to appreciate the difficulties of construction in Sarawak’s hilly rugged interior regions and HSL Group has the experience and expertise to price appropriately and then perform these contracts successfully,” Dato’ said.

With no gearing and strong cash reserves, HSL Group has the capital as well as the capacity to take on further projects within its core activities of marine and civil engineering.

In keeping with the excellent financial results, Dato’ Idris announced that the Board had approved a first interim ordinary dividend of 6 percent per share less tax at 25 percent and payable to shareholders on 8 October 2010. The dividend entitlement date shall be 15 September 2010.

“While taking operational requirements and capital investments into consideration, we will continue to show our gratitude to our faithful shareholders with sound dividends,” said Dato’ Idris.

On the future outlook, Dato’ Idris noted that the construction industry in Sarawak was vibrant with news of ambitious government initiatives taking off.

Last week HSL Group announced procurement of a RM47.1 million road works project; its first contract associated with the proposed Halal Hub in Tanjung Manis, part of the SCORE region.

At the same time, news is mounting on the influx of foreign investment into industries which will tap the hydro-energy to be generated by the dams including the massive Bakun facility which is now due to be commissioned in 2011.

Substantial facilities are planned for these industries which will necessitate support infrastructure to be provided by the government.

Other major projects on the horizon include Mukah airport and Tanjung Manis sea port extensions, both of which are of interest to HSL Group.

“There is no doubt that SCORE offers vast prospects and we will be selective in pursuing those projects that tap our core competencies and enable us to maintain our sound margins and robust earnings growth,” said Dato’ Idris.

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*Based in Sarawak, East Malaysia, Hock Seng Lee Group is involved in marine engineering, civil engineering, building construction and property development.*

*HSL is listed on Bursa Malaysia’s Construction Counter (stock code 6238, Bloomberg code HSL MK).*

**For further information see: [www.hsl.com.my](http://www.hsl.com.my)**