



Further growth for HSL

First half of 2011 revenue up 34%; Gross interim dividend 6%

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KUCHING — Sarawak-based marine engineering stalwart Hock Seng Lee Berhad (HSL) has reported a strong performance for its first half of 2011.

HSL's financial results for the six months to 30 June 2011, saw net profit before tax rise 22 percent against the first half of 2010; from RM42.18 million to RM51.48 million.

On a quarter to quarter basis, earnings before tax grew from a record high of RM23.98 million for Q2 2010 to RM27.94 million for Q2 2011.

Revenue for the first half of 2011 also saw strong growth, up 34 percent to RM272.51 million from RM203.66 million at the mid-year point in 2010.

Managing Director Dato Paul Yu Chee Hoe said that HSL had an exceptional first half in 2010 and yet had managed to better that this year.

"With our existing contracts in hand, we are comfortably poised to emulate past years of growth in 2011, but I am also confident that we can add to the RM153 million worth of new contracts we have secured so far," Dato said.

The current order book stands at some RM1.7 billion with RM1.1 billion outstanding.

Potential projects include further hi-tech tunneling and construction works for Kuching's centralized sewerage system, flood mitigation works in Sibul and Kuching, roads and educational institutions in central Sarawak.

While rapid urbanization and industrialization in Sarawak promotes the progress of public sector infrastructure in the cities and towns, the Economic Transformation Programme has also placed emphasis on rural development.

HSL seeks to use its marine engineering and infrastructure capabilities to assist with projects such as rural water supply and provision of power to more remote parts of the state.

Last week HSL announced procurement of a sub-contract worth RM45.7 million for a rural water supply project in Sibul Division, Sarawak involving water treatment facilities and piping.



Meanwhile at the coastal SCORE growth node towns of Tanjung Manis, Mukah and in particular Samalaju, foreign private investors are currently proceeding with construction of their facilities.

Lured by ample, well-priced power supply, their smelters and factories are fueling construction activity in the less-developed parts of central Sarawak.

“The prospects for HSL continue to be very good as there are abundant opportunities for us to draw on our marine engineering, civil engineering and construction skills,” said Dato Paul Yu.

“With no borrowings and cash reserves of over Rm100 million, HSL has the financial capacity as well as the technical capabilities to take on additional major infrastructure works”, noted Dato Paul Yu.

In conjunction with the first half year financial report, Dato Paul Yu 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 7 October 2011.

The dividend entitlement date shall be 15 September 2011.

“Our policy is always to reward our loyal stakeholders with the best possible dividends while taking a prudent approach to maintaining reserves for capital expenditure and project start-up costs,” said Dato Paul Yu.

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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).

For further information see: www.hsl.com.my