

Successful Q3 for HSL

Strong growth, Forbes Asia-Pacific award

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KUCHING (Tuesday) — The third quarter 2011 has proven to be a highly successful one for Hock Seng Lee Berhad (HSL).

The Sarawak-based infrastructure and marine engineering specialist today announced both strong financial results and the recent receipt of prestigious awards.

“Profit before tax for the nine months up to 30 September 2011 stands at RM81.64 million up 18 percent from RM69.46 million at the same three-quarter year mark in 2010,” Group Managing Director Dato Paul Yu Chee Hoe said.

HSL Group added net profit before tax for the third quarter 2011 of RM30.16 million as compared to RM27.28 million for 2010’s corresponding quarter.

“As in past years, our third quarter results have seen a pleasing rise from the half year point,” Dato said.

Revenue for the three months ended 30 September 2011 rose to RM150.42 million from RM134.35 million for the same period in 2010, an increase of 12 percent.

For the nine month period of 2011, revenue has accumulated to RM422.93 million up 25 percent from Rm338.01 million at the same point in 2010.

“Our earnings and revenue results put us on a trajectory to achieving new highs for our annual financial results 2011,” commented Dato Paul Yu.

HSL also has more reason to celebrate as it continues to garner prestigious accolades for its outstanding performance.

On 10 November 2011, HSL received the Forbes Award as one of the top 200 best performing small-medium companies in the Asia-Pacific region.

Known as the Best Under a Billion list, to qualify firms must have an annual revenue of under USD1 billion.

The field of some 15,000 public-listed companies is then screened for sales and earnings growth and return on equity.

Forbes looks for healthy balance sheets and for how well firms managed the recent economic volatility.

Chinese and Hong Kong companies dominated the list with only 14 recipients selected from Malaysia.

HSL's Forbes award came less than a month after HSL emerged a winner for the Construction and Property sector of the KPMG Shareholder Value Awards 2011.- the sixth consecutive year it has had such success.

HSL was also again listed by KPMG as being among Malaysia's Top 100 Value Creating Companies and was ranked number 35 for 2011.

"We are honoured to be recognized for our judicial stewardship of HSL and the sustained growth we have demonstrated.

"Of course our success is also a result of our niche market position in marine engineering which makes us a proxy to the development that is sweeping across Sarawak," said Dato Paul Yu.

HSL has identified three main thrusts now in the fast-paced development of Sarawak and all impact positively on the Group's prospects.

The first is the emphasis on rural development, in particular bringing basic amenities such as water, power and roads to the more remote areas of the state.

The second is the actual on-the-ground implementation of Sarawak Corridor of Renewable Energy (SCORE) projects by foreign investors (mostly high-energy consuming metal producers) and the third is the upgrading of public infrastructure to cope with the issues of rapid urbanisation.

The latter gives rise to the need for flood mitigation, centralized sewerage treatment and flyovers for example – all projects which HSL has ongoing and continues to pursue more of.

Indeed HSL has procured contracts during the year that have been generated by these three main thrusts and this trend looks set to continue.

HSL currently has RM1.7 billion worth of projects in hand of which RM1.1 billion is outstanding.

Last month HSL announced it had secured a new rural water treatment plant project worth RM90.28 million in Samalaju, one of the growth node towns of SCORE (the Sarawak Corridor of Renewable Energy).

“Rural water treatment and supply is an area of great potential for HSL and it is a rewarding field given that a safe, reliable water supply is so essential to people as well as to commerce and industry,” said Dato Paul Yu.

The Samalaju water treatment plant project is currently underway and due for completion in the second quarter of 2013.

Other projects in progress include the Kuching City Centralised Waste Water Management project (Package 1) which is being undertaken by way of hi-tech tunneling, various road works in Kuching, Sri Aman, Sarikei, Mukah, Samarahan and Tanjung Manis; building works in Samarahan, flood mitigation works in Sibiu as well as land reclamation jobs.

On prospects for the final quarter of the year, Dato Paul Yu said the Group has submitted various bids for infrastructure works lately, notably for roads and rural water supply, projects and may therefore add further to the order book before 2012.

However, even based on existing contracts, HSL will remain busy and growing through 2012 and 2013.

HSL also continues to be debt free and to hold RM142 million in cash reserves (as at 30 September 2011), making it well-poised to cope with further major contracts if its pending bids are successful.

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Photos:

1. Managing Director of Hock Seng Lee Berhad Dato Paul Yu Chee Hoe
2. Executive Director Yii Chee Sing receives HSL's Award from the Vice-Chairman of Forbes , Christopher Forbes in Hong Kong recently. HSL was recognised for being one of the top 200 best performing small-medium companies in the Asia-Pacific region.