

Profit up for HSL

Order book tops RM2B, Gross interim dividend of 7%

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KUCHING — Sarawak-based infrastructure company Hock Seng Lee Berhad (HSL) is reporting both profit and revenue growth for its first half of 2012.

HSL's financial results for the six months to 30 June 2012, saw net profit before tax rise 9 percent against the first half of 2011; from RM51.48 million to RM56.14 million.

"New high points in our results have been achieved and it is certainly pleasing to be able to maintain such growth momentum," said HSL Managing Director Dato Paul Yu Chee Hoe.

With construction activity picking up and some new works in full swing, the second quarter results have also surpassed the previous quarter with net profit before tax up 14 percent from RM26.21 million to RM29.93 million.

Revenue for the first half of 2012 also grew some 7 percent to RM290.92 million, up from RM272.51 million at the mid-year point last year.

"The first half of 2012 has not only been busy on the ground, but has also been exceptionally fruitful with regards to procurement outcomes as HSL has added some RM472 million to its order book," Dato Paul Yu said.

"Recent procurement successes have led to our order book topping the RM2 billion mark," he added. The company has RM1.2 billion worth of works currently outstanding, ensuring continuity of work ahead.

"Our churn out rate is steady with projects finishing successfully and some major new works coming on-line," said Dato Paul Yu.

Among the new projects HSL has secured recently is a design and build contract for campus facilities for the Universiti Teknologi Mara (UiTM), Mukah in central Sarawak worth RM291 million.

Mukah is designated as the knowledge and administrative hub of SCORE (Sarawak Corridor of Renewable Energy).

Its low-lying, swampy terrain mean that HSL's will utilize its marine engineering expertise including undertaking extensive reclamation works and constructing a large artificial lake as part of the university campus.

"We remain upbeat on further opportunities arising and are pro-actively pursuing various infrastructure and building works," said Dato Paul Yu.

"We now have significant ongoing projects in all of the coastal SCORE growth node towns of Tanjung Manis, Mukah and Samalaju," he added.

HSL has sustained its healthy balance sheet with no gearing and cash reserves of some Rm180 million giving the company the capacity to acquire strategic assets as well as fund start-up phases of major projects or offer project financing.

Among the recent acquisitions is 275 acres of land for the future residential development *Samariang Aman 3*.

Meanwhile, HSL's *Samariang Aman 2* is under construction and together with a new phase of the *Eden Fields* development, the boutique *Botanika* housing estate and the first phase of its landmark *La Promenade* gated community, will form the new residential offerings to be released in 2013.

With another sound first half financial report, HSL Board has approved a first interim ordinary dividend of 7 percent per share less tax at 25 percent and payable to shareholders on 8 October 2012. The dividend entitlement date shall be 18 September 2012.

The company has been paying out interim dividends ranging from 5-8% since 2003 and has maintained the tradition in view of its consistently sound financial results.

"Our success is something that we always strive to share with our loyal stakeholders and thus you will notice a rewarding pattern of dividend payouts," said Dato Paul Yu.

He also observed that the recent intake of major new works bode well for continued growth for 2012 and beyond.

"The government's agenda is one of sustainable, yet rapid development of Sarawak and HSL is well-positioned in terms of its experience, unique skill set and vast resources – financial, technical and human – to capitalize handsomely on the essential projects required," 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