

First half profit at RM37.7m for HSL

Single tier tax exempt interim dividend of 5%

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KUCHING- Leading Sarawak-based infrastructure company Hock Seng Lee Berhad (HSL) has achieved profit before tax of RM37.67 million on the back of revenue at RM249.31 million for the six months ending 30 June 2016.

Given an order book at record levels, HSL's Board of Directors has declared a first interim single-tier tax exempt dividend of 5 percent per ordinary share for 2016, payable to the shareholders on 10 October 2016. The dividend entitlement date shall be 19 September 2016.

"We are maintaining an interim payout to our stakeholders even though our results have not managed to surpass the historical highs we enjoyed in the corresponding period of last year," said Hock Seng Lee Berhad's Managing Director Dato Paul Yu Chee Hoe.

HSL achieved pre-tax earnings for the 6 months ended 30 June 2015 of RM49.16 million on revenue of RM336.06 million.

"HSL has continued to be profitable every quarter since our listing and we have proven that we are a sound investment," said Dato Paul Yu.

At the Edge Billion Ringgit Club Awards held earlier this week, HSL snared the award for Best Return on Equity (Construction Sector) over three consecutive years, an accolade that is testimony to the performance of the Board and the quality of project execution achieved by the company.

"The award highlights to all stakeholders that the continuous profitability we achieve is the result of sustained operational efficiency and highly effective management," said Dato Paul Yu.

He noted that the first quarter 2016 procurement of a package of the Pan-Borneo Highway and the second phase of Kuching's Centralised Wastewater Management System, worth a combined value of RM1.71 billion, had led to a period of planning and resource allocation.

“We have been ironing out details with our clients to ensure we maximize efficiency of execution as we enter the mobilization and site establishment stages.

“While revenue flows are derived from the more than 20 other projects which are progressing well, we are not yet in a position to submit substantial claims on the major new works and this has impacted on our revenue and earnings for the period,” he explained.

Meanwhile the first half of 2016 has seen HSL Group add 13 new projects of varying sizes worth some RM1.85 billion. Aside from the 2 mega-projects, there are also 3 new substantial infrastructure contracts in Samalaju, a growth node town of SCORE (Sarawak Corridor of Renewable Energy).

During the first 6 months of 2016, the HSL Group has completed RM456 million worth of works including road building projects in Saribas and Bintulu and also some RM100 million worth of projects at Tanjung Manis involving a Pumping Station and River Filtration System. Also completed were infrastructure works at Samalaju Industrial Park and the Sungai Similaju Raw Water Intake. All these are in the SCORE region of central Sarawak.

Overall, current total combined projects value for HSL is at an all-time high of RM2.6 billion with RM2.3 billion outstanding as at 30 June 2016.

“We are certainly looking at a busy few years ahead with what we have on our plate now, but nonetheless we are selectively bidding on further projects of interest including various infrastructure works throughout Sarawak,” said Dato Paul Yu.

At the same time, the Group’s property sector has had some notable launches and strong take up rates. The Vista Industrial Park (VIP) has seen over 50 percent of the first block of 56 industrial units selling upon launch.

Sales at the latest phases of popular residential estate Samariang Aman 2 in Kuching’s north have also continued to be strong.

HSL’s landmark 200-acre mixed development *La Promenade* on the Kuching-Samarahan Expressway has become renowned as a premier guarded and gated residential estate in Kuching.

Following the successful sales of high-end bungalow and semi-detached homes late last year at the inaugural Precinct Premiere at *La Promenade*, the sales team has recently launched Precinct Luxe which offers premium super-link homes.



The innovatively designed units, which are an affordable entry point to this exclusive estate, have been very popular.

Sales of all the residential products at *La Promenade* have been very encouraging with a dedicated Sales Gallery and additional show house scheduled to open soon.

In all, HSL Group currently has over RM200 million worth of property development projects ongoing and the sector is expected to grow its contribution to group bottom line in the medium term.

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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