

# HSL records higher Q1 revenue

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KUCHING (Thursday): With its major projects progressing and order book at a record high, the Sarawak-based infrastructure specialist Hock Seng Lee Berhad (HSL) has delivered promising outcomes for the first quarter of 2019.

Announcing its first quarter results for the 3-month period ended 31 March 2019, HSL noted that the accelerated execution of mega-projects by the Government has impacted the company positively and it is confident that the increase in construction activities will bring greater opportunities for the group.

For the quarter under review, HSL saw an increase of 11 percent in group revenue to RM146.72 million, compared to the preceding year corresponding quarter's figure of RM131.76 million, with 86 percent of its group revenue attributed to the construction segment.

Profit before tax for the current quarter is recorded at RM18.76 million compared to RM18.54 million for the preceding year's corresponding quarter.

Currently, HSL has a record order book of RM3.3 billion with some RM2.5 billion worth of projects unbilled.

Group managing director Dato Paul Yu Chee Hoe said that there is ample work to keep the group busy while it keeps an eye out for new contract opportunities.

"We intend to remain selective in our procurement initiatives, bidding when projects align with our core strengths, capacity and capabilities.

"We believe that our niche expertise in marine engineering and our marine-based machinery portfolio will continue to be an added advantage as more development projects in coastal roads and bridges are being rolled out by the Sarawak state government.

"The construction industry in Sarawak is robust and we are confident that HSL will remain firmly at the forefront of it," he said.

All up, HSL has 18 contracts ongoing at present, having added some RM480 million in new works so far in 2019, including new property development launches.

Earlier this year, the group successfully secured the Batang Paloh Bridge project in Mukah worth RM299 million through an open tender exercise from the Sarawak Government. The contract is under Package 3 of the RM11 billion allocation for the state's coastal road upgrading, secondary trunk road network and water supply projects.

The project was bagged shortly after HSL won RM54.3 million worth of contracts from Sarawak Energy Berhad for the infrastructure works for the Balingian coal-fired power plant, also in Mukah.

Its construction of other mega projects across Sarawak including the Pan Borneo Highway work package and the centralised waste-water management system in Kuching and Miri are also progressing well.

“It is an exciting time for us at HSL as the group continues to see strong revenue flows from our construction sector while our property development sector rolls out new launches and promotions.

“We have RM340 million worth of property development projects ongoing and plans to launch some additional RM100 million worth of new projects this year,” he added.

This morning at the HSL Annual General Meeting in Kuching, shareholders approved a final single-tier tax exempt dividend of 1.4 sen per ordinary share. Added to the interim single-tier tax exempt dividend of 1 sen per ordinary share paid in October 2018, the cash dividend for 2018 will total 2.4 sen; the same as 2017.

The final dividend shall be payable on 26 June 2019 with the entitlement date set for 12 June 2019.

All other agenda items put forward at the AGM were also approved by shareholders.

Dato Paul Yu also noted that the property development sector, which had contributed some 15 percent to the group revenue this first quarter, was expecting a strong year with a variety of commercial, industrial and residential products on offer.

Last weekend, HSL unveiled a new cluster of guarded and gated designer homes known as Precinct Grande, at its 200-acre flagship mixed development La Promenade.

Precinct Grande is HSL’s third residential offering a luxurious modern lifestyle concept and following the previous success of Precinct Premiere and Precinct Luxe.

Besides the landed residences, La Promenade’s development masterplan comprises other innovative components such as a shopping mall, commercial centres and other amenities. It has won recognition in the industry with numerous accolades such as the Malaysia Landscape Architecture awards and the SHEDA (Sarawak Housing Estates Developers’ Association) Excellence awards for its exceptional master planning and landscape design.

HSL will also be launching its first commercial property in the estate – a retail and service mall called La Promenade Mall - by end of this year. Adjoining to La Promenade Mall is HSL’s new headquarters known as the HSL Tower, where first grade office and retail space is now available for lease.

HSL Tower is expected to be the first privately owned building in Sarawak to attain the Green Building Index (GBI) certification.

“We are looking forward to moving into our new HQ shortly and to enjoying further growth in 2019,” 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, Bloomberg code HSL MK).*

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