

HSL's 3Q result sees strong revenue and profit

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Media Enquiries: Cheryl Cheah / Augustine Law Tel: 082-332755 / 012-8873200

KUCHING (Monday) – The value of projects in hand for Sarawak-based infrastructure company Hock Seng Lee Berhad (HSL) has reached RM3.4 billion, while its net profit before tax is at RM60.40 million on the back of revenue of RM495.97 million for the 9 months ended 30 September 2019.

This shows 6.2 percent and 8 percent increases respectively compared with the same fiscal-year ending period of 2018 when net profit before tax stood at RM56.88 million on the back of revenue at RM459.29 million.

Announced today, the company's third quarter results for the 3 months ended 30 September 2019 saw pre-tax earnings at RM19.83 million on the back of revenue RM173.84 million.

For the period ended 30 September 2018, pre-tax earnings were RM19.49 million on the back of revenue of RM173.29 million.

"With our order book at RM3.4 billion with some RM2.5 billion unbilled, we are certain that we will be kept busy on work execution as our mega-projects are progressing well into their mid-phases.

"As the Sarawak state government continues to roll out infrastructure projects such as the Coastal Road and Trunk Road projects as well as Water Works projects, the group is positive that we will be able to participate and benefit from the effects of vibrant development across the state and construction industry," said Hock Seng Lee Berhad's Managing Director Dato Paul Yu Chee Hoe.

According to Dato Paul Yu, the Sarawak budget for 2020 that was announced recently provides substantial allocation on infrastructure development that will offer new contract opportunities for the group.

The Coastal Road, the Second Trunk Road and contracts associated with the water grid are all on HSL's radar as they draw on the Group's strength in geotechnical and marine engineering.

"Our marine engineering expertise and large fleet of specialized equipments put us in strategic positions to undertake further infrastructure projects in Sarawak. That said, we will remain prudent and selective in our project management strategies," said Dato Paul Yu.

HSL's ongoing mega projects include Package 7 of the Pan-Borneo Highway contract and centralized sewerage works (tunneling) projects in Kuching and Miri, Sarawak.

Other notable projects ongoing are the X-Fab administration building works, educational institutions in Miri and Mukah, offices for the coal-fired power plant at Balingian and geotechnical works for Batang Paloh Bridge Project and Jalan Sg. Bidut/Kpg. Tutus/Kpg. Sebedil/Kpg. Bungan Kecil projects.

“With our new projects and mega-projects progressing well, we are confident of further positive contributions to the earnings and net assets of the group.

Dato Paul Yu noted that the property development sector, which had contributed some 14 percent to the group’s revenue this quarter, expects to remain stable with a variety of commercial, industrial and residential products on offer.

“Sales at La Promenade, our flagship 200-acre mixed development along the Kuching–Samarahan Expressway have remained steady especially with our latest launch of the gated and guarded residential estate Precinct Grande. Furthermore, there are ongoing property promotional packages that complement the Home Ownership Campaign (HOC) which we hope buyers will consider when they shop for their dream homes.

The Group currently has about more than RM300 million worth of property development projects ongoing so this sector remains an important contributor to Group’s earnings.

HSL’s first commercial property in the La Promenade estate known as La Promenade Mall will also see its commercial operations begin in 2020. Adjoining La Promenade Mall is HSL’s new headquarters known as HSL Tower, where premium 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.

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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.