

HOCK SENG LEE REPORTS THIRD QUARTER RESULTS

Q3 Was Over Highest Covid Infection Rate, Work Hampered

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KUCHING: Hock Seng Lee (HSL) today announced financial results for 2021's third quarter, which ended Sept 30. The group posted pretax profit of RM13.76mil from revenues of RM150.88mil.

Construction continues to contribute the bulk at RM111.34mil, which is 74% of revenue, while property development delivered RM29.13mil.

The preceding year's same quarter pretax profit was RM13.03mil from revenues of RM161.16mil.

"Q3's results were recorded over the peak period of Covid-19. High infection rates hampered efficiency and productivity. We worked through a difficult period," managing director Dato Paul Yu Chee Hoe said.

In Sarawak, daily positive cases ballooned from about 500 cases in early July to more than 4,700 in mid-September.

"Since then, the situation has improved with high vaccination take-up rates by the Sarawakian public. Sarawak was first in line nationwide to receive booster shots," Yu continued.

Such healthcare measures reduced the number severe Covid cases and has allowed most economic sectors to continue reopening in Sarawak.

Nonetheless, both the public and private sectors remain cautious in work engagements to prevent hotspots and spikes.

"Work will have to be carried out in the midst of challenging circumstances," he said, adding that most of the problems plaguing the construction sector since last year remain unsolved.

"For instance, labour shortages are now actually even more acute as more economic sectors open up. There are still pockets of travel movement restrictions. These factors have caused disruptions of material supplies, especially metal related."

At the same time, fuel prices have pushed up costs of logistics. For Sarawak's construction sector, where most projects are rural, logistics is a key cost factor.

Linked is weather — over July-September, Sarawak recorded high number of rainy days.

The Malaysian Meteorological Department noted the high rainfall is linked to lower sea surface temperatures, while the Asean Specialised Meteorological Centre confirmed La Niña conditions and expects it to persist until early 2022.

Given the constraints, Yu said, HSL would adopt a selective and prudent approach on job procurement.

“We continue to work on replenishing our order books, but we will be cautious. We must be selective in our strategy to safeguard against price volatility. We must manage projects efficiently. For the foreseeable future, it will be challenging for the construction industry,” Yu said.

HSL’s mega project of Pan Borneo Highway is about 80% complete currently.

In the property segment, HSL’s focus stays on affordability. Its Samariang Aman 3, where 70% of units in early phases were single-storey units, is in the construction phase. Next phases of double-storey terrace and semi-dees are in the pipeline.

At La Promenade, where HSL’s HQ is located, limited number of new RM2.1mil duplexes are taking shape. At La Promenade Mall, new eateries continue to open to sustained popularity.

The results followed a quarterly board meeting.

For more info, visit hsl.com.my or search @hslcn on social media.

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Photo 1: HSL MD: Dato Paul Yu Chee Hoe

Photo 2: HIGHWAY: HSL executive director Tony Yu (third right) at Pan Borneo Highway, Julau section, completion ceremony on Nov 20.

Photo 3: SHOWHOUSE: The interior of Rumah Ramah an affordable themed showhouse at Samariang Aman 3 in Kuching North.

Photo 4: HQ: The 10-storey HSL Tower also La Promenade Mall, home to a growing number of popular cafes and restaurants.

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