

# Profitable Q1 for HSL

*Record cash dividend of 20% for 2012*

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KUCHING (Wednesday): Profit of RM26.1 million has been recorded for the first quarter 2013 by Sarawak-based marine engineering and infrastructure specialist Hock Seng Lee Berhad (HSL).

"With projects flowing from the SCORE (Sarawak Corridor of Renewable Energy) region of central Sarawak, this year looks to be another one of commendable progress for HSL", said Dato Paul Yu, HSL's Managing Director.

"There has been a healthy turnover of projects so far in 2013 with RM153 million worth of new contracts added," Dato added.

Among the new contracts are road works in Sibul, Bintulu and Sri Aman, sand filling at Tanjung Manis as well as infrastructure and drainage diversion projects for the Samalaju Industrial Park and rural roads in Samarahan.

Meanwhile two large building projects were successfully concluded including affordable housing in Bintulu and an educational institution at Samarahan. Sub-contract flyover works and road works in Mukah were among the other completed works during the first quarter 2013.

"We have maintained our strong track record of timely project completion and quality works," said Dato Paul Yu.

Dato was making the remarks following HSL's Annual General Meeting (AGM) in Kuching and release of the company's results for the first quarter ended 31 March 2013.

The AGM saw all resolutions passed including the proposed final ordinary dividend of 10 percent and, in recognition of the strong results, a special dividend of 3 percent, both less tax at 25 percent.

Added to the gross interim dividend of 7 percent paid in October 2012, the cash dividend for 2012 will thus be a record 20 percent. The final dividend will be payable on 18 June 2013.

This represents an increase from 2011's total cash dividend payout of 18 percent and 2010's 15 percent return.

"Our consistent success is something we always seek to share with our stakeholders," said Dato Paul Yu.



HSL has been profitable ever since its 1996 listing on Bursa Malaysia's main market and continues to command a niche position in the high-demand fields of water-related engineering works and essential public infrastructure projects.

The quarter ended 31 March 2013 was another profitable one for HSL with the company achieving pre-tax earnings of RM26.1 million on the back of revenue of RM135.1 million.

The results are similar to those achieved in the first quarter of 2012 when HSL recorded RM26.2 million in pre-tax profit and revenue of RM139.2 million.

As at the end of the first quarter of 2013 HSL Group has no borrowings and cash reserves of RM185 million.

"Our strong financial standing gives us an important edge in procurement as we can offer clients flexible payment or financing options," Dato Paul Yu said.

There is a likelihood of more projects in the three SCORE (Sarawak Corridor of Renewable Energy) growth node towns of Tanjung Manis, Mukah and Samalaju where rapid development is occurring.

The region is seeing an influx of investments in aluminium and other metal-based industries, a Halal food hub, seafood processing, ports, ship building, palm oil refining and other biotech and heavy industries.

These coastal towns in SCORE tend to have low-lying, swampy ground conditions. This means HSL's reclamation expertise is often a necessary component of many of the construction projects required there.

HSL is also pursuing various infrastructure and public amenity projects in the urban areas of Sarawak.

"We are hopeful of further contract wins during the year with bids for reclamation, building construction and road works contracts awaiting outcomes," said Dato Paul Yu.

With regards to property development under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd, Dato Paul Yu said that activity is increasing and that more new commercial and residential products would be offered in 2013.

Meanwhile, he reported that projects launched so far this year including a residential development *Eden Fields* at 13 ½ mile Kuching-Serian road and the *Bahamas* homes at *Samariang Aman 2* in Kuching's north had almost sold out.

The second half of 2013 will see the boutique *Botanika* residential project launched as well as another phase of *Samariang Aman 2* and commercial units at the *Eden Centre*; all in Kuching.

"Our property development sector is poised for bigger and better things going forward. We have some exciting plans in the pipeline," said Dato Paul Yu.

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**Photos:**

*The Board of Directors led by Chairman Dato' Idris Bin Buang (5<sup>th</sup> left) and Managing Director Dato Paul Yu Chee Hoe (4<sup>th</sup> left) conducts the Thirty-second Annual General Meeting of Hock Seng Lee Berhad in Kuching today 22 May 2013.*

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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)*

