

Sound 9 months for HSL

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KUCHING (Thursday) — Third quarter results for Hock Seng Lee Berhad (HSL) have seen the Sarawak-based marine engineering and infrastructure specialist record net profit before tax of RM23.66 million on the back of revenue of RM158.44 million.

For the nine months period ended 30 September 2015, cumulative figures show pre-tax earnings at RM72.82 million from revenue of RM494.50 million.

Overall these results exceed those of the preceding quarter of 2015 and show sound gains in revenue against the corresponding periods of 2014.

For the third quarter of 2014 pre-tax earnings of RM28.66 million were achieved on the back of revenue of RM155.36 million while the profit before tax for the nine months up to 30 September 2014 stood at RM76.10 million from revenue of RM411.60 million.

“We are keeping busy with some 17 new projects coming on the books so far this calendar year and with the budget allocating substantial public infrastructure funds to Sarawak, we can expect further opportunities.

“Barring any unforeseen circumstances, the Group’s revenue for 2015 is expected to surpass the 2014 level of RM604.7 million while increased open tendering, growing competition in general construction and rising operating costs will slightly impact margins,” said HSL’s Managing Director Dato Paul Yu Chee Hoe.

“While we have netted numerous smaller works, several major bids are still awaiting outcomes,” he added.

As at 30 September 2015, the Group had RM1.6 billion worth of projects in hand of which RM770 million remained unbilled.

The SCORE region of central Sarawak particularly Tg Manis, Mukah and Samalaju towns, continued to be a major source of opportunities and features in the order book of HSL.

Water-supply related engineering contracts for Mukah were notable additions this year and are much needed to serve new industries and the rapidly growing administrative centre and knowledge hub of SCORE.

The Pan-Borneo Highway is clearly prioritized on the government development agenda and is expected to generate work for local construction firms. HSL is an accomplished road builder with the technical capacity and machinery portfolio to be highly proficient.

“Our track record includes over 800km of roads from rural access routes to flyovers, underpasses, bridges and other technically demanding road works,” noted Dato Paul Yu.

“We are particularly competitive when there is a marine engineering component - as is so often the case in the low-lying coastal regions of Sarawak - so we will seek out such bids,” he said.

Also highlighted in recent budget allocations and the 11th Malaysia Plan was a focus on improving infrastructure and utilities for Sarawak’s rural communities.

This will lead to construction opportunities in terms of roads and water engineering works, among other infrastructure works.

“With extensive experience across our vast state of Sarawak, we have the capability, local knowledge and logistics to understand the challenges of rural projects and deliver them successfully,” said Dato Paul Yu.

Meanwhile, HSL’s property sector under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd launched the inaugural phase of its gated and guarded residential development known as “Precinct Premiere” of the La Promenade 200 acre mixed development project near Kuching.

The launch took place on 16 September 2015 in conjunction with Malaysia Day, offering high-end bungalows and duplex villas. Sales were brisk with the bungalows selling out at launch.

Together with other ongoing residential projects and planned launches in the year ahead and beyond, the property sector is slated to contribute more significantly to the Group going forward.

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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.
For further information see www.hsl.com.my.*