

Strong Q2 for HSL

Single tier tax exempt interim dividend of 6%

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KUCHING — Sarawak-based infrastructure company Hock Seng Lee Berhad (HSL) has achieved a profitable first half of 2014 with its second quarter earnings up 15 percent on the first quarter of the year.

Profit before tax for the three months ended 30 June 2014 was at RM25.4 million, rising from RM22.0 million achieved in the preceding quarter ended 31 March 2014.

Half yearly pre-tax profit stood at RM47.4 million on the back of revenue at RM256.2 million.

“Turnover in the second quarter has picked up considerably, achieving RM140.2 million against the RM116.0 million achieved in the first quarter,” said HSL’s Managing Director Dato Paul Yu Chee Hoe.

“This demonstrates that several major works are picking up momentum and progressing beyond their start-up phases,” Dato added.

Given the commendable results, the HSL Board has approved a first interim single-tier tax exempt ordinary dividend of 6 percent payable to shareholders on 8 October 2014. The dividend entitlement date shall be 18 September 2014.

“With our consistent financial performances over the past several years, we have made a tradition of paying out an interim dividend to our valued shareholders,” said Dato Paul Yu.

Overall, the value of HSL’s projects in hand is presently around RM2.1 billion with RM1.1 billion unbilled.

Works completed thus far in 2014 include the Tj Bako access road, some dredging works and infrastructure works at Demak Laut Industrial Estate, all in Kuching.

New contracts, combined with the commencement of the Group’s residential property project ‘Samariang Aman 2, Phase 4’, have generated a total of RM205 million worth of works year to date.

Projects in SCORE (Sarawak Corridor of Renewable Energy) are progressing well. HSL is honoured to be able to play its role in assisting the state to provide essential infrastructure for the multinational investors operating and setting-up in the vast corridor of central Sarawak.

SCORE, in turn, is becoming an increasingly important driver of the state's construction industry. Some 70 percent of HSL's new contracts for 2014 are derived from the SCORE heavy industry town of Samalaju.

"We are still actively bidding for a range of contracts including several in the SCORE growth node towns of Samalaju, Mukah and Tanjung Manis," said Dato Paul Yu.

"There is an urgent need for water supply, access roads and other essential infrastructure in these areas," he added.

The dynamic pace of development in the SCORE region looks set to continue to provide more opportunities for HSL in the years ahead.

HSL's current ongoing works include some nine road works contracts, three building construction contracts, flood mitigation, water supply and other infrastructure projects including Package 1 of the Kuching Centralised Wastewater Management system which is at an advanced stage.

"Overall, we see turnover in the second half of this year continuing to pick-up pace with momentum gaining on several large projects. We also anticipate further procurement successes based on our competitive edge in marine engineering," said Dato Paul Yu.

HSL has maintained a healthy balance sheet with no gearing and strong cash reserves giving the company the capital to start up large projects, offer project financing or to acquire strategic assets.

Another recent highlight for HSL has been its multiple accolades at The Edge Billion Ringgit Club Corporate Awards earlier this month.

In the Construction sector HSL was winner of the prestigious award for the Most Profitable Company and placed third in terms of greatest profit growth and best performing stock.

"We are gratified by this recognition which reflects on the prudent stewardship of the company and the talents and dedication of our staff," said Dato Paul Yu.

"It also shines a light on our company as an excellent investment prospect," he added.

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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