

HSL on track for strong year

Profit up 20 percent

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KUCHING — Third quarter results announced today for infrastructure company Hock Seng Lee Berhad (HSL) put the Group in a sound position to finish the year with impressive results.

Group Managing Director Mr Paul Yu Chee Hoe said the sustained improvement in margins reflected the Group's growing stature as a first line contractor with capabilities to handle large and complex engineering works.

Group net profit before tax for the current quarter, ending 30 September 2005, stood at RM11.85 million compared to RM9.87 million for the preceding year's corresponding quarter, representing a substantial 20 percent increase.

The revenue of the Group for the quarter under review is RM77.7 million which also shows an increase against the preceding year corresponding quarter's figure of RM72.8 million.

Year to date figures put net profit before tax at RM32.5 million which compares favourably with the 2004 figure of RM27.1 million.

"We did well last year, but the results of the third quarter reveal that the Group has positioned itself to comfortably surpass year 2004 annual results," Mr Yu said.

The net profit before tax of the Group for the current quarter is RM11.85 million up from RM11.16 million for the immediate preceding quarter. The revenue of the Group for the current quarter is RM77.7 million against the immediate preceding quarter of RM70.1 million.

"At present we have some thirty projects in hand worth over RM900 million," Mr Yu added.

"While procurement of new contracts is ongoing, we have also completed some projects during the quarter including Sarawak's first ever steel arch bridge at Mukah which is now adorned in the Sarawak state colours of yellow, red and black," he said.

Sarawak's first ever underpass, overpass project – the RM111 million Third Mile Interchange and Batu Kawa road upgrading is also now fully completed.

"Both these successful projects represent pioneering engineering feats for Sarawak and it is pleasing as a local company to be able to make such a contribution to the development of the state," said Mr Yu.

All current projects are progressing well including the Tanjung Manis Integrated Deepsea Fishing Port.

“We continue to leverage on our marine engineering expertise to bid for major infrastructure projects,” said Mr Yu.

“We have several projects under negotiation and are looking forward to further opportunities given indications that the 2006 budget has continued to boost allocations for the development of Sabah and Sarawak,”

“At the same time, the property sector of the Group is enjoying strong demand for its commercial and residential developments with new phases being launched during the quarter and selling well,” he added.

HSL is a niche market player with its expertise in land reclamation highly sought after along Sarawak’s predominantly low-lying coastal strip where most of the state’s development is occurring.

The Group paid out an interim dividend of 6 sen per share on 6 October 2005 for the financial year ending December 2005 boding well for a good total annual yield for shareholders.

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