

HSL has strong Q3, proposes Bonus Issue

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KUCHING — Hock Seng Lee Berhad (HSL)'s upward earnings and revenue trend in 2003 continued in the third quarter while shareholders can look forward to an upcoming bonus issue.

After sound first and second quarter results, the three months ended 30 September 2003 saw the Group achieve net profit before tax of RM7.33 million on revenue of RM67.50 million. The corresponding figures for the same quarter of the previous year, 2002, were RM4.14 million and RM51.28 million respectively.

Announcing the strong third quarter financial report, the leading infrastructure company's Group Chairman YB Senator Datuk Taha Ariffin said that this brought the year-to-date profit before tax to RM19.76 million against RM10.83 million at the same point in 2002.

"With our operations on major projects throughout Sarawak progressing well, we are able to maintain steady growth," he said.

YB Senator Datuk Taha Ariffin also announced that the Board had endorsed a three-for-five Bonus Issue. This would involve the issuing of 43,700,700 new HSL shares credited as fully paid-up on the basis of three for every five existing HSL shares held.

“We are delighted to be able to reward our loyal shareholders with greater equity participation, while the increased liquidity of our stock after this exercise could also allow new shareholders to participate in our success,” said YB Senator Datuk Taha.

The Board had earlier resolved to cancel 2.165 million existing Treasury Shares. The Proposed Bonus Issue shall then be effected via the capitalisation of RM43,700,700 from the Company’s retained profits account based on the audited financial statements of the Company for the financial year ended 31 December 2002.

The bonus exercise will see HSL's enlarged, issued and paid-up capital rise to RM116.535 million from an existing level of RM75 million; a new level YB Senator Datuk Taha says is more reflective of the current scale of group operations.

A Circular on the Proposed Bonus Issue will be sent to shareholders ahead of an upcoming Extraordinary General Meeting.

Meanwhile, Group Managing Director Mr Paul Yu Chee Hoe praised HSL group staff for their dedication to keeping the Sarawak-based marine engineering, civil engineering and construction group a major force in the industry.

"It's a team effort," he said. "It is the dynamism of our talented staff and the commitment of the management to deliver our projects on time, cost-effectively and to a high standard that have enabled another quarter of impressive financial results".

HSL opened the year with net profit before tax for the three months ended 31 March 2003 at RM6.05 million while for the three months ended 30 June 2003 the figure was RM6.39 million.

“With the quarter under review achieving RM7.33 million net profit before tax, we are on course for pleasing annual results at the year end,” Mr Yu said.

“In fact, HSL’s accumulated profit before tax of RM19.76 million for the nine-months ended 30 September 2003 has already surpassed last year’s 12-month annual profit before tax figure of RM17.25 million,” he added.

Mr Yu further noted that contracts in hand were all progressing smoothly, while selective procurement initiatives, including the pursuit of mass land reclamation projects, were ongoing.

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