



**Hock Lian Seng Holdings Limited**

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**For Immediate Release**

**Hock Lian Seng reports 1Q2013 net profit of S\$3.2 million  
on revenue of S\$28.4 million**

- **Group to launch JV residential project at Diary Farm Road in 2H2013**

**Singapore, 9 May 2013** – Hock Lian Seng Holdings Limited (“Hock Lian Seng” or “福聯盛控股有限公司”) and its subsidiaries (“the Group”), an established BCA Grade A1 civil engineering infrastructure builder, recorded a 28.4% improvement in its revenue to S\$28.4 million for its first quarter ended 31 March 2012 (“1Q2013”).

Revenue from both Civil Engineering segment and Dormitory segment for the quarter have increased. Revenue of Civil Engineering segment increased by 30.8% to S\$25.9 million mainly due to the higher contribution from the Marina Coastal Expressway project in the quarter, while the revenue from workers dormitory business was marginally higher by S\$0.2 million to S\$2.5 million.

1Q2013 gross profit increased to S\$6.3 million with higher turnover, however the Group has booked a distribution and selling cost of S\$0.6 million in 1Q2013 mainly due to the sales commission incurred on the units sold for the two industrial development projects, namely, Ark@Gambas and Ark@KB.

On the outlook of the Singapore’s property market, the Group believes that the implementation of various property cooling measures to both the residential and industrial property market by the Government so far has helped to create a stable and sustainable property market in Singapore.



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However, the basis of the revenue and profit recognition of the property developments projects would lead to volatility of the earnings of the Group. The sales of the industrial development would be recognized only upon completion in accordance with “INT FRS 115 – Agreements for the Construction of Real Estate”. The construction of the two industrial properties developments are expected to be completed in 2014 or early 2015.

The Group is currently in the process of developing the site at Dairy Farm Road into a mid-range condominium with about 420 units. The Group expects to launch this JV residential development project in the second half of 2013.

For the construction activities, the Group’s order book stood at about S\$103 million as at 31 March 2013, mainly consisting of the balance of work for Jalan Gali Batu Depot and Marina Coastal Expressway projects. The Group is also undertaking the construction of its industrial development projects, Ark@Gambas and Ark@KB. Both these contracts amount to about \$96 million.

The Group will continue to execute the projects on hand and participate selectively for public civil engineering and infrastructure project tenders. Expecting keen competition from large foreign contractors, higher construction costs and a shortage of foreign workers, the Group will be cautious and prudent in the tenders it submits.

Notwithstanding the challenging environment, the Group will continue to tender for projects competitively and explore other business opportunities in property-related segments to bring greater value to shareholders.

- The End -

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**About Hock Lian Seng Holdings Limited**

Hock Lian Seng Holdings Limited was listed on SGX Mainboard on 21 December 2009. Its core business segments are civil engineering, supply of building materials, property development and property investment. The Group carries out civil engineering works for bridges, expressways, tunnels, MRT, port facilities, water and sewage facilities and other infrastructure works.

Hock Lian Seng is one of the leading local civil engineering construction companies. Its major customers include government and government-related bodies of Singapore, such as the LTA, the HDB, the PSA, the PUB and the CAAS.

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**Issued for and on behalf of Hock Lian Seng Holdings Limited****By Financial PR Pte Ltd**

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