



Hock Lian Seng Holdings Limited

80 Marine Parade Road
#21-08 Parkway Parade
Singapore 449269
Tel: (65) 6344 0555 Fax: (65) 6440 9049

For Immediate Release

**Hock Lian Seng achieves record revenue and net profit
in FY2010**

- **FY2010 revenue increased 1.9% year-on-year to S\$229.0 million**
- **FY2010 net profit surged 27% to S\$27.0 million**
- **Proposes 1.625 Singapore cents per share**
- **Order book stood at S\$350 million as at 31 December 2010**

Singapore, 22 February 2011 – Hock Lian Seng Holdings Ltd (“Hock Lian Seng”, “the Group” or “福聯盛控股有限公司”), a BCA Grade A1 civil engineering infrastructure builder and a building materials supplier, posted record revenue and net profit for its financial year ended 31 December 2010 (FY2010). The Group’s net profit increased 27% to S\$27.0 million on the back on a 1.9% increase in its revenue to S\$229.1 million.

Financial Highlights

(S\$ '000)	Financial Year ended		Change
	31 Dec 10	31 Dec 09	
Revenue	229,020	224,800	1.9%
Gross Profit	30,089	27,825	8.1%
<i>Gross Profit Margin</i>	<i>13.1%</i>	<i>12.4%</i>	-
Profit before Taxation	32,432	25,979	24.8%
Net Profit attributable to Shareholders	27,020	21,277	27.0%
<i>Net Profit Margin</i>	<i>11.8%</i>	<i>9.5%</i>	-
	As at 31 Dec 10	As at 31 Dec 09	Change
Cash and short term deposits	165,490	143,534	5.9%

The revenue growth was mainly contributed by higher progress claims recognized from Marina Coastal Expressway and Jalan Gali Batu Depot Projects. Gross profit margin was also higher at 13.1%, lifting gross profit to S\$30.1 million. A gain of S\$4.0 million from sales of investment securities also contributed to the higher net profit.



Hock Lian Seng Holdings Limited

80 Marine Parade Road
#21-08 Parkway Parade
Singapore 449269
Tel: (65) 6344 0555 Fax: (65) 6440 9049

FY2010 cash inflow from operating activities amounted to S\$34.6 million from the good financial performance and positive cash flow from the ongoing projects, has strengthened the Group's financial position with cash and cash equivalents improving to S\$165.5 million as at 31 December 2010.

Commenting on the record results, Mr Chua Leong Hai (蔡龍海), Executive Chairman and CEO, said, "Our good set of FY2010 results allows us to share the fruits of our success with our shareholders. We are proposing a final dividend of 1.625 cents per share which representing a payout ratio of about 30%." The proposed dividends are subject to the approval of shareholders to be obtained in the coming Annual General Meeting.

Business Segments' Performance

Revenue S\$ 'million	FY2010	%age	FY2009	%age
Civil Engineering	221.5	96.7	210.8	93.8
Building Material	6.9	3.1	14.0	6.2
Others	0.6	0.2	-	-
Total	229.0	100	224.8	100

Revenue from Civil Engineering segment in FY2010 improved to S\$221.5 million and contributed 96.7% of Group revenue. Revenue from Building Material segment decreased as much lower volume was delivered compare to last financial year. A spike in material cost at the last quarter of FY2010 has also caused this segment to suffer a loss for the financial year. Others include rental revenue from workers' dormitory.

The new workers dormitory, designed with a capacity of 3,000, was completed towards the end of FY2010 and has just started to contribute to Group revenue. This new business recorded a loss largely due to the initial setup cost. Mainly leased to third parties, the dormitory is operating at full capacity and will contribute positively to the Group's result.



Hock Lian Seng Holdings Limited

80 Marine Parade Road
#21-08 Parkway Parade
Singapore 449269
Tel: (65) 6344 0555 Fax: (65) 6440 9049

Outlook

The strong economic growth in Singapore has prompted the Building and Construction Authority (BCA) to be more upbeat in its forecast for the local construction demand. In its press release dated 12 January 2011, BCA projected that Singapore construction demand for 2011 is likely to be between S\$22 billion and S\$28 billion. BCA is also upbeat that public sector demand for construction will strengthen to between S\$12 billion to S\$15 billion, led by Land Transport Authority (LTA)'s Downtown MRT Line Stage 3 contracts. The buoyant construction demand for 2011 augurs well for a positive outlook for the Group.

As at 31 December 2010, the Group's order book for on-going projects was approximately S\$350 million. Mr Chua added, "We will continue to strive to secure new projects so that we can make FY2011 another successful year. We will also explore other business opportunities in property-related segments to further enhance our shareholders' return."

- The End -

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 and building materials. The Group carries out civil engineering works for bridges, expressways, tunnels, MRT, port facilities, water and sewage facilities and other infrastructure works. It also procures and sells building materials (namely, concreting sand and aggregates) for building and construction purposes mainly for Singapore public sector contracts.

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.

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

For more information, please contact:
Kathy ZHANG, kathy@financialpr.com.sg
El LEE, el@financialpr.com.sg
Tel: (65) 6438 2990
Fax: (65) 6438 0064