

HSL has strong first half, declares interim dividend

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Media Enquiries: Sonja Gan / Augustine Law Tel: 082-332755 / 012-8873200

KUCHING — The Board of leading construction company Hock Seng Lee Berhad (HSL) has declared a 5 sen interim dividend following strong first half results.

Released today, year-to-date figures for the six months to 30 June 2004 reveal an impressive 39% growth in earnings for the Sarawak-based infrastructure and reclamation specialist on the back of turnover up 13% against the same period in 2003.

The first half year financial report puts HSL's net profit before tax at RM17.31 million and revenue at RM142.23 million, with corresponding period figures for last year, 2003, at RM12.44 million and RM125.44 million respectively.

Group Chairman Datuk Taha Ariffin announced that in keeping with the sound financial performance, the Board had declared a first interim ordinary dividend of 5 sen per share less tax at 28%, payable to shareholders on 6 October 2004. The dividend entitlement date shall be 16 September 2004.

Bettering both its first quarter and the 2003 corresponding quarter, the Group achieved profit before tax of RM9.12 million for the three months ended 30 June 2004 with revenue of RM73.34 million.

Group Managing Director Mr Paul Yu Chee Hoe said the strong results were most pleasing and he paid tribute to the tenacity and talent of his staff in continuously implementing management's cost-cutting and efficiency initiatives.

He noted it had been an eventful and productive second quarter. The company completed four projects during the quarter ending 30 June 2004 including three for Sarikei Hospital and an access road for Mukah Polyteknik, Sarawak.

As announced earlier, HSL signed the RM102 million contract for construction of Tanjung Manis Deep Sea Fishing Port Phase II, Part 2 on 9 June 2004.

"We presently have over 30 projects ongoing worth some RM850 million," Mr Yu said.

The flyover section of the HSL's Third Mile Traffic Interchange and Batu Kawa Road upgrading project in Kuching had its soft opening on 7 July 2004 some nine months ahead of schedule.

With the two overpasses between Jalan Penrissen and Jalan Tun Ahmad Zaidi Aduce now open to traffic, there has been a considerable relief in the congestion at this busy intersection.

The underpass between Jalan Rock and Jalan Batu Kawa is presently over 75 per cent completed and expected to be finished by the end of the year.

The entire RM111 million project, which includes the upgrading of Jalan Batu Kawa to a dual carriageway highway standard road, is due for completion in mid-2005.

Meanwhile, wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd, the Group's property arm, signalled its expansion intentions with the recent launch of two projects near Kuching; namely *Highfields* Phase I and *The Eden Centre* Phase II.

Highfields is a residential development comprising some 200 new homes on high land at Batu Kawa, while *The Eden Centre* is a modern commercial and residential development at 11 ½ mile Kuching-Serian Road.

HSLC's eagerly anticipated next launch will be for its Bandar Samariang residential development which is expected to be open for sale in the fourth quarter 2004.

On what lies ahead for the Group for the rest of the year, Mr Yu said "our marine engineering expertise will always be our core strength and we are constantly bidding for mass land reclamation works. As infrastructure or development works continue to be implemented in the swampy ground of Sarawak's vast coastal area, clients know they can look to HSL for fast, cost-effective land reclamation services".

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