



HSL's earnings up 70%

Shareholders approve 3-for-5 Bonus Issue

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KUCHING — Leading marine engineering, civil engineering and construction firm Hock Seng Lee Berhad (HSL) today announced impressive financial results for the year ended 31 December 2003.

Its annual results for 2003 topped 2002's strong showing with a pre-tax profit of RM29.36 million on a turnover of RM287.53 million. The corresponding figures for the previous year, 2002, were RM17.25 million and RM189.61 million respectively.

This represents significant growth with revenue up 52% and earnings up 70%.

Group Chairman YB Senator Datuk Taha Ariffin, pointed to three trends contributing to the excellent financial results - larger projects, more technically-demanding projects and more projects as a first line contractor.

"HSL has advanced its capabilities to a new level, building on its core strengths in the reclamation and infrastructure fields," he said.

Projects in hand for the Sarawak-based construction company stand at over 30 worth some RM900 million.

Managing Director Mr Paul Yu Chee Hoe attributed the remarkable growth to HSL's front-end marine engineering expertise, vast marine fleet, professional project management and financial strength.

"With no borrowings and substantial cash reserves, HSL is in a position to offer flexible payment options to clients, so increasing our competitive edge," said Mr Yu.

"We are able to accept deferred payment or payment in kind in the form of land which we can then develop through Hock Seng Lee Construction Sendirian Berhad (HSLC)," he added.

HSLC, a wholly owned subsidiary of Hock Seng Lee Berhad involved in property development and construction, is presently contributing some 11% to Group revenue.

Managing Director Mr Paul Yu Chee Hoe said the property arm of the Group was gearing for a more significant contribution as the land bank of the Group accumulates over the medium to longer term.

In announcing HSL's strong results, the Board of HSL also recommended a final ordinary dividend for the year 2003 of 9 sen per share based on the share capital of 72,834,500 shares of RM1.00 each as at 31 December 2003 - a total pay out to shareholders of RM4,719,676.

The final dividend is equivalent to 5.625 sen per share less 28% tax based on the enlarged share capital of 116,535,200 shares of RM1.00 each after the upcoming three-for-five Bonus Issue.

This final dividend comes on the back of a first interim ordinary dividend of 6 sen per share less tax at 28% paid to shareholders on



10 October 2003 and brings the total dividend rate for HSL in 2003 to 15% per share.

Meanwhile, at an Extraordinary General Meeting (EGM) of HSL also held today, 20 February 2004, shareholders approved a Proposed Bonus Issue of 43,700,700 new ordinary shares of RM1.00 each in HSL to be credited as full paid-up on the basis of three ordinary shares for every five existing shares held in HSL.

The entitlement date for the Bonus Issue will be 12 March 2004.

“The Bonus issue will increase the share capital of the Company to RM116,535,200 to better reflect the current scale of operations as well as to enhance the liquidity in the trading of HSL Shares,” YB Senator Datuk Taha explained.

“It also serves as a reward to our loyal shareholders, allowing them to increase their number of shares held,” he added.

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