

Earnings growth continues for Hock Seng Lee

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KUCHING — Net profit before tax for infrastructure company Hock Seng Lee Berhad (HSL) stood at RM9.49 million for the first quarter bettering 2004's corresponding figure by 16 per cent.

The financial results for the period ending 31 March 2005 were announced after the Group's Annual General Meeting (AGM) held here which saw all resolutions approved by shareholders including declaration of a final ordinary dividend for the year 2004 of 7 sen per share less 28% tax payable on 8 June 2005. Together with an interim dividend of 5 sen per share declared in October 2004, the total dividend for 2004 was 12 sen per share.

Group Managing Director Mr Paul Yu Chee Hoe said the continued strengthening of margins was commendable and praised his management teams for their efforts in ensuring cost-effective project implementation and stringent quality control across the Group's operations.

Net profit before tax for the Group for the current quarter ending 31 March 2005 stood at RM9.49 million compared to RM8.19 million for the preceding year's corresponding quarter, representing a 16% increase in net profit before tax.

The revenue of the Group has remained at a stable level with projects completing and new ones coming on board. For the quarter under review the Group achieved revenue of RM65.18 million against the preceding year corresponding quarter's figure of RM68.89 million.

On current year prospects Mr Paul Yu said that the first quarter was traditionally slower with the Lunar New Year festivities and the rainy season in Sarawak.

"The Group has been steadily procuring additional contracts through competitive bidding with water-related engineering works featuring among the new projects", he said.

"This is likely to be a trend as urbanisation drives a need for flood mitigation, shore protection and other related drainage and infrastructure works," he added.

Meanwhile, the property sector of the Group has tapped into the strong demand for affordable housing in Kuching.

"We have planned further projects to address buyer interest and we expect this sector to grow as a contributor to Group revenue and earnings," said Mr Yu.

Similarly, the Group expects to remain highly competitive in procuring road and bridge works across Sarawak's low-lying swampy terrain where its marine engineering expertise is a significant advantage.

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