

HSL has solid Q1

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KUCHING — Following its Annual General Meeting (AGM) held here today, infrastructure company Hock Seng Lee Berhad (HSL) released strong first quarter results.

HSL, a leading marine engineering, civil engineering and construction firm, announced earnings growth of 35% on the back of a turnover up 17% against 2003's first quarter.

The Group achieved profit before tax of RM8.19 million for the three months ended 31 March 2004 on the back of revenue of RM68.89 million. The corresponding figures for the same quarter of the previous year, 2003, were RM6.05 million and RM58.65 million respectively.

Group Managing Director Mr Paul Yu Chee Hoe said the Group's growth trend remained apparent and the Q1 performance was a commendable follow-up to its Annual results for 2003 which saw revenue up 52% and earnings up 70% over the 2002 annual figure.

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

"Contracts involving land reclamation still predominate in the order book and it remains our marine engineering expertise that gives us the competitive edge when bidding for many road, bridge and construction works in the low-lying, swampy terrain of Sarawak," he added.

On HSL's RM111 million Third Mile traffic intersection and Batu Kawa road upgrading project, Mr Yu disclosed that the flyover section could be open to traffic as early as July 2004, more than six months ahead of schedule. Excavation works for the underpass were also proceeding smoothly.

"While HSL is proving its technical prowess on this challenging project, our achievements are due to the co-operation of many. We reiterate our appreciation to both the State and Federal governments and their agencies, especially JKR Sarawak; the local community; the utilities providers and our business associates for each playing their role in ensuring the success of the project," Mr Yu said.

Mr Yu further commented that Hock Seng Lee Construction Sdn Bhd (HSLC), a wholly-owned subsidiary of HSL involved in property development, had increased its activities. The first phase of its commercial development, The Eden Centre at 11 ½ mile Kuching-Serian road had just been completed and Phase II is due to be launched next quarter.

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Mr Yu also announced that the first phase of HSLC's latest residential development, "Highfields" which offered a choice of seven different semi-detached and terrace house designs, would be launched in the coming quarter.

"Highfields", as its name suggests, is on high ground near to Batu Kawah New Township with access to Kuching city by the new Third Mile overpass-underpass traffic intersection which HSL will complete early next year.

"Demand for residential accommodation in Kuching has remained strong with rapid urbanisation occurring, so we expect considerable interest in our quality homes," Mr Yu said.

With its land holdings growing, HSL has said it will increase the contribution of its property arm.

"It is a natural progression for us, as a construction contractor, to become more involved in property development," Mr Yu said.

In March 2004, HSL announced receipt of a Letter of Intent from JKR Sarawak for an RM66 million road project in Samarahan in which the mode of payment shall be RM24 million in cash and the balance of RM42 million in the form of land.

"The design process is underway and we are currently liaising with the relevant authorities on the parcels of land to be paid to us," Mr Yu said.

"We look forward to being able to generate our own development projects on this land in the medium to longer term," Mr Yu added.

On prospects for the current year, Mr Yu said "with the level of construction activity in the state and niche position of HSL in reclamation and infrastructure activities, we remain positive on our business outlook for the year."

Meanwhile, at today's AGM, shareholders approved all resolutions including the proposed final dividend of 5.625 sen per share less tax at 28% totaling RM4,719,676 for the year ended 31 December 2003. The dividend shall be paid on 8 June 2004.

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