

HSL declares 7 sen interim dividend

Issued for immediate release at 12.30 pm, Thursday 17 August 2006

Issued by Hock Seng Lee Berhad, Corporate Affairs Dept.

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KUCHING — The Board of leading marine engineering and infrastructure company Hock Seng Lee Berhad (HSL) has declared a 7 sen interim dividend after earnings continued their steady climb in the Group's first half results for 2006.

Datuk Taha Ariffin, Chairman of HSL, announced that the first interim ordinary dividend of 7 sen per share less tax at 28% would be payable to shareholders on 6 October 2006.

The dividend entitlement date shall be 15 September 2006.

"This is the highest interim dividend we have ever paid out," noted Datuk Taha.

HSL paid out a total of 13 sen for the year 2005 comprising a 6 sen interim dividend in October 2005 and a final dividend of 7 sen per share. The total dividend for 2004 was 12 sen per share.

"We always strive to share our success with our investors and have provided an annual dividend yield of between four and five per cent over the past few years," said Datuk Taha.

"While rewarding our loyal shareholders with good returns is important, we also ensure substantial reserves are ready to kick-off new projects", he added.

HSL Group's first half net profit before tax for the six months ending 30 June 2006 rose to RM22.0 million from RM20.6 million for 2005's first half.

Earnings for the second quarter ended 30 June 2006 have also increased against both 2005's corresponding quarter and the immediate preceding quarter of 2006.

Net profit before tax of the Group for the current quarter is RM11.70 million compared to RM11.16 million for the second quarter of 2005. The net profit before tax of the Group was RM10.29 million for the first quarter 2006.

Commenting on the sound results, Managing Director Paul Yu Chee Hoe said: "We are pleased that by focusing on projects which tap into our core skills and by continuously striving for productivity and efficiency gains, we are achieving steady earnings growth".

The revenue of the Group for the quarter under review is RM66.10 million against the preceding year's corresponding quarter's figure of RM70.10 million and compared with the first quarter 2006 at RM63.73 million.

The Government's dynamic implementation of the Ninth Malaysia Plan has injected new energy into the construction industry with considerable bidding efforts underway for new projects.

"We are taking a keen interest in roads, bridges, port and other water-related projects among other infrastructure and construction works," said Mr Yu adding that he felt HSL's marine engineering capabilities were in strong demand.

The value of projects in hand for HSL Group stands at RM930 million comprising some 30 ongoing projects.

The property sector is continuing its steady performance with upcoming highlights to be the handover of completed *Samariang Aman* Phase 1 homes ahead of schedule. The sector, under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd, expects to launch additional new affordable housing projects in the second half of the year.

"We have traditionally been a strong finisher in terms of annual financial performance. This half yearly result is commendable and as we are very busy with procurement, we can expect further success during our second half," said Mr Yu.

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