

Record dividend for HSL

Approval of 7 sen dividend brings 2006 total to 14 sen per share less tax

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KUCHING — Shareholders at Hock Seng Lee Berhad today approved a seven sen final ordinary dividend per share bringing the total dividend for 2006 to a record 14 sen per share less tax.

Group Chairman Datuk Taha Ariffin said that it remained the practice of the Group to reward its loyal investors and ensure they enjoyed the fruits of the Group's success.

"We trust our valued shareholders will be pleased with the returns and we thank them for their continued confidence in us," he said.

Datuk Taha made the comments after HSL's Annual General Meeting in Kuching today in which all resolutions were approved by shareholders including the final ordinary dividend of 7 sen per share less tax, payable on 8 June 2007.

"Added to the interim dividend of 7 sen we paid out last October, this brings the total dividend for 2006 to 14 sen per share less tax," said Datuk Taha. A total of 13 sen per share was paid out in dividends for 2005.

HSL Group also announced its first quarter financial results after the Annual General Meeting showing earnings growth with Group net profit before tax for the quarter ended 31 March 2007 at RM11.03 million, up from RM10.29 million for the corresponding quarter of 2006.

The revenue of the Group has remained at a steady level with the handover of projects and new ones commencing. For the quarter under review the Group achieved revenue of RM59.64 million against the preceding year's corresponding quarter figure of RM63.73 million.

The value of HSL's projects in hand stands at RM800 million of which some RM650 million is outstanding.

"This is particularly pleasing as HSL recently handed over several completed projects including the Tanjung Manis Integrated Deep Sea Fishing Port, low cost housing at Matang and student quarters for Unimas among others," Datuk Taha noted.

"Our order book is being rapidly replenished as we continue to focus on 9MP infrastructure works, particularly those which tap our expertise in marine engineering or land reclamation," Datuk Taha added.

Group Managing Director Paul Yu Chee Hoe said that the new projects procured by the company this year included flood mitigation works in Miri, a construction contract in Bintulu, a large residential estate in Kuching, external infrastructure for a granary in Mukah and two road contracts.

On the year ahead, Mr Yu said that HSL was hopeful of several major projects coming its way including a phased waste water management project, flood mitigation works, mass land reclamation, additional construction contracts in Bintulu and new reclamation work in Tanjung Manis and Sibu.

“There is definitely a momentum starting up with regards to 9MP projects and we have reason to be very positive on the outlook for HSL particularly given our niche market expertise in marine engineering,” said Mr Yu.

“Meanwhile, as we have planned, our property development sector under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd, has been steadily increasing its contribution to Group bottom line,” said Mr Yu.

For the quarter ending 31 March 2007, the property development arm registered profit before tax of RM3.46 million on revenue of RM14.17 million. The corresponding first quarter of 2006 saw profit before tax of RM2.87 million on revenue of RM10.93 million.

“We are continuing to forge ahead due to our stylish quality residential products that are selling at affordable prices,” said Mr Yu.

“HSL’s current land bank stands at 600 acres with several new residential developments coming up in Kuching and one in Sibu as well as a substantial approved mixed commercial development adjacent to *Samariang Aman*,” said Mr Yu.

HSL is also completing masterplanning for an exciting new guarded and gated community of some 200 acres situated at Sungai Kuap near to Unimas and Sarawak’s new International Medical Centre. The development will include 1000 high-end homes, office blocks and 200 commercial units.

“With our constant efforts to streamline our operations and increase productivity and efficiency, we are ideally poised to capitalize on the growing opportunities available under the Ninth Malaysia Plan,” said Mr Yu.

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