PRESS RELEASE

HOCK SENG LEE BERHAD (045556-x)

Strong growth continues for HSL

Share dividends declared

Issued for immediate release at 12.30pm on Thursday 25 November 2010

Issued by Hock Seng Lee Berhad, Corporate Affairs Dept.

Media Enquiries: Sonja Gan / Augustine Law Tel: 082-332755 / 012-8873200

KUCHING — Both profit and revenue for Sarawak-based infrastructure specialist Hock Seng Lee Berhad (HSL) surged 32% for the three months ended 30 September 2010 against the same period of 2009.

HSL Group's net profit before tax for the third quarter 2010 is RM27.28 million as compared to RM20.67 million for the preceding year's corresponding quarter.

Revenue for the three months rose to RM134.35 million from RM101.73 million for the same period in 2009.

Group Chairman YB Senator Dato' Haji Idris Buang pointed out that this strong growth was especially commendable as the comparison was against the third quarter of 2009 which, at that time, was the strongest results since the company was publically listed in 1996.

Year to date, the first nine months of 2010 has seen HSL Group achieve its best ever results.

Net profit before tax up to 30 September 2010 reached RM69.46 million on the back of revenue of RM338.01 million; up 34 percent and 29 percent respectively against the first nine months of 2009.

"This clearly places the Group well on track to achieving another record breaking year at the end of 2010," noted Dato' Idris.

The HSL Group earned RM75.57 million before tax in 2009 on annual revenue of RM375.02 million.

Construction activity in the state has escalated, driven by activities related to the Sarawak Corridor of Renewable Energy (SCORE) and a determined agenda to bring Sarawak's level of development in line with other parts of the nation.

HSL Group has secured some RM530 million in new projects thus far in 2010, keeping its order book at an historically high level. More than half of the new works are for roads, reflecting the government's development plans to improve access routes and linkages in the state.

Other new projects include infrastructure works for industrial facilities and building construction works throughout Sarawak.

HSL currently has RM1.97 billion worth of projects in hand of which RM1.3 billion is outstanding.

"The volume of work available and our niche market position in marine engineering allows us to be selective in procurement.

Thus while our orders have grown substantially in recent times, we are maintaining good margins and excellent financial results," said Dato' Idris.

"In keeping with our policy of sharing the success of our healthy balance sheet with loyal shareholders, the Board of HSL has decided to distribute a portion of its Treasury Shares as Share Dividends," said Dato' Idris.

The company has been carrying out a share buy-back exercise since March 2002 and has accumulated a total of 38,623,700 treasury shares as at 30 September 2010.

Shareholders will be rewarded on the basis of one treasury share for every 50 (fifty) ordinary shares of RM0.20 held. This is equivalent to 3.7 sen or 18.5 percent per share assuming HSL's current share price of RM1.85 per share.

The Share Dividend exercise will involve a distribution of approximately 10,881,046 treasury shares with the entitlement date set at 15 December 2010.

After the exercise, based on existing holdings, 27,742,654 treasury shares will remain held by the company, giving the Board options to further reward stakeholders in the future.

The share dividend distribution follows pay out of an interim dividend of 6 percent less tax on 8 October 2010.

"This attractive yield will be further enhanced by a final dividend which we traditionally announce in conjunction with the annual results next quarter," said Dato' Idris.

In 2009, HSL paid out a pre-tax total of 12 percent in dividends.

For five consecutive years, including most recently on 6 October 2010, HSL has been awarded for Shareholder Value in the KPMG/The Edge Shareholder awards, Construction and Property sector.

"We continue to prove that HSL is a sound company to invest in," said Dato' Idris.

On prospects for the final quarter of the year, Dato' Idris said the Group is still waiting on additional procurement outcomes and may add further to the order book before the end of 2010.

"At the same time we are looking forward to soon handing over some successfully completed works such as road, reclamation and infrastructure works at Tanjung Manis and Samarahan," Dato' added.

Other projects in hand are all progressing well including the Kuching City Centralised Waste Water Management project (Package 1) which presently involves the construction of shafts to lower and retrieve hi-tech Tunnel Boring Machines.

Use of this advanced underground tunneling technology avoids the need to dig open trenches for the entire sewage piping route which traverses the densely built up Kuching CBD.

To date, of the 51 deep shafts which are to be constructed, 27 have been completed and 11 are in progress. Thus 75 percent of the deep shafts have been implemented.

As the tunnels are formed underground, the sewage pipes are laid and will eventually link to the centralized treatment plant now being built near to the Tun Salahuddin toll bridge in Kuching.

HSL is also currently undertaking road works in Kuching, Sri Aman, Sarikei, Mukah, Samarahan and Tanjung Manis; building works for educational institutions and affordable housing in Bintulu; and flood mitigation works in Sibu, among others.

The property development sector under wholly-owned subsidiary Hock Seng Lee Construction Sdn Bhd has continued with sound sales and this weekend launches a "Zen" themed show house for phase 2 of its Highfields residential project at Batu Kawa in Kuching.

#END#

Based in Sarawak, Malaysia, Hock Seng Lee Group is involved in marine engineering, civil engineering, building construction and property development.

For further information see: www.hsl.com.my