

ANNOUNCEMENT

21 October 2008, 12.30 noon

SUBJECT : AWARD OF SUBCONTRACT

The Board of Directors of Hock Seng Lee Berhad ("HSL") is pleased to announce that HSL has been awarded a subcontract by Nishimatsu Construction Co. Ltd, worth Ringgit Malaysia Four Hundred Fifty Two Million Fifty One Thousand and Twenty Eight Only (RM452,051,028) for the *Kuching City Central Wastewater Management System: Centralized Sewerage For Kuching City Centre (Package 1)*("the Project").

The scope of works for HSL includes construction and commissioning of the wastewater treatment plant, main, secondary and tertiary lines, property connections, provision of process plant and equipment, related building works, mechanical and electrical works.

The contract period for the completion and commissioning of the wastewater treatment plant and the sewer networks is forty-eight (48) months commencing 15 October 2008. The Contract is expected to contribute positively to the earnings and net assets of HSL Group as the Project progresses during the contract period. However, the transaction will not have any effect on the share capital and substantial shareholdings of HSL.

None of the directors and/or major shareholders of HSL or persons connected to them have any interest, direct or indirect, in the above contract.