

# HSL secures another mass reclamation project

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KUCHING — The Board of construction company Hock Seng Lee Berhad (HSL) today announced it will undertake a RM125.5 million land reclamation and infrastructure works contract for the Ministry of Industrial Development, Sarawak.

The project is for the *The Design, Construction and Completion of Samarahan Industrial Estate (Extension) Phase 1, Samarahan Division* and the scope of works involves engineering survey and design, site clearing and earthworks, pavement and road associated works, drainage and water reticulation works for the industrial estate.

“We are very pleased to secure this kind of project as it draws on our core strengths of mass reclamation, civil and marine engineering activities,” said HSL’s Managing Director Dato Paul Yu.

This year, 2008 is shaping up to be a very busy year for HSL with RM260 million in new works already procured in the first month of the year.

Also among the projects in progress are HSL’s RM179 million mass reclamation and infrastructure works in Tanjung Manis, Sarawak; a similar industrial estate project which commenced last year.

Overall, this contract brings the value of HSL’s projects in hand to RM1.2 billion of which the majority, RM900 million, remains outstanding.

“We are proud to be able to contribute our services to establishing all-important industrial estates for the State,” said Dato Paul Yu.

The Samarahan area is a strategic growth area some 25 km to the south-east of Kuching city centre and is serviced by new and upcoming access routes including the Samarahan Expressway which HSL is presently constructing.

Once fully developed, the industrial estate will enable the setting up of up to 400 light-medium industrial lots thereby enhancing the socio-economic development of Kota Samarahan.

The Samarahan industrial estate project is awarded to HSL in consortium with a local partner and will be due for completion by August 2010.

“It is by virtue of our strong financial capacity and zero gearing that we are able to accept cash and kind payment options and compliment government initiatives to fast track the realization of these vital industrialization projects,” said Dato Paul Yu.

Payment for the project will be RM85 million in progress payments and the balance in kind, in the form of land at strategic urban locations.

“We can expect a positive impact on Group earnings until 2010 and a further boost to our existing 600 over acre land bank. We are always keen on payment in kind deals as our expertise in site preparation works allows us to economically develop the land received and generate our own property development projects going forward,” he added.

“A considerable amount of land fill will be involved in this project and it will be a highly mechanized operation, drawing on both our land and marine-based heavy equipment,” said Dato Paul Yu.

“With the Ninth Malaysia Plan in full swing, we are looking to the government to continue its prudent implementation of essential infrastructure works and expect upcoming involvement in flood mitigation works in Sibul and the pilot waste water management project for Kuching,” said Dato Paul Yu.

Meanwhile, HSL recently successfully completed its share split proposal which saw a subdivision of one existing ordinary share of RM1 into five new ordinary shares of RM0.20 each in HSL.

The shares were listed on the bourse last week (22 January 2008) raising HSL’s issued and paid-up share capital to 582,676,000 ordinary shares of 20 sen each.

“We are already seeing the positive outcome of our share split exercise with increased trading volume and greater affordability of HSL stock making it more attractive to investors,” said Dato Paul Yu.

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