



ENGINEERS

HSS ENGINEERS BERHAD

201501003232 (1128564-U)

**MALAYSIA'S
ENGINEERING
DNA**

CREATING A FUTURE OF INFINITE POSSIBILITIES

ANNUAL REPORT 2019

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our reports and other
documents.

CORE SERVICES

DELIVERING VALUE FOR OUR COMMUNITIES, CLIENTS AND SHAREHOLDERS



Engineering Design
and Construction
Supervision
Services



Building Information
Modeling (“BIM”)
Services



Project
Management
Services



Environmental
Services

HEB AT A GLANCE

TOTAL REVENUE

2019
RM148.5
million

2018
RM189.7
million

ORDER BOOK

2019
RM581.5
million

2018
RM546.1
million

MISSION STATEMENT



ENGINEERS

TO MAINTAIN OUR POSITION
AS MALAYSIA'S LEADING
ENGINEERING CONSULTANT
PROVIDING WORLD CLASS
EXPERTISE THROUGH

01

SUSTAINABLE SOLUTIONS

02

INNOVATIVE TECHNOLOGY

03

REVOLUTIONARY SKILLS
AND SERVICES



ABOUT HEB

HSS ENGINEERS BERHAD (HEB OR THE COMPANY) IS AN INVESTMENT HOLDING COMPANY WHICH WAS INCORPORATED ON 23 JANUARY 2015 UNDER THE COMPANIES ACT, 1965 AS A PRIVATE LIMITED COMPANY UNDER THE NAME OF HSS ENGINEERS SDN. BHD. BEFORE IT WAS CONVERTED INTO A PUBLIC LIMITED COMPANY. THE COMPANY ASSUMED ITS PRESENT NAME ON 31 MARCH 2015.

HEB, through its subsidiaries (HEB Group or the Group) and associates, is principally involved in the provision of engineering and project management services including engineering design, construction supervision, project management, environmental services and building information modeling services.

The Group has a total workforce of more than 1,000 staff, of which, more than half are engineers of various disciplines. With a combined experience of more than 80 years, the Group possesses longstanding experience in a wide array of sectors including urban infrastructure, transportation planning, roads and highways, railways and metro systems, water resources and supply, waste management, building and structures and power generation.

As one of the leading and by far the largest listed engineering consultancy group in Malaysia, the Group is/has been involved in many notable large-scale projects including Iskandar Bus Rapid Transit, Northern Corridor Economic Region, MRT 1 & 2, Maju Expressway 2, West Coast Expressway, SUKE Expressway, Pahang - Selangor Raw Water Transfer, Development of Sungai Selangor Phase 1, 2 and 3, Sarawak Water Grid Study, Layang 2 and East Coast Rail Link.

The Group now operates from 4 main offices, based in Kuala Lumpur (2 offices) and Penang in Malaysia as well as Chennai in India.



OUR STORY

Co-Founder
& Executive
Vice
Chairman



TAN SRI IR. KUNA SITTAMPALAM

DEAR ESTEEMED SHAREHOLDERS

► The infrastructure space in the construction industry saw signs of recovery in the second half of 2019 following several announcements by the Government to reinstate mega projects on an optimized scale. On top of this, the Government also announced new projects deemed important to the nation to be implemented to spur economic growth.

However, the beginning of the year 2020 was mired in uncertainty as the spread of COVID-19 around the world led to a near-complete standstill in economic activity worldwide.



INDUSTRY EXPERTS ONLY FORESEE IMPROVEMENT IN GLOBAL ECONOMIC ACTIVITY IN THE SECOND HALF OF 2020, WITH A RETURN TO NORMALCY IN 2021.

While the full impact of the pandemic has yet to be discerned, industry experts only foresee improvement in global economic activity in the second half of 2020, and return to normalcy in 2021.

Despite the restrictive conditions posed on various industries, we at HEB Group have not rested on our laurels and worked hard to position ourselves favourably to catch the eventual economic climate improvement.

It is my privilege therefore to present you with the Annual Report of HEB Group for the year ended 31 December 2019 (FY2019).

OUR STORY

INCREASED CORPORATE GOVERNANCE

As part of our commitment towards good corporate governance and ensuring compliance with applicable anti-corruption laws, we have embarked on a journey to attain ISO 37001:2016 Anti-Bribery Management System certification.

The Group has held several talks including a group-level Integrity Day and Anti-Bribery Campaign on 8 October 2019, by both the Malaysian Anti-Corruption Commission (MACC) and SIRIM QAS International Sdn. Bhd. (SIRIM) for the employees and management.

We are confident that demonstrating conformity to an internationally-accepted anti-bribery standard reinforces our firm stance of greater financial transparency and disclosure of activities to current and potential business partners, investors, and other stakeholders.

SUSTAINABILITY AND RISK MANAGEMENT INITIATIVES

We at HEB are championing the sustainability agenda as one of our guiding ethos and social responsibility.

The establishment of the Green Taskforce within the Group a couple of years ago continues to play a pivotal role, as it highlights sustainability matters, with focus on greenhouse gas emissions, energy consumption, water consumption and waste management. The taskforce also provides suggestions on internal policies for consideration, one of which was successfully implemented in 2019, the installation of energy-efficient devices throughout our workspace, which instigated initial savings up to 15% to 20% in energy costs per month.

Additionally, we also capitalize on our advisory roles to clients by proposing innovative sustainable design solutions for various projects. This highlights our commitment to the national agenda of reducing 45% of carbon emission intensity by 2030 as part of the 2015 Paris Agreement.

Our involvement as the Independent Consultant Engineers for the KVMRT Lines 1 and 2 underscores our pledge. According to a United Nations study, the KVMRT Lines 1 and 2 will remove 5.6 million km travelled on Kuala Lumpur city roads by private vehicles. This is equivalent to the elimination of

227,800 tonnes of annual carbon dioxide emissions, thus making this mass public transport project one of the largest green infrastructure in the country.

Aside from this, we are also looking keenly into entering the Renewable Energy space, and are exploring opportunities to take up equity positions in long-term operations and maintenance projects. This will be in line with the Government initiative to generate 20% of the country's power requirements from clean energy sources by 2025.

Besides the environmental aspect, another key sustainability agenda is implementing effective risk management, which is critical for us to achieve our business objectives and minimize potential risk exposure.

In 2019, we incorporated the audit findings from KPMG's assessment of the risk factors across all business operations within the organization, whereby the heads of business units are held accountable and responsible for reporting the identification, evaluation, monitoring and implementation of the appropriate mitigation measures. We will continue to carry out regular audits to ensure compliance with the internal control and governance processes.



Sungai Buloh MRT Station - MRT Line 1

OUR STORY



Alternative Water Supply to KLIA - Sungai Labu Off River Storage



OUR TEAM INVOLVED IN THE AMPANG LIGHT RAPID TRANSIT EXTENSION PROJECT HAS WON THE BEST “INTERNATIONAL PROJECTS AWARD” AT THE CHARTERED INSTITUTION OF HIGHWAYS AND TRANSPORTATION AWARDS DINNER.

The areas on risk management and sustainability will be explained in detail in the Statement on Risk Management and Internal Control and Sustainability Statement respectively in this Annual Report.

Aside from this, our subsidiary SMHB Engineering Sdn Bhd launched the implementation of ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System in 2019, and look to obtain the certifications from SIRIM in the near future.

AWARDS

I am extremely proud of our team here at HEB Group, as your talents have not only been acknowledged within our ranks, but more importantly recognized by the larger community, in particular the esteemed clientele and sector experts. Through your hard work, we have been nominated for a number of awards and certifications, and won various accolades in 2019.

I would like to congratulate the team involved in the Ampang Light Rapid Transit Extension Project for being declared the winner at the Chartered Institution of Highways and Transportation Awards Dinner, for the best “International Projects Award”.

Aside from this, I am also honoured that HEB Group was nominated in nine categories for the 9th Malaysia Investor Relations Awards. We are glad that our efforts in engaging the investment community were appreciated.

APPRECIATION

While the external environment in 2020 will remain challenging, we endeavor to stay on course not only by enhancing our expertise, but also capitalizing on our strengths for upcoming projects when conditions stabilize.

I would like to extend my sincerest thanks to all our shareholders and business partners for your continued confidence in us this past year, and my deepest gratitude to the staff of HEB Group for your unceasing support.

I am confident that we are now beginning a better chapter for the Group’s history as we forge ahead in 2020. Just as diamonds are created under pressure, I believe that all of us here at HEB Group will soon shine brighter than ever before.

TAN SRI IR. KUNA SITTAMPALAM
Co-Founder & Executive Vice Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' MOHD ZAKHIR SIDDIQY BIN SIDEK

Independent Non-Executive
Chairman

TAN SRI IR. KUNASINGAM A/L V.SITTAMPALAM

Co-Founder / Executive Vice
Chairman

DATO' IR. NITCHIANANTHAN A/L BALASUBRAMANIAM

Executive Director / Group Chief
Executive Officer

IR. SHARIFAH AZLINA BT RAJA KAMAL PASMAH

Executive Director / Group Chief
Operating Officer

MOHAN A/L RAMALINGAM

Senior Independent Non-Executive
Director

DATO' SRI IR. HJ. ISMAIL BIN MD.SALLEH

Independent and Non-Executive
Director

DATUK IR. TEO CHOK BOO

Executive Director

IR. PREM KUMAR A/L M VASUDEVAN

Executive Director

NG KUAN YEE

Alternate Director to Dato'
Ir. Nitchiananthan A/L
Balasubramaniam / Group Chief
Financial Officer

IR. SYED MOHAMED ADNAN BIN MANSOR ALHABSHI

Alternate Director to
Datuk Ir. Teo Chok Boo

AUDIT AND RISK MANAGEMENT COMMITTEE

Mohan A/L Ramalingam (Chairman)
Dato' Mohd Zakhir Siddiqy Bin Sidek
Dato' Sri Ir. Hj. Ismail Bin Md.Salleh

REMUNERATION COMMITTEE

Dato' Sri Ir. Hj. Ismail Bin Md.Salleh
(Chairman)
Mohan A/L Ramalingam
Dato' Mohd Zakhir Siddiqy Bin Sidek

NOMINATION COMMITTEE

Dato' Sri Ir. Hj. Ismail Bin Md.Salleh
(Chairman)
Mohan A/L Ramalingam
Dato' Mohd Zakhir Siddiqy Bin Sidek

REGISTERED OFFICE

Boardroom Corporate Services Sdn. Bhd.

[Registration No. 196001000110 (3775-X)]
12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia
Tel : +603 - 7890 4800
Fax : +603 - 7890 4650

HEAD OFFICE

B1 (1-4) Block B, Plaza Dwtasik
No. 21, Jalan 5/106
Bandar Sri Permaisuri
56000 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603 - 9173 0355
Fax : +603 - 9173 0939
Email : heb@hss.com.my
Website : www.hssgroup.com.my

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)
Ng Kuan Yee (MIA 17693)

AUDITORS

Azman, Wong, Salleh & Co. (AF0012)

12th Floor, Wisma Tun Sambanthan
No. 2, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603 - 2273 2688
Fax : +603 - 2274 2688

PRINCIPAL BANKER

Maybank Islamic Berhad

[Registration No. 200701029411
(787435-M)]
15th Floor, Tower A,
Dataran Maybank,
1, Jalan Maarof,
59000 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603 - 2297 2000
Fax : +603 - 2282 4492

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

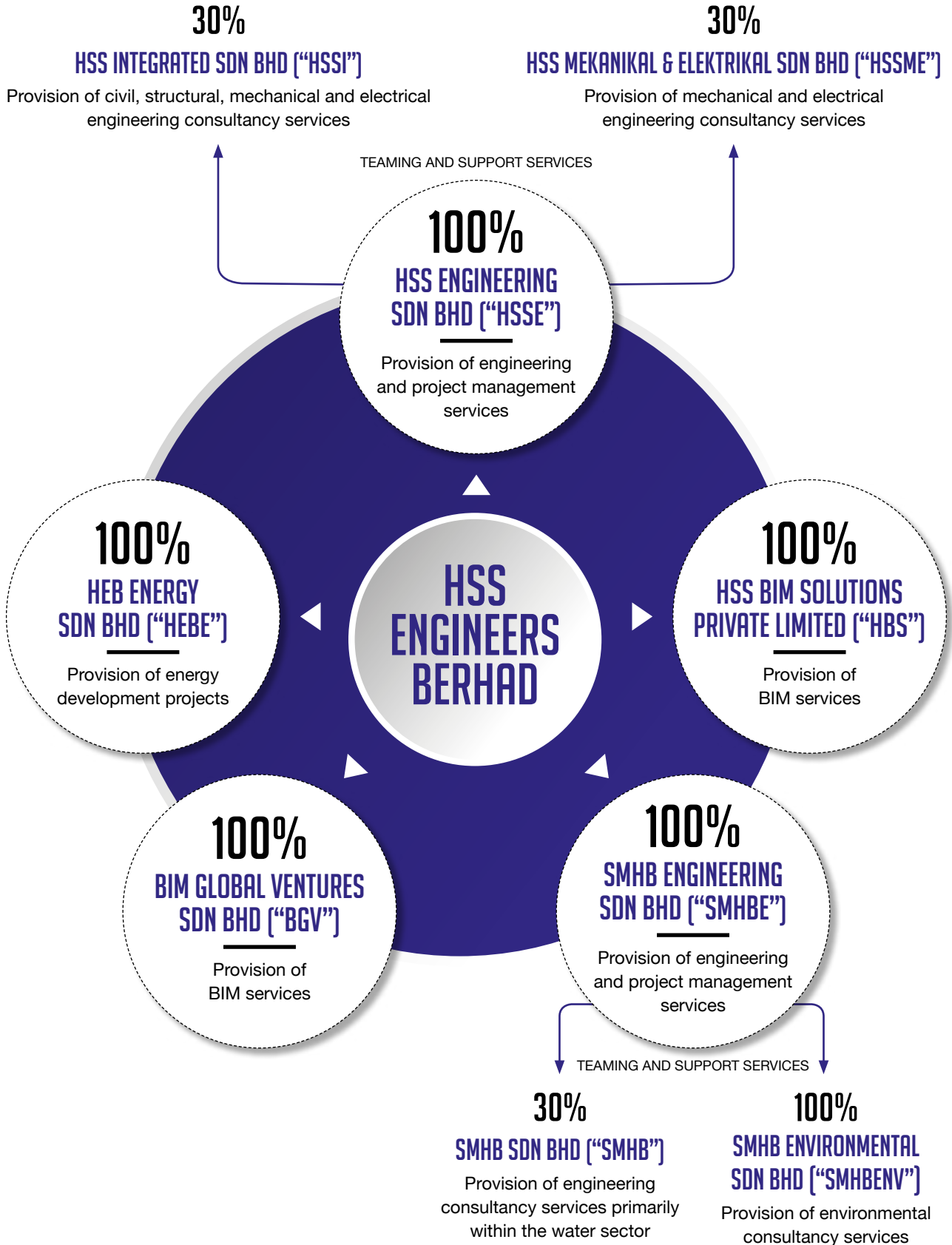
[Registration No. 197101000970
(11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : HSSEB
Stock Code : 0185
Stock Sector : Industrial products &
services

CORPORATE STRUCTURE

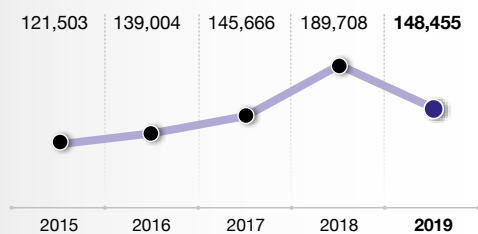
AS AT 30 APRIL 2020



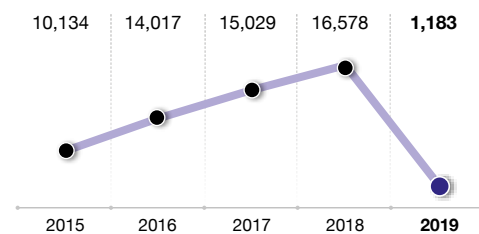
FINANCIAL HIGHLIGHTS

| Financial Year Ended 31 December | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------|-----------|---------|---------|---------|
| Revenue (RM'000) | 148,455 | 189,708 | 145,666 | 139,004 | 121,503 |
| Gross profit ("GP") (RM'000) | 39,240 | 64,717 | 49,942 | 48,476 | 40,728 |
| Profit/(Loss) before taxation ("PBT"/"LBT") (RM'000) | 3,244 | (94,525) | 21,826 | 19,890 | 13,720 |
| Profit/(Loss) after taxation ("PAT"/"LAT") (RM'000) | 1,183 | (102,836) | 15,029 | 14,017 | 10,134 |
| Core Profit After Tax ("Core PAT") | 1,183 | 16,578 | 15,029 | 14,017 | 10,134 |
| EBITDA (RM'000) | 19,323 | (82,464) | 24,572 | 22,763 | 16,446 |
| No. of shares in issue ('000) | 495,862 | 495,862 | 319,081 | 319,081 | 255,265 |
| Total assets (RM'000) | 345,859 | 376,770 | 149,222 | 125,192 | 77,302 |
| GP margin (%) | 26.43 | 34.11 | 34.28 | 34.88 | 33.52 |
| PBT/(LBT) margin (%) | 2.18 | (49.82) | 14.98 | 14.31 | 11.29 |
| PAT/(LAT) margin (%) | 0.79 | (54.21) | 10.32 | 10.08 | 8.34 |
| EPS/(LPS) (sen) | 0.24 | (22.12) | 4.33 | 4.97 | 3.97 |
| Core EPS (sen) | 0.24 | 3.57 | 4.33 | 4.97 | 3.97 |

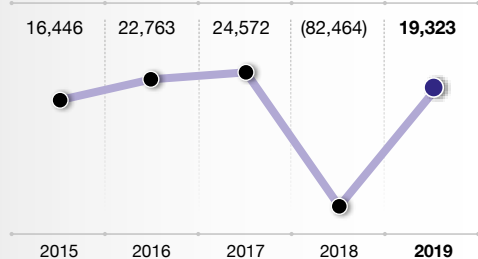
REVENUE (RM'000)



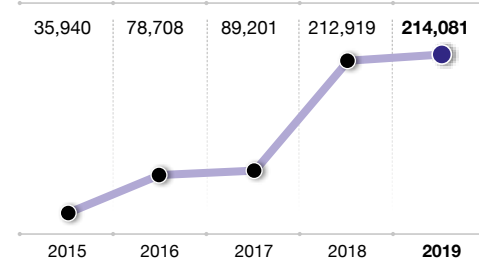
CORE PROFIT AFTER TAX (RM'000)



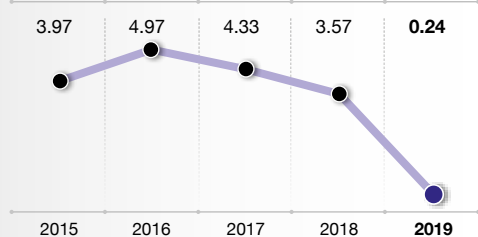
EBITDA (RM'000)



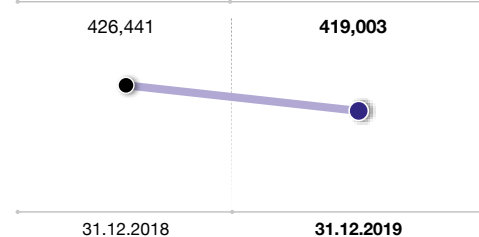
SHAREHOLDERS' EQUITY (RM'000)



CORE EPS (SEN)



MARKET CAPITALISATION (RM'000)



CHAIRMAN'S STATEMENT

Independent
Non-Executive
Chairman



**DATO' MOHD ZAKHIR SIDDIQY
BIN SIDEK**

Engineering
Design

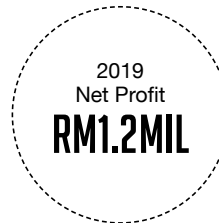
Environmental
Services

Construction
Supervision

Project
Management

Building Information
Modeling Services

DEAR SHAREHOLDERS



► The second half of FY2019 brought us positive news flow as the Government revived some mega projects, which not only lifted sentiments among the infrastructure players but also boosted investor confidence at the same time.

The Government reinstated the East Coast Rail Link in July 2019, and subsequently accelerated works for the Sabah portion of the Pan Borneo Highway after the Works Ministry took control of the project from the previous Project Delivery Partner (PDP) in September 2019. In October 2019, we were appointed as the Independent Consultant Engineer for the highway project.

CHAIRMAN'S STATEMENT

However, uncertainty returned to the global economy in the first quarter of 2020 due to the outbreak of the novel coronavirus. The pandemic caused business activity around the world to come to a near-standstill as countries restricted movements to contain the spread of the virus.

At the time of writing, the full outcome from the disease has yet to be determined, and we are doing our utmost to prepare ourselves to be up to speed as soon as possible.

FINANCIAL PERFORMANCE

HEB Group recorded lower revenue of RM148.5 million, compared to RM189.7 million in FY2018. The Group also posted core net profit of RM1.2 million in FY2019, versus core net profit of RM16.6 million previously, due to lower gross profit margin.

We have also expanded our order book in FY2019 to RM581.5 million,

from RM546.1 million previously, with RM204.4 million new contracts won during the year. The Group will continue to extend its efforts into securing more contracts to increase the order book.

For key insights into the projects completed, ongoing and secured in FY2019, as well as other operational details are discussed further in the Management Discussion and Analysis (MD&A) section on pages 17 to 19 of this Annual Report.

DIVIDENDS

We at HEB Group have always placed importance on shareholder returns as one of our key responsibilities. However, cognizant of the prudent approach in FY2019, the Board deliberated and determined to reinvest our earnings back into HEB Group as we prepare ourselves for future growth, allowing for better shareholder returns in the longer term.

The Group is still open to formulating a formal dividend policy going forward, while still taking into consideration the financial needs in light of the current outlook.

FUTURE OUTLOOK

Looking ahead into the rest of FY2020, the full impact of COVID-19 has yet to be determined in entirety, including the ensuing socio-economic consequences on a global scale. While the Malaysian government has pledged to continue with some of the major infrastructure projects, we stand guided on the subsequent step-by-step implementations of infrastructure projects pending the Government's full assessment on the impact of the pandemic. Meanwhile, the COVID-19 Management Strategy is presented on page 23.

More details of our future prospects and growth strategies are in the MD&A on pages 13 to 23.



CHAIRMAN'S STATEMENT



WE ARE DETERMINED TO REINVEST OUR EARNINGS BACK INTO HEB GROUP AS WE PREPARE OURSELVES FOR FUTURE GROWTH, ALLOWING FOR BETTER SHAREHOLDER RETURNS IN THE LONGER TERM.



West Port, Malaysia

GIVING THANKS

On behalf of all of us here at HEB Group, I would like to thank everyone who have supported us since our listing in 2016, as well as through these trying times, and wish for your continued backing as we enter a new phase of our Group's growth.

We are also appreciative of the support given by our business partners, associates, bankers and financiers, and as well as from our shareholders for their patience and confidence in us. We hope to repay that faith by achieving better results going forward.

Finally, I would like to personally thank my fellow members of the Board of Directors, whose guidance and advice have ensured that we are in prime position to bring future success to HEB Group.

Dato' Mohd Zakhir Siddiqy Bin Sidek
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

**DATO' IR. NITCHIANANTHAN
A/L BALASUBRAMANIAM**

DEAR SHAREHOLDERS,

“

The unexpected turnaround in the Malaysian political scene in early-2020, coupled with the devastatingly-widespread effects of COVID-19 on the economy, would likely result in a longer time frame in the implementation of public sector project progress and potential changes in government policies.

”



Executive
Director/
Group Chief
Executive
Officer

2019
Group Revenue
RM148.5 MIL

Nevertheless, HEB is heartened by assurances of the new government to continue with the implementation of projects that were announced under Budget 2020 which includes the East Coast Rail Link (ECRL) and MRT2 among others, providing much-needed visibility for the infrastructure players in the long-term.

During this period, we anticipate that there will still be pockets of opportunities in the domestic infrastructure space particularly in upholding the interests of the ‘rakyat’, especially in the water and transportation sectors as the construction sector, in particular infrastructure, would provide the necessary downstream multipliers to move the economy. At the same time, we continue to steer our efforts towards our overseas plans in the ASEAN region and India as well as right sized investment opportunities to pursue our 4th vertical namely recurring income.

Without further ado, I present to you our financial and operational performance for the financial year ended 31 December 2019 (FY2019) in more detail below.



MANAGEMENT DISCUSSION & ANALYSIS



THE GROUP HAS A TOTAL WORKFORCE OF MORE THAN 1,000 STAFF, WITH MORE THAN HALF BEING ENGINEERS.



OUR BUSINESSES

HSS Engineers Berhad is an investment holding company. The Group is primarily involved in providing Engineering Services (Design and Construction Supervision), Project Management, and Building Information Modeling (BIM). Going forward, the Group intends to expand regionally and to venture into a fourth core service, namely recurring income (O&M & investment) to provide a long term sight on our revenues.

The Group boasts of a combined experience over 80 years in provision of engineering and project management services in various sectors, including transportation, water and infrastructure. Its workforce in excess of 1,000 as at 31 December 2019 with more than half comprising engineers.

Engineering Services

The Group's Engineering Services consists of Engineering Design and Construction Supervision services. Engineering design works are done before project implementation, and involves concept design, preliminary and detailed design, as well as preparation of specification and assisting / managing procurement.

Construction Supervision is conducted throughout the construction phase, with emphasis placed on compliance towards approved drawings and specifications as well as with relevant laws and guidelines. It is to also ensure works remain within the project schedule and budget.

Project Management Services

Our Project Management Services offer all-inclusive solutions, from pre-implementation to completion, including turnaround management solutions for under-performing projects. Our services cover project and design management, procurement and contract management, construction management, interface management and risk management.

BIM Services

BIM uses an intelligent 3D and computer simulation system to enable a building or infrastructure to be designed collaboratively. The system involves the integration of inputs of various project participants – builders, owners, architects, structural engineers, and Mechanical, Electrical and Plumbing (MEP) systems engineers. It also generates the characteristics of the structure being designed. Going beyond this, the Group's BIM Services covers the entire lifecycle of the project, including supporting processes such as construction management, cost management, project management and operations.

Environmental Services

We provide a comprehensive and multi-disciplinary approach in ensuring every environmental aspect is covered during a particular development. The studies are carried out by experienced specialists in the areas of terrestrial and aquatic biodiversity and ecology, physical environment including water and air quality, hydrology, geology, noise and land planning as well as social community issues. The scope of services include initial environmental scoping, detailed environmental impact assessments, pollution impact studies, catchment management studies, environmental monitoring and audits.

FINANCIAL PERFORMANCE 2019

For FY2019, the Group recorded revenue of RM148.5 million, versus RM189.7 million in the previous year, mainly due to the completion of works for the KL-Singapore High Speed Rail, the reduction of scope for the Klang Valley Mass Rapid Transit (KVMRT) Line 2, as well as the temporary suspension of ECRL works which re-commenced in the third quarter of FY2019. This was mitigated by new contracts secured for the ECRL and Iskandar Malaysia BRT projects.

Gross profit stood at RM39.2 million, compared to RM64.7 million previously, resulting from lower revenue generated, combined with the temporary suspension of ECRL and reduction in scope for the KVMRT Line 2 projects. In order to mitigate the impact from these projects, the Group demobilized contract staff from these projects accordingly. As a result, the Group contained the reduction in gross margins to 26.4%, versus 34.1% in the prior year.

Other income, which consists of interest income short term deposits, was maintained at RM1.7 million. Administration expenses decreased to RM20.3 million, compared to RM26.8 million previously, mainly due to one-off business combination and corporate exercise expenses incurred a year ago.

The Group recorded a pre-tax profit and net profit of RM3.2 million and RM1.2 million respectively in FY2019, improving on the pre-tax loss of RM94.5 million and net loss of RM102.8 million previously. This was mainly due to the impairment on goodwill of RM119.4 million in FY2018.

MANAGEMENT DISCUSSION & ANALYSIS

ANALYSIS OF GROUP REVENUE AND PERFORMANCE REVIEW

(I) By Company

The contributions made by the two companies are set out in the table below:

| Company | 2019 Contribution (RM'mil) | 2019 Contribution (%) |
|--------------|----------------------------------|-----------------------------|
| HSSE | 80.4 | 54.1 |
| SMHBE | 68.1 | 45.9 |
| TOTAL | 148.5 | 100 |

(II) Core Services (Segments)

The revenue contributions made by the various segments are set out in the table below:

| Segment | 2019 | | 2018 | | Variance |
|--------------------------|--------------|--------------|--------------|--------------|---------------|
| | (RM'mil) | (%) | (RM'mil) | (%) | (RM) |
| Engineering Design | 43.6 | 29.3 | 66.9 | 35.3 | (23.3) |
| Construction Supervision | 72.1 | 48.6 | 66.2 | 34.9 | 5.9 |
| Project Management | 20.9 | 14.1 | 46.0 | 24.2 | (25.1) |
| BIM Services | 2.1 | 1.4 | 0.5 | 0.3 | 1.6 |
| Reimbursable Income | 9.8 | 6.6 | 10.1 | 5.3 | (0.3) |
| TOTAL | 148.5 | 100.0 | 189.7 | 100.0 | (41.2) |

Engineering Design

The Engineering Design segment's contribution decreased to RM43.6 million in FY2019, compared to RM66.9 million previously, in line with progress of ongoing projects, and the completion of the KL-Singapore HSR project and the temporary suspension of the ECRL project. This also led to the division's margin dipping to 4.1%, from 23.7% in the previous year.

Nonetheless, this was mitigated by revenue from new projects secured during the year, namely the new scheme and preliminary design works for the ECRL, as well as the detailed design of the Iskandar Malaysia BRT. In addition to this, SMHBE's results were consolidated for the full 12 months in FY2019, compared to nine months in FY2018.

Construction Supervision

The Construction Supervision's segment revenue rose 8.9% to RM72.1 million versus RM66.2 million previously, due to progress of ongoing works, as well as the consolidation of SMHB results for the full 12 months in FY2019, compared to nine months previously. The segment's margin was largely maintained at 26.2%, compared to 29.1% due to slight change in project mix.

Project Management

In line with progress of projects and reduction in scope of work for KVMRT Line 2, Project Management segment's revenue tempered to RM20.9 million in FY2019, from RM46.0 million in the prior year. The margin decline to 46.6%, versus 53.4% previously was commensurate with the reduction in work scope from the KVMRT Line 2 and mitigated partially by staff demobilisation accordingly.

BIM Services

BIM services revenue tripled to RM2.1 million, compared to RM0.5 million in FY2018, due to new projects secured during the year.

MANAGEMENT DISCUSSION & ANALYSIS

(III) Geographical Locations

In FY2019, 99.3% of HEB Group's total revenue was derived from Malaysia, with a total value of RM147.5 million. The remaining 0.7% came from ongoing projects in India, Indonesia and the Middle East. While a large portion of our revenue is still sourced domestically, we are looking to alleviate our dependence on a single market and enhance our sustainable growth by increasing our footprint in other countries, particularly within the ASEAN region of Indonesia and the Philippines, as well as India.

Sources of Project Funding

For FY2019, 60% of the Group's projects were funded by the Malaysian government, in line with our major revenue contributions from infrastructure projects.

Market Discipline

66.7% of FY2019 revenue contribution was derived from the transportation sector i.e. transit, railway and highways, while 24% originated from the water sector. Going forward, it is envisioned that the water sector will play a more prominent role as the Government accelerates water projects to address the needs of the country.

FINANCIAL POSITION INDICATORS

Group Assets

As at 31 December 2019, the Group's total assets stood at RM345.8 million, compared to RM376.7 million in the same period of the prior year, largely due to lower trade receivables from improved collections.

Liquidity and Capital Resources

The Group's cash and cash equivalents reduced to RM22.1 million at the same

time, compared to RM34.4 million the previous year as part of the financial prudence exercise in partially repaying its term loan.

As a result, HEB Group's borrowings also decreased to RM67.7 million in the period, from RM79.6 million as at 31 December 2018. With the reduction in borrowings, the Group further strengthened its financial position by reducing net gearing level to a healthy 0.15 times, compared to 0.17 times previously.

Capital Management, Future Commitments and Funding Sources

The details of the Group's capital management activities are disclosed in Note 39 of the consolidated financial statements in this Annual Report. The Group's capital commitment as at 31 December 2019 amounts to RM0.4 million.



Maju Expressway, Bukit Jalil

MANAGEMENT DISCUSSION & ANALYSIS

PROJECT HIGHLIGHTS

This section outlines the progress of key projects completed, ongoing and secured in FY2019, together with our total order book as at 31 December 2019.

Key Projects Completed in FY2019

| Project description | Contract value (RM' million) |
|--|------------------------------|
| 1. KL-Seremban 4 th Lane Widening | 10.8 |

Key Projects Ongoing in FY2019

The table below highlights the ongoing major projects in FY2019:

| Project description | Contract value (RM' million) | Accumulated billings up to 31 December 2019 (RM' million) | Unbilled as at 31 December 2019 (RM' million) | Commencement/Completion date |
|--|------------------------------|---|---|---|
| 1. MRT Line 2 (Jajaran Sg. Buloh-Serdang-Putrajaya) | 174.7 | 143.7 | 31.0 | April 2015/ 2 nd quarter 2022 |
| 2. Proposed Tun Razak Exchange (TRX) External Roads - Design and Construction Supervision | 19.0 | 17.1 | 1.9 | 3 rd quarter 2017/ 3 rd quarter 2021 |
| 3. West Coast Expressway from Tg. Karang to Banting (Design) | 21.9 | 15.9 | 6.0 | June 2011/ 3 rd quarter 2022 |
| 4. West Coast Expressway from Tg. Karang to Banting (Section 3 & 5) - Supervision | 19.2 | 11.0 | 8.2 | December 2015/ 3 rd quarter 2020 |
| 5. West Coast Expressway from Tg. Karang to Banting (Selangor Alignment) (Section 1, 2, 6 & 7) - Supervision | 40.8 | 8.4 | 32.4 | 4 th quarter 2016/ 3 rd quarter 2022 |
| 6. Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) | 58.6 | 35.1 | 23.5 | January 2012/ 2 nd quarter 2020 |
| 7. Maju Expressway (MEX) Extension to KLIA | 17.8 | 17.4 | 0.4 | May 2010/ 4 th quarter 2020 |
| 8. Independent Checking Consultant for rehabilitation and upgrading works on the railway line in the East Coast sector | 13.2 | 7.7 | 5.5 | 3 rd quarter 2016/ 3 rd quarter 2020 |
| 9. Kwasa Damansara Township Development | 17.3 | 8.8 | 8.5 | July 2014/ 3 rd quarter 2020 |
| 10. Proposed Bridge Crossing Sg. Pulai & Link Road from Pelabuhan Tanjung Pelepas to Tg. Bin, Johor | 13.9 | 10.7 | 3.2 | September 2014/ 4 th quarter 2020 |
| 11. BBCC External Infrastructure Works (Civil & Structural and Mechanical & Electrical Engineering) | 9.2 | 4.7 | 4.5 | 3 rd quarter 2017/ 4 th quarter 2021 |
| 12. Upgrade of High Priority Water Distribution System for the Iskandar Malaysia Region | 4.9 | 0.5 | 4.4 | 3 rd quarter 2017/ 2 nd quarter 2022 |

MANAGEMENT DISCUSSION & ANALYSIS

| Project description | Contract value (RM' million) | Accumulated billings up to 31 | Unbilled as at 31 | Commencement/ Completion date |
|---|---------------------------------|--------------------------------|--------------------------------|---|
| | | December 2019 (RM' million) | December 2019 (RM' million) | |
| 13. Upgrade of Lubuk Buntar Lama, Kedah Water Treatment Plant (<i>Projek Menaiktaraf Loji Rawatan Air Lubuk Buntar Lama, Kedah</i>) | 3.2 | 1.0 | 2.2 | December 2016/ 1 st quarter 2021 |
| 14. Proposed Coronation Square Mixed Commercial Development at Johor Bahru | 6.4 | 2.2 | 4.2 | May 2016/ 2 nd quarter 2021 |
| 15. East Klang Valley Expressway ("EKVE") | 6.1 | 5.3 | 0.8 | April 2015/ 2 nd quarter 2020 |
| 16. ECRL New Railway Scheme | 4.9 | 1.9 | 3.0 | 2 nd quarter 2019/ 3 rd quarter 2020 |
| 17. ECRL Section A Preliminary Design | 14.5 | - | 14.5 | 4 th quarter 2019/ 3 rd quarter 2020 |
| 18. ECRL Section A Detailed Design | 24.7 | 8.0 | 16.7 | January 2018/ 2 nd quarter 2026 |
| 19. ECRL Section A Construction Supervision | 81.5 | 3.7 | 77.8 | 1 st quarter 2018/ 4 th quarter 2026 |
| 20. Key projects secured in FY2019 | 175.10 | 22.4 | 152.7 | 1 st quarter 2019/ 1 st quarter 2025 |
| 21. Others | 744.80 | 564.70 | 180.10 | |
| TOTAL | 1,471.7 | 890.2 | 581.5 | |

Key Projects Secured in FY2019 (included in item 20 above, as listed below)

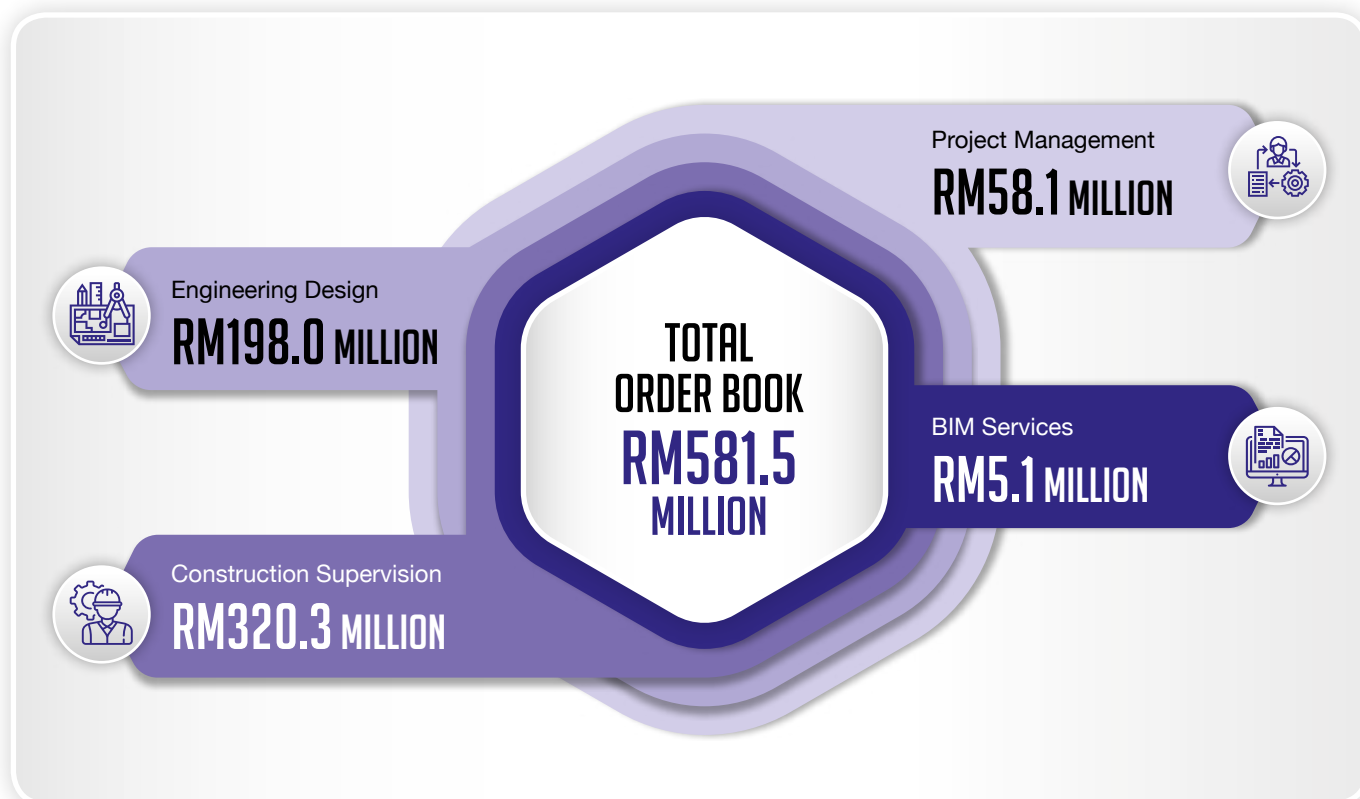
| Project description | Contract value (RM' million) | Accumulated billings up to 31 | Unbilled as at 31 | Commencement/ Completion date |
|---|---------------------------------|--------------------------------|--------------------------------|---|
| | | December 2019 (RM' million) | December 2019 (RM' million) | |
| 1. Lead Consultant for "Kerja-Kerja Penyediaan Rekabentuk Terperinci dan Penyeliaan Kerja di Tapak Bina" for "Pelaksanaan Projek Perintis Sistem Pengangkutan Bus Rapid Transit di 3 Laluan Berkapasiti Tinggi dan Pembinaan Laluan Khas (Busway) | 71.3 | - | 71.3 | Dec 2019/ 1 st quarter 2025 |
| 2. LANGAT II Water Supply Scheme – Phase 1 (Additional) | 30.6 | 8.6 | 22.0 | 2 nd quarter 2019/ 4 th quarter 2022 |
| 3. Delivery Management Office For All Development Projects For Northern Corridor Implementation Authority | 16.6 | - | 16.6 | Sept 2019/ 1 st quarter 2022 |
| 4. Proposed Ship-to-Ship (STS) Hub Project at Johor Bahru Port Waters | 15.8 | 2.1 | 13.7 | May 2019/ 4 th quarter 2022 |

MANAGEMENT DISCUSSION & ANALYSIS

| Project description | Contract value (RM' million) | Accumulated billings up to 31 December 2019 (RM' million) | Unbilled as at 31 December 2019 (RM' million) | Commencement/Completion date |
|--|---------------------------------|--|--|---|
| 5. Independent Consulting Engineer (ICE) for Pan Borneo Highway, Sabah | 12.0 | 7.0 | 5.0 | Apr 2017/ 4 th quarter 2019 |
| 6. Services for Section 5B & Section 5C2 of Package 5: Raub to Bentong, Pahang of the Central Spine Road | 8.8 | - | 8.8 | Jan 2019/ 1 st quarter 2021 & 4 th quarter 2022 |
| 7. Others | 20.0 | 4.7 | 15.3 | |
| TOTAL | 175.1 | 22.4 | 152.7 | |

Total Order Book

As at 31 December 2019, HEB had in hand an unbilled order book amounting to RM581.5 million as set out below:



MANAGEMENT DISCUSSION & ANALYSIS

RISK FACTORS

As we look to continue growing, we understand the various risks that may materially impact our operations, performance, financial condition, and liquidity. These risks, together with our steps to mitigate them are as follows:

Risks of Cancellation of or Deferral in the Implementation of Transportation and Water Infrastructure Projects

The majority of the Group's revenue is generated from services provided for the transportation and water sector. With the current climate whereby mega projects are under review by the Government to ensure fiscal responsibility, there is a risk of project implementations to be potentially slowed down. However, considering the potential impact of infrastructure development to the economy, it is anticipated that both the transportation and water sector will move on.

But, in efforts to reduce the risks faced, we continue to engage with the relevant administrative parties and agencies to keep up with current affairs, as well as provide adequate consultancy and advice on the appropriate scope of works towards the eventual implementation of these necessary nation-building projects.

Further, we are also looking at opportunities in the O&M and investment space to generate a long-term income source in order to create a stable earnings base.

Risks Relating to Expansion Abroad

With most of the income derived by the Group coming from Malaysia, we are looking to expand our geographical reach, particular towards the ASEAN region and India. While we increase our international footprint, we will also face the risks that come along with it, be it

economic, political or social that may not be faced in Malaysia. In order to mitigate this, we will look at reputable 'local' and international potential partners. For local partners, the search will concentrate on their awareness of the local industry, whilst reliance on an international partner would be their footprint and relevant international aid programme to their host country and a common objective to grow together.

Risks Relating to Further Sector Diversifications

Although we look to maintain our position as a leading engineering consultancy firm, for the purpose of diversification, as mentioned earlier, we are looking at appropriate levels of investments in the recurring income business. One such area where we have participated in tenders is Renewable Energy (RE) in the power sector. The entry to this type of business would necessitate investments that would require the generation of appropriate levels of returns. This, in turn, would require us to assess various risks involved and would be mitigated by proper project evaluation by professional advisors and partnering with firms that have the adequate experience while taking into account their financial capability.

MARKET OUTLOOK AND GROUP PROSPECTS

Global Outlook

According to the International Monetary Fund (IMF), 2019 recorded a dip in global growth to 2.9% from 3.5% in the previous year, largely due to uncertainties stemming from US-China trade dispute, Britain's exit from the European Union and unstable commodities valuations. In the beginning of 2020, the COVID-19 pandemic dampened global economic activity, with IMF predicting a sharp contraction of 3.0% for the year.

The outbreak led Governments worldwide to enforce a strict lockdown on non-essential services, which subsequently resulted in decreased manufacturing activity and global trade. It also reduced demand for crude oil, thus prompting a further decline in global oil prices, on top of the delay in the coalition of Organization of the Petroleum Exporting Countries (OPEC) and Russia to reach an agreement in production cuts. These arduous external conditions are expected to persist at least for the first half of 2020.

ASEAN growth is also predicted to slow down in 2020, with Asian Development Bank forecasting an anaemic 1.0% GDP growth on the back of reduced economic activity.

However, if the recovery from the virus goes according to plan, the resumption of some normalcy in economic activity is anticipated towards the 3rd quarter or 4th quarter of 2020.

Domestic Outlook

According to Bank Negara, our estimated GDP growth performance underwhelmed at 4.3% in 2019, declining from 4.7% in 2018. With the Novel Coronavirus global outbreak and uncertainties in economic policies following the change in ruling coalition, 2020 is forecasted to bring about a contraction of 2.0% in the worst-case scenario and 0.5% growth at its best.

To cushion the impact of the COVID-19 outbreak which has weakened consumption, particularly, in the retail and tourism-related as well as manufacturing sectors, the 2020 Economic Stimulus Package valued at RM20 billion was unveiled on 27 February 2020 by the interim Prime Minister, to mitigate the economic risks to have the Malaysian economy henceforth on a stronger footing.

MANAGEMENT DISCUSSION & ANALYSIS



WESTPORTS MALAYSIA HAS PROPOSED TO DEVELOP EIGHT (8) ADDITIONAL BERTHS TO SUPPORT THE EXPECTED LONG-TERM GROWTH IN THE COMING DECADES.

Further to this, the new government has set up an Economic Action Council (EAC) to introduce economic measures to address the economic woes resulting from the COVID-19 outbreak.

Altogether, the Government introduced stimulus packages worth approximately RM260 billion, which not only targeted the citizens of the country and businesses that were impacted, but also provided much needed resources to the nation's healthcare system.

Among the key feature of the stimulus packages was the RM10 billion allocation provided for business owners to enhance chances of continuity of business during these tough times, in addition to assisting in employee retention. This was implemented through various subsidies, grants, and loan schemes among others.

The government also reaffirmed that projects announced previously under Budget 2020 will be fully implemented, namely the ECRL, KVMRT2 and the National Fiberisation and Connectivity Plan.

On top of that, the new government will also continue with its fiscal as well as business-friendly policies to attract quality investments. However, clearer steps on the further implementation of infrastructure projects will likely be announced only after a full assessment of the COVID-19 impact is made.

Bank Negara Malaysia (BNM), had earlier in January 2020 reduced the Overnight Policy Rate (OPR) by 25 basis points to 2.75 followed by another 25 basis points on 3 March 2020 to 2.50 percent, and a further 50 basis points on 5 May 2020 to 2.00 percent, the lowest in 10 years. This move by BNM is to provide a more accommodative monetary environment

to support economic growth amid the growing concerns over the global and domestic growth outlook in the near term. BNM anticipates that the domestic growth is expected to gradually improve in the second half of 2020.

GROWTH STRATEGIES

While the change in the administration may pose some delay in the roll out of certain infrastructure projects, we anticipate that there would be some signs of recovery in the second half of 2020 following further direction and policies from the new government.

It is worth noting that new government has indicated the continued pursuit of progress for the ECRL and KVMRT2 projects announced under Budget 2020.

Nevertheless, we will continue to reprise our role to spearhead Malaysia's essential nation-building projects in the infrastructure sectors of transportation, water and ports.

It is our view that the new government will continue to prioritize public transportation projects to sustain economic growth and other social infrastructure projects deemed important in the interests of the rakyat which would necessitate development spending on water infrastructure, healthcare, and education among others.

- **Targeting Opportunities in Transportation and Water Infrastructure Sector**

The Group's combined track record in the past 80 years has been in the provision of full-scale engineering consultancy and project management services, with a focus in the transportation and water infrastructure sectors.

While the overall landscape in 2020 remains challenging, the government has indicated the continuation of key infrastructure projects such as ECRL and KVMRT2. We also foresee that the government will ultimately choose to implement infrastructure projects that are essential for the nation, particularly in the water and transportation sectors.

Aside from this, the newly appointed Works Minister has indicated the continuation of the construction of the Pan Borneo Highway, retaining the model in which Public Works Department oversees the project and this augurs well for 2020 onwards.

We could also see potential growth in the seaport segment, which could see an increase in container volume of 4% to 5% in the near term. The tension by the US – China trade war throughout the year has led to significant relocations of the manufacturing bases by multinational companies out of China to the South East Asia region.

Our long term client, Westports Malaysia, has proposed to develop eight (8) additional berths comprising Container Terminal (CT) 10 to Container Terminal (CT) 17 to support the expected long-term growth in the coming decades.

In this respect, we are working closely with Westports, on the proposed expansion plan to double its container-handling capacity to about twenty-eight (28) million twenty-foot equivalent units a year by 2040.

MANAGEMENT DISCUSSION & ANALYSIS



Penang Bridge widening

We are doing our part by keeping close tabs on the near-term developments within these sub-sectors, particularly on tender opportunities. We are in constant communication with various authorities, to ascertain possible collaborations, with key players at various stages of projects.

• **Diversifying Geographical Presence**

With the infrastructure development in the ASEAN region, we are looking to leverage on our expertise and experience to participate, particularly in Indonesia and Philippines.

Under the Duterte administration, there are plans to increase infrastructure spending to PHP972.5 billion through the “Build, Build, Build” programme, as they look to catch up with their ASEAN neighbours.

Meanwhile, Indonesia’s major spending will be focused on its plans to move its capital city from Jakarta to Kalimantan, with USD35 billion targeted expenditure. Aside from this, there are also further investments expected for other major transportation infrastructure developments.

On top of targeting more contracts from Philippines and Indonesia, we are also exploring India’s infrastructure boom, with USD778 billion spending expected by 2022. In 2019, we were invited to be part of the committee with the Ministry of Road Transport and Highways (MORTH) and the National Highways Authority of India (NHAI) to review recommendations for improvement for all implementation procedures for upcoming National Highway projects, and will look to leverage on our position to participate in the development of these projects.

MANAGEMENT DISCUSSION & ANALYSIS



WE ARE LOOKING TO LEVERAGE ON OUR EXPERTISE AND EXPERIENCE TO PARTICIPATE, PARTICULARLY IN INDONESIA AND PHILIPPINES.

- **Establishing A Long-term Income Stream**

Apart from our core competencies, the Group is also looking to generate a long-term income source, which leverages on our existing expertise. We are exploring various opportunities, particularly in the field of Renewable Energy (RE).

One of the broad strategy in the 2020 stimulus package is to promote quality public investments by transparent procurement to bolster business confidence. In line with this, the Government is committed to sustaining public investments and in particular, expedite in 2020, the tenders and implementation of development expenditure projects.

In addition, agencies and Government linked companies (GLCs) will also accelerate planned investment projects for 2020, including among others, where the Ministry of Energy and Natural Resources will open for bids quota of 1,400MW for solar power generation in 2020 named LSS4. This exercise is expected to involve RM5 billion worth of private investments and generate 25,000 jobs. The Group will be participating in the upcoming RE tenders in the planned investment projects as outlined in the stimulus package 2020. Prior to this, HEB Group has participated as engineers in a couple of RE projects, namely the design and approval of a 30MW solar power plant in Kerian, Perak for Scatec Solar, as well as the Independent Checking Engineer for a Biomass Gasification Plant for Malaysian Debt Ventures. We foresee further works to be tendered out, as Ministry of Energy and Natural Resources targets 20% of total installed energy capacity in Malaysia to be renewable.

COVID-19 MANAGEMENT STRATEGY

The aggressive containment strategy the Government has rightfully adopted since the announcement of the Movement Control Order (“MCO”) on 16 March 2020 demanded the Group to quickly adapt to the ‘new normal’ in order to mitigate the impact upon operations and financial performance of the Group.

Business continuity through working from home procedures, continuous & effective communication with our employees, clients and business partners, as well as our employee’s health and safety were and will continue to be our priorities in operating our business during this period. Through our ongoing efforts since the start of MCO, we have not only stabilise operations but also mitigated the financial impact on the Group by continuous engagement with our clients in terms of project billings and collections.

In light of the approval the Group has obtained from MITI, we have recommenced operations since 27 April 2020 and the Group will continue to support the Government’s efforts in the combat against the virus through strict compliance with all the relevant standard operating procedures and guidelines issued by relevant competent authority that we have implemented in ensuring the best recommended practices are being adhered to at all times.

As we embrace the ‘new normal’, we intend to pursue innovation or even pivot new business models which will pave the way for greater improvement towards operational and financial efficiency whilst always considering the health and safety of our staff.

ACKNOWLEDGEMENTS

I would like to offer sincere gratitude to our valued clients, respected business partners and stakeholders for their continued support given to HEB in 2019. My heartfelt thanks also go out to the management team, employees and Board of Directors for hard work through this transition year, and hope that the effort expanded during the year will bring forth a more fruitful 2020.

Thank you.

Dato’ Ir. Nitchiananthan A/L Balasubramaniam
Executive Director / Group Chief Executive Officer

BOARD OF DIRECTORS' PROFILE



DATO' MOHD ZAKHIR SIDDIQY BIN SIDEK, a Malaysian male, aged 53, is the Independent Non-Executive Chairman of the Company. He was appointed to the Board of Directors of the Company on 17 April 2015. He is a member of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee.

He graduated from Kings College, University of London, UK with a Bachelor of Law in 1989. He was admitted as an associate to The Institute of Chartered Accountants in England and Wales in 1993 and is a member of the Malaysian Institute of Accountants.

Dato' Zakhir has accumulated over 31 years of working experience and has been involved in various industries. He started his career in 1989 with KPMG Peat Marwick in London working in audit, tax and corporate advisory, and was attached to the firm until 1993. He had served as the Vice President for Turnaround Managers Inc (M) Sdn Bhd, Kuala Lumpur from 1994 to 1995 where he was responsible for corporate advisory and restructuring.

Between 1995 and 1999, he had held senior positions in various public and private companies. Among the public companies, he acted as Managing Director in Renong Berhad, Non-Executive Director in United Engineers (M) Berhad, Director in Crest Petroleum Berhad, Director in Southern Steel Berhad, Executive Vice Chairman in Park May Berhad and Director in KLOFFE Berhad. During that time, he also held directorship in various private limited companies including Cyberview Sdn Bhd, Prolink Sdn Bhd, PUTRA Sdn Bhd, Marak Unggul Sdn Bhd, Renong Solutions Sdn Bhd and Teras Teknologi Sdn Bhd.

In the year 2000, he ventured out to start United Flagship Sdn Bhd where he is a shareholder to the present day. United Flagship Sdn Bhd is an investment company with interests in property development, construction & engineering, healthcare and technology.

Other than the Company, he is also a Non-Independent Non-Executive Chairman of Scomi Energy Services Berhad.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

Dato' Zakhir attended all 6 Board meetings of the Company held during the financial year 2019.

TAN SRI IR. KUNASINGAM A/L VSITTAMPALAM, a Malaysian male, aged 67, is the co-founder and Executive Vice Chairman of the Company. He was appointed to our Board on 17 April 2015.

He graduated from the University of Sheffield, UK in 1977 with a Bachelor of Engineering and obtained his Masters in Engineering at the same university in 1979. He is a Fellow with the Institution of Engineers, Malaysia, a Professional Engineer with the Board of Engineers, Malaysia, a member of the Association of Consulting Engineers, Malaysia, Chartered Institution of Highways and Transportation, UK, and Institution of Engineers, Australia.

Tan Sri Ir. Kuna has accumulated over 40 years of experience within the engineering and project management services market. He started his career in 1980 as a Civil Engineer in C. H. Teoh & Partnership and was attached to the company up to 1981. He co-founded HSS Consult Partnership in 1984 which thereafter incorporated into HSS Consult Sdn Bhd in 1985. HSS Consult Sdn Bhd was principally involved in the provision of engineering design and project management services, but has since been struck off. During his tenure in HSS Consult Sdn Bhd, he was mainly involved in the design and project implementation of various infrastructure and construction projects. In 1988, he co-founded HSS Integrated Sdn Bhd, an engineering consultancy company registered under the Registration of Engineers Act 1967, and in 2001, he co-founded HSS Engineering Sdn Bhd.

Other than the Company, he is not a Director of any other public company or listed issuer in Malaysia.

Tan Sri Ir. Kuna is a major shareholder of the Company. He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

BOARD OF DIRECTORS' PROFILE



DATO' IR. NITCHIANANTHAN A/L BALASUBRAMANIAM, a Malaysian male, aged 57, is the Executive Director / Group Chief Executive Officer. He was appointed to the Board of Directors of the Company on 17 April 2015. He is also a Director of HSS Engineering Sdn Bhd, HEB Energy Sdn Bhd and HSS BIM Solutions Pvt. Ltd.

He graduated from the Indian Institute of Technology of Roorkee, India with a Bachelor of Engineering in Civil Engineering in 1987. He obtained his Masters in Engineering majoring in Highway/Transportation from the University of New South Wales, Australia in 1989.

He is a Fellow of the Institution of Engineers, Malaysia ("IEM"), a Principal Interviewer for Corporate Membership applicants to IEM, a Professional Engineer with the Board of Engineers, Malaysia ("BEM") and was on BEM's Scale of Fees Committee from 2013 till 2016.

Dato' Ir. Nitchiananthan is also a Fellow of the Chartered Institution of Highway and Transportation UK, and a Council Member of the Road Engineering Association of Malaysia.

Dato' Ir. Nitchiananthan has accumulated over 33 years experience in the engineering and project management consultancy industry. He started his career with Minconsult Sdn Bhd ("Minconsult") as an Assistant Engineer in 1987 for the Sabah Rural Trunk Road project. He left Minconsult in 1988 to pursue a Master's degree and re-joined Minconsult as a Highway Engineer in February 1989. He joined HSS Integrated Sdn Bhd in October 1989 as a Highway Engineer and became an Associate in 1994 and also the Head of Highways. In 1996, he was promoted to Associate Director in HSS Integrated Sdn Bhd in charge of all highway and railway/transit projects. In 2001, he was transferred from HSS Integrated Sdn Bhd to HSS Engineering Sdn Bhd as Chief Operating Officer and was promoted to Chief Executive Officer in 2011.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

DATUK IR. TEO CHOK BOO, a Malaysian male, aged 66, is an Executive Director of the Company. He was appointed to the Board of Directors of the Company on 15 May 2018. He is also a Director of SMHB Engineering Sdn Bhd and SMHB Environmental Sdn Bhd, providing leadership to the top management of both companies.

He graduated from University of Aston, Birmingham, United Kingdom with a Degree in Civil Engineering in 1978. He obtained his Masters in Engineering from the Asian Institute of Technology, Bangkok in 1981. He is a Professional Engineer with the Board of Engineers, Malaysia, registered as a Qualified Person with Suruhanjaya Perkhidmatan Air Negara, member of the Association of Consulting Engineers Malaysia, a Fellow of the Institution of Engineers Malaysia, and a member of the Malaysian Water Association.

Datuk Ir. Teo is also a Fellow of the Institution of Civil Engineers UK, a Fellow of the Chartered Institution of Water and Environmental Management UK and a member of the American Waterworks Association.

Datuk Ir. Teo has accumulated 42 years of experience in various sectors of engineering, particularly in dams and water-related projects, having been the project director for several mega water supply projects in Malaysia, including Raw Water Supply to Pengerang Integrated Petroleum Complex, Sungai Selangor Water Supply Scheme and the Interstate Water Transfer Schemes from Pahang to Selangor. He also oversees high profile projects such as the Klang Valley Mass Rapid Transit (KVMRT) Line 1 and Line 2 Projects.

He started his career with SMHB Sdn Bhd, formerly known as Syed Muhammad, Hooi and Binnie Sdn Bhd, in 1978 as an Engineer and moved up the ranks to Associate Director, Director and Executive Director. He was made the Managing Director in 2000, a position which he still holds today.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

BOARD OF DIRECTORS' PROFILE



IR. SHARIFAH AZLINA BT RAJA KAMAL PASMAH, a Malaysian female, aged 53, is the Executive Director / Group Chief Operating Officer. On 1 January 2018 she was appointed as the Executive Director of the Company. Prior to that, she was an Alternate Director to Dato' Ir. Nitchiananthan A/L Balasubramaniam. She is also a Director of HSS Engineering Sdn Bhd and BIM Global Ventures Sdn Bhd.

She graduated from the Christian Brothers University, Memphis, USA with a Bachelor of Science in Civil Engineering in 1990 and subsequently, completed her Master of Business Administration at Cardiff Metropolitan University, UK in 2012.

She is a Fellow of the Institution of Engineers Malaysia ("IEM"), a Professional Engineer with the Board of Engineers Malaysia ("BEM"), an ASEAN Chartered Professional Engineer, Principal Interviewer for IEM's Professional Assessment Examination, a Council Member of the Association of Consulting Engineers Malaysia Session 2019-2020, a member of the Chartered Institution of Highway and Transportation, UK, and a member of the Intelligent Transport System of Malaysia. She serves in the Engineers Act Committee of BEM, session 2019/2020 and has been appointed as a Corporate Member who provides advisory role to the Committee of IEM Women Engineers Session 2019-2020.

Puan Ir. Sharifah Azlina has over 30 years of experience within the engineering and project management services market, particularly in road and highway designs. She started her career in 1990 with the Memphis City Council in USA as an undergraduate trainee where she was involved in the redesign of an existing road intersection in the city of Memphis. Upon her return to Malaysia in the same year, she joined Dolomite Properties Sdn Bhd for a short stint before joining Minconsult Sdn Bhd as a Graduate Engineer. She left Minconsult Sdn Bhd in 1991 to join HSS Integrated Sdn Bhd as an Engineer and rose through the ranks to become Chief Engineer (Highway). She was transferred from HSS Integrated Sdn Bhd to HSS Engineering Sdn Bhd in 2002 as Chief Engineer (Highway). She became the Chief Operating Officer in 2011.

Other than the Company, she is a Director of The Association of Consulting Engineers Malaysia, a public company limited by guarantee.

She has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. She maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

She attended all 6 Board meetings of the Company held during the financial year 2019.

IR. PREM KUMAR A/L M VASUDEVAN, a Malaysian male, aged 60 is an Executive Director of the Company. He was appointed to the Board of Directors of the Company on 15 May 2018. He is also a Director of SMHB Engineering Sdn Bhd, responsible for Business Development.

He graduated from University Malaya, Malaysia with a Degree in Electrical Engineering in 1985. He is a Professional Engineer with the Board of Engineers Malaysia ("BEM") and registered as Qualified Person with Suruhanjaya Perkhidmatan Air Negara. Ir. Prem was the President of the Association of Consulting Engineers Malaysia ("ACEM") from 2014 to 2016. He was a Board member of BEM from 2012 to 2016, Chairman of the Professional Competency Examination Committee from 2016 to date, and serves in the Scale of Fees Committee since 2007, Engineer's Act Committee since 2010, Management Committee since 2012, Professional Practice Committee since 2013, and Examination & Qualification Committee since 2014.

Ir. Prem has over 35 years of experience in mechanical & electrical engineering design, construction and supervision and project management, in particular within the water, wastewater and transportation industry. He has managed several mega projects, notably the Klang Valley Mass Rapid Transit Line 2 Project and the Langat 2 Water Supply Project. He started his career with SMHB Sdn Bhd, formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd, in 1985 and rose in ranks from Engineer to Associate Director, Technical Director and Executive Director, a position he still holds today.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

BOARD OF DIRECTORS' PROFILE



MOHAN A/L RAMALINGAM, a Malaysian male, aged 71, is the Senior Independent Non-Executive Director of the Company. He was appointed to the Board of Directors of the Company on 17 April 2015. He is the chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

He graduated from Leicester Polytechnic, UK with a Degree in Mechanical Engineering in 1972 and obtained his Master of Business Administration from Harvard University, USA in 1983.

Mr. Mohan started his career as an Engineer in Monsanto Electronics Sdn Bhd in 1973 where he rose to become Manufacturing Manager and was responsible for four (4) production departments. In 1978, he joined P A Consulting Services Sdn Bhd, an international management consulting firm and was responsible for the operation and supervision of a range of consultancy assignments. From 1984 to 1988, he was the Managing Director for Mewah Holdings Sdn Bhd, an investment holding company. He was responsible for overseeing the performance of the investee companies, troubleshooting poorly performing companies and evaluating potential new investments.

In 1989, he founded MRY Associates Sdn Bhd ("MRY"), an investment holding company, as a Managing Director and has held that position ever since. He is responsible for the research and development activities as well as identifying market trends and niches to be developed. MRY's investee companies include JobStreet.com Bhd, BFM Radio and Agrinos A.S. He acted as an Independent Director in Oriental Capital Assurance from 2010 to 2012.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

DATO' SRI IR. HJ. ISMAIL BIN MD.SALLEH, a Malaysian male, aged 61, is the Independent Non-Executive Director of the Company. He was appointed to the Board of Directors of the Company on 6 July 2018. He is the Chairman of the Remuneration Committee and Nomination Committee, and a member of Audit and Risk Management Committee.

He graduated from University of Technology Mara, Malaysia with B.Sc in Civil Engineering in 1981. He obtained his Master of Science in Highway Engineering from University of Strathclyde, United Kingdom in 1994. He is a registered Professional Engineer with Board of Engineers Malaysia, a Fellow with Institution of Engineers Malaysia, Deputy President of Road of Engineering of Malaysia, President of Intelligent Transport System Association of Malaysia and Chairman of the Chartered Institution of Highways and Transportation (Malaysia Branch).

Dato' Sri Ir. Hj. Ismail has accumulated over 36 years of working experience in the government sector and was principally responsible for planning, construction, operation and monitoring of all privatized highways such as North-South Expressway, Penang Bridge and KL-Karak Highway.

He started his career in Malaysian Highway Authority ("MHA") in 1981 as a Civil Engineer, then move on as a Project Supervisor for the Lebuhraya Senai-Johor Bahru and in 1990, he was promoted as the Northern Region Director, and in 1995 he served as the Southern Region Director till 1997. In 1997, he served as the Director of Monitoring for all privatized toll highways and in 2006, he was promoted as Deputy Director General of Development. In 2009, he was promoted again as the Director General of MHA, a post he held until his retirement in June 2018.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

He attended all 6 Board meetings of the Company held during the financial year 2019.

BOARD OF DIRECTORS' PROFILE



NG KUAN YEE, a Malaysian female, aged 49, is the Alternate Director to Dato' Ir. Nitchiananthan A/L Balasubramaniam / Group Chief Financial Officer. She was appointed as Alternate Director to Dato' Ir. Nitchiananthan on 1 January 2018. She is also a Director of HSS Engineering Sdn Bhd and HEB Energy Sdn Bhd.

She is responsible for the Group's overall finance functions including the monitoring of business performance and results, profitability and cash flow, executions of financial reporting, treasury management and tax compliance to ensure that the Group meets its business objectives in terms of returns, profitability, and cash flow.

She is a Fellow member of the Association of Chartered Certified Accountants since March 2005. After graduated in 1995, she also became a member of the Malaysian Institute of Accountants in 2001 and a member of the Malaysian Institute of Certified Public Accountants in 2007.

Ms. Ng Kuan Yee has over 26 years of experience in accounting and finance functions. She has extensive experience in mergers & acquisitions, integration of regional based finance shared services function, corporate restructuring, corporate due diligence, software implementation and risk management. She began her career with Bell & Order Berhad in 1994 and left in 1996 to join Gula Perak Berhad for a short stint. Thereafter, in 1996, she joined Sunway Marketing Sdn Bhd as an assistant accountant and was attached to the company up to 1998. Between 1998 and 2003, she was attached to Baan Malaysia Sdn Bhd, a multinational software house as Finance Manager of the ASEAN region. Prior to joining HSSE in 2011, she worked in Tricor Services (Malaysia) Sdn Bhd as a Chief Financial Officer from 2003 to 2011 where she was responsible for the overall finance functions of the company.

Other than the Company, she is not a Director of any other public company or listed issuer.

She has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. She maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. SYED MOHAMED ADNAN BIN MANSOR ALHABSHI, a Malaysian male, aged 60, is an Alternate Director to Datuk Ir. Teo Chok Boo since 21 February 2019. He is also a Director of SMHB Engineering Sdn Bhd, responsible for all the engineering services provided by the company.

He graduated from the University of Adelaide, Australia with a Bachelor degree in Civil Engineering in 1983. He is a Professional Engineer with Board of Engineers Malaysia, registered as Qualified Person with the Suruhanjaya Perkhidmatan Air Negara, a member of the Institution of Engineers Malaysia, a member of the Association of Consulting Engineers Malaysia and a Corporate Representative of the Road Engineering Association Malaysia. Ir. Syed Mohamed Adnan was the President of the Malaysian Water Association from 2013 to 2017.

In 2019, he was elected by the Minister of Education to be a member of the Industry Advisory Council of the Ministry of Education, Malaysia on Technical and Vocational Education and Training (TVET) initiatives.

Ir. Syed Mohamed Adnan has over 36 years of experience in planning, design, project management and construction supervision in particular within the water, highway and rail sectors, urban traffic dispersal schemes, common utility tunnels and land development projects. He started his career in 1983 with SMHB Sdn Bhd, formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd, and he moved up the ranks from an Engineer to Associate Director, Technical Director and since 2000, he was appointed as Executive Director of SMHB Sdn Bhd.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANAGERMENTS' PROFILE

DATO' IR. KHAIRUDIN BIN SIDEK

Malaysian, Male, Aged 69

He has been the Director of the Group's associate company HSS Mekanikal & Elektrikal Sdn Bhd since 2011.

He is a member of the Institution of Engineers, Malaysia, and a Professional Engineer with the Board of Engineers, Malaysia, and a Steam Engineer Grade II. He is also a member of the Association of Consulting Engineers, Malaysia.

Dato' Ir. Khairudin has accumulated over 46 years experience in the field of mechanical and electrical engineering. He started his career in 1974 as a Pupil Engineer in Tenaga Malaysia Berhad (formerly known as Lembaga Letrik Negara), Port Dickson and was subsequently promoted to Shift Engineer in 1978. He left Tenaga Malaysia Berhad in 1980. From 1980 to 1987, he was attached to Jurutera Konsultant (SEA) Sdn Bhd as a shareholder and director with the title of Mechanical Engineering Partner where he was the registered consultant for mechanical and electrical and civil and structural engineering projects. Between 1988 and 1990, he was attached with Hyco Worldwide (M) Sdn Bhd, which is principally involved in the oil-water emulsion technology for application in combustion of fuel used in power generation as its Managing Director.

In 1991, he became the Regional Manager in South East Asia for Wahlco Environment Systems Incorporated and was attached to the company up to 1993. In 1991, he also became the principal partner for Perunding IMS, which provides mechanical and electrical consultancy services. He left Perunding IMS to join HSS Integrated Sdn Bhd, HSS Mekanikal & Elektrikal Sdn Bhd in 2011. He served as Chairman of HSS Integrated Sdn Bhd until 1 January 2018. From 2000 to 2005 he was the Executive Director and shareholder of Zelan Construction Sdn Bhd, a power plant specialist in civil works in more than 12 major power plant construction for Independent Power Plants and Tenaga Malaysia Berhad in Malaysia. Dato' Ir. Khairudin was an Executive Director of the Company from 17 April 2015 to 1 January 2018.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and / or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. MATHEW PHILIP A/L V.C PHILIP

Malaysian, Male, Aged 61

He is the Group General Manager of HSS Engineering Sdn Bhd. He was appointed on 29 March 2014 and responsible for leading and managing projects undertaken by HSS Engineering Sdn Bhd.

He graduated from Universiti Malaya in 1983 with a Bachelor in Engineering and successfully completed his Master in Science in Highways and Transportation Engineering at Universiti Putra Malaysia in 2001. He is a Fellow and Principal Interviewer for Corporate Membership applicants with the Institution of Engineers Malaysia, a Professional Engineer with the Board of Engineers Malaysia, and Member of the Chartered Institution of Highway and Transportation.

Ir. Mathew Philip has over 37 years of experience in design, design management and project management in mass rail transit, light rail transit, monorail, heavy rails, expressways

and highways. He began his career in 1983 with Minconsult Sdn Bhd as Highway Engineer where he was involved in various infrastructure design projects as a graduate engineer. He left Minconsult Sdn Bhd in 1991 and joined HSS Integrated Sdn Bhd in the same year as Principal Design Engineer. In 2003, he was transferred from HSS Integrated Sdn Bhd to HSS Engineering Sdn Bhd as General Manager, and was subsequently promoted to become the Group General Manager.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANAGERMENTS' PROFILE

IR. TEN FUI CHAN @ KENNETH

Malaysian, Male, Aged 55

He is the Senior General Manager (Transportation) of HSS Engineering Sdn Bhd. He was appointed on 29 December 2016 and responsible in managing the Transportation Division, coordinating the design teams as well as providing technical supervision, guidance and reviewing design works. In addition, he also manages client and liaison with the relevant authorities and sub-consultants.

He graduated with a Bachelor of Arts degree in 1988 and a Bachelor in Civil Engineering (1st Class Honours) degree in 1989 from Trinity College, University of Dublin, Ireland. He is a Fellow with the Institution of Engineers Malaysia, a Professional Engineer with the Board of Engineers Malaysia, a Corporate Member and Professional Engineer with the Institution of Engineers, Australia and a member of various professional societies including the Permanent Way Institution (Malaysian Section), Chartered Institution of Highway and Transportation UK, Associate Member of the Association of Consulting Engineers Malaysia and APEC & EMF International Professional Engineer.

He also serves as a Principal Interviewer for the Professional Interview Board with the Institution of Engineers Malaysia.

Ir. Ten Fui Chan @ Kenneth has accumulated over 31 years of experience within the engineering and project management services market, particularly in design, design management and project management. He started his career in Minconsult Sdn Bhd as a graduate engineer in 1989, and subsequently joined HSS Integrated Sdn Bhd in 1989 as a Highway Engineer. He was transferred to HSS Engineering Sdn Bhd in 2001 and promoted to Senior General Manager (Transportation) in 2016.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. MD JAMIL BIN HJ ISHAK

Malaysian, Male, Aged 50

He is the General Manager (Infrastructure) of HSS Engineering Sdn Bhd. He was appointed on 1 July 2014 and responsible in managing the Infrastructure Division, coordinating the design teams as well as providing technical supervision, guidance and reviewing design works. In addition, he also manages client and liaison with the relevant authorities and sub-consultants. He is also a Director of BIM Global Ventures Sdn Bhd.

He graduated with a Bachelor of Engineering (Civil Engineering - Honours) degree in 1992 from Universiti Teknologi Malaysia. He is a Professional Engineer with the Board of Engineers Malaysia and Professional Engineer with The Institution of Engineers Malaysia.

Ir. Md Jamil has accumulated over 27 years of experience within the engineering and project management services

market locally and overseas, particularly in planning, design, design management, construction supervision and project management. He started his career in Kedeco Berhad as a Civil Engineer in 1992, and subsequently joined HSS Integrated Sdn Bhd in 1993 as a Civil Engineer and was promoted to Senior Engineer in 1997. In 2002 he was transferred to HSS Engineering Sdn Bhd as Principal Engineer, promoted to Chief Engineer-Civil in 2008 and became General Manager (Infrastructure) in 2014.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANagements' PROFILE

TAN SRI DATO' IR. SYED MUHAMMAD SHAHABUDIN PSM, DSDK, PJK

Malaysian, Male, Aged 84

He is a Director of SMHB Engineering Sdn Bhd and was appointed on 9 April 2018.

He graduated from Plymouth College of Technology, UK in 1963 with a Diploma in Civil Engineering.

He is a Professional Engineer with the Board of Engineers Malaysia, a Board Member of Lembaga Urus Air Selangor (LUAS) since 1999, Fellow of the Academy of Sciences, Malaysia and currently Chairman of the Task Force on Water Demand Management and member of the Institution of Engineers Malaysia. He was also a Board Member of the Suruhanjaya Perkhidmatan Air Negara (SPAN) from 2007 to 2017.

Tan Sri has over 55 years of experience in project planning, management and financial planning of water resources and water supply projects, drainage and irrigation project, sewerage projects and oil & gas projects in Malaysia, Brunei and Singapore. He started his career with Jabatan

Kerjaraya Malaysia in 1963 and he served the Government for 12 years. His last post with the Government was as Chief Executive Engineer for the Penang Water Authority for 2 years before joining Binnie dan Rakan Malaysia as a partner in 1975. When SMHB Sdn Bhd (formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd was incorporated in 1980, he was made the Executive Chairman of SMHB Sdn Bhd. Today, he continues to serve as the Chairman of SMHB Sdn Bhd.

Tan Sri was involved in the formulation of policies governing water and wastewater services at state and federal levels that relate to economic and technical regulations by SPAN.

He does not hold any directorship in public company or listed issuer and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. MOHD ROUSDIN BIN HASSAN

Malaysian, Male, Aged 70

Ir. Mohd Rousdin was appointed to the Board of SMHB Engineering Sdn Bhd on 9 April 2018 and is responsible for the Human Resources and Administration matters of the company.

He graduated from the University of Westminster, UK with a Bachelor of Science in Civil Engineering in 1977 and obtained his Masters of Science in Water Resources Technology in 1990 from the University of Birmingham, UK.

He is a Professional Engineer with the Board of Engineers Malaysia (BEM), registered as Qualified Person with Suruhanjaya Perkhidmatan Air Negara, member of the Institution of Engineers Malaysia and member of the Institution of Civil Engineers UK.

He is currently Chairman of the Sub Finance Committee of BEM since 2012 and member of the BEM Management Committee since 2005 to date.

Ir. Mohd Rousdin has over 42 years of experience in planning, design, project management and construction supervision of water supply and infrastructure projects. He started his career with Jabatan Kerjaraya Malaysia in 1977 and had served Malaysian Government for 14 years before joining SMHB Sdn Bhd (formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd) in 1992 as an Associate Director. He was promoted to Director in 1994 and subsequently to Executive Director of SMHB Sdn Bhd in 1997.

He does not hold any directorship in public company or listed issuer and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANagements' PROFILE

IR. LOO AI CHOO

Malaysian, Female, Aged 61

She is a Director of SMHB Engineering Sdn Bhd. She was appointed on 9 April 2018 to the Board of SMHB Engineering Sdn Bhd and is responsible for corporate matters, as well as the Process and Environmental Division. She is also a Director of SMHB Environmental Sdn Bhd.

She graduated from Monash University, Australia with a Bachelor of Chemical Engineering in 1981 and obtained her Masters of Engineering Science in 1984 from the same university.

She is a Professional Engineer with the Board of Engineers Malaysia, registered as Qualified Person with Suruhanjaya Perkhidmatan Air Negara, member of the Association of Consulting Engineers Malaysia, member of the Institution of Engineers Malaysia, and a registered Environmental Impact Assessment Consultant with the Department of Environment Malaysia.

Ir. Loo Ai Choo has over 38 years of experience particularly in water and wastewater treatment process, environmental impact assessment, environmental management and environmental monitoring works. She started her career as a lecturer with Mara Institute of Technology College from 1985 to 1987 and with the Leicester University Engineering programme at Sunway College during the period from 1987 to 1989. She joined SMHB Sdn Bhd (formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd) in 1989 as a Senior Engineer and thereafter rose in ranks to Chief Engineer, Associate Director, Technical Director and Director.

She does not hold any directorship in public company or listed issuer and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. She maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. ZULKIFLEE BIN AB. HAMID

Malaysian, Male, Aged 58

He is a Director of SMHB Engineering Sdn Bhd. He was appointed on 9 April 2018 to the Board of SMHB Engineering Sdn Bhd and responsible for the Wastewater and Drainage Division.

He graduated from Portsmouth Polytechnic, UK with a Bachelor of Science in Civil Engineering in 1984.

He is a Professional Engineer with the Board of Engineers Malaysia, registered as Qualified Person with Suruhanjaya Perkhidmatan Air Negara, member of the Association of Consulting Engineers Malaysia and the Institution of Engineers Malaysia. He was the Vice President of the Malaysian Water Association (MWA) from 2015 to 2017 and is currently the Honorary Secretary of MWA for the term from 2019 to 2021.

Ir. Zulkiflee has over 36 years of experience in water supply, sewerage and sewage treatment works, water re-use, urban drainage and pollution control works, infrastructure and mass rail transit projects. He started his career as an Engineer in B-W Perunding Sdn Bhd in 1984.

In 1988 he joined SMHB Sdn Bhd (formerly known as Syed Muhammad, Hooi dan Binnie Sdn Bhd) as an Engineer and was thereafter promoted to Senior Engineer in 1991. He joined Ranhill Bersekutu Sdn Bhd as a Senior Engineer in 1993 before re-joining SMHB Sdn Bhd in 1995 as an Associate Director. He was promoted to Technical Director in 1997 and to Director in 2008.

He does not hold any directorship in public company or listed issuer and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANagements' PROFILE

ANANDANAYAGAM A/L SHARVANANDAN

Malaysian, Male, Aged 46

Mr. Anandanayagam is the General Manager of Corporate Communication of HSS Engineers Berhad since 2 June 2018 with responsibility over Corporate Communication, Investor Relations and Business Development for the Group. He is also a Director of BIM Global Ventures Sdn Bhd and HEB Energy Sdn Bhd.

He graduated from Loughborough University, UK with a Bachelor of Engineering (Hons.) in Civil Engineering in 1996.

He has more than twenty (20) years of experience in the engineering field working in multiple geographical locations covering Malaysia, Sri Lanka and Middle East. During his 12 years tenure in Middle East, mainly in Dubai, Abu Dhabi, Ajman, Kuwait, Qatar and Oman, he was involved in several key infrastructure projects within the MENA region.

He began his career as a Graduate Engineer with HSS Integrated Sdn Bhd in 1996 and was transferred to HSS Engineering Sdn Bhd in 2002. In 2006 he joined Dynasty Developments Lvt Ltd in Sri Lanka as Project Manager for a housing development project in Kandy, Sri Lanka. Prior to joining HSS Engineers Berhad, he worked as Chief Operating Officer in Consultant HSS, an engineering consultant firm based in Dubai, since May 2007.

He does not hold any directorship in public company or listed issuer and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regard to convictions for offences (other than traffic offences, if any) within the past 5 years.

IR. SIVAANANTHAN M.V. CHELLADURAI

Malaysian, Male, Aged 45

He is the General Manager of Transportation (Highway) of HSS Engineering Sdn Bhd. He was appointed on 1 January 2017 and is responsible for planning, managing and coordinating transportation infrastructure projects. He is also a Director of HSS Engineering Sdn Bhd.

He graduated from Universiti Malaya in 1999 with a Bachelor's Degree in Civil Engineering and obtained a Master of Science in Highway and Transport Engineering from Universiti Putra Malaysia in 2002. He obtained his Master of Business Administration in 2019 from the University of Strathclyde.

He is a Professional Engineer with the Board of Engineers, Malaysia and a Corporate Member of the Institution of Engineers, Malaysia. He is the Honorary Secretary of the Chartered Institution of Highways & Transportation Malaysian Branch 2019 – 2021 and an Associate Member of the Association of Consulting Engineers, Malaysia.

Ir. Sivaanathan has over 20 years of experience in the engineering consultancy and project management services industry. He began his career as a Design Engineer with

HSS Integrated Sdn Bhd in 1999 and transferred to HSS Engineering Sdn Bhd in 2002 before joining KL Consult Associates Sdn Bhd as a railway engineer in 2003.

He joined Sinclair Knight Merz Engineering Sdn Bhd in 2006 and was promoted in 2008 as the Section Manager for the Civil, Highway and Railway department. In 2011, he returned to HSS Engineering Sdn Bhd as the Chief Engineer (Highway) and was subsequently promoted in 2017 to General Manager of Transportation (Highway), a position he has held ever since.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group. He is the cousin of Dato' Ir. Nitchianathan A/L Balasubramaniam who is the Executive Director / Group Chief Executive Officer.

Save as disclosed above, he has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

SENIOR MANAGERMENTS' PROFILE

IR. REUBEN SELVARAJAH

Malaysian, Male, Aged 41

He is the General Manager (Special Projects) of HSS Engineering Sdn Bhd. He was appointed on 1 September 2015 and responsible in managing and coordinating design work for Infrastructure and Marine works. He is also a Director of HSS Engineering Sdn Bhd and HSS BIM Solutions Pvt Ltd.

He graduated with a Bachelor of Engineering in Civil Engineering from Universiti Teknologi Malaya in 2001. He is a Registered Professional Engineer with Board of Engineers, Malaysia and a Member with the Institution of Engineers, Malaysia.

He began his career as a Design Engineer with HSS Projects Sdn Bhd in 2001 and transferred to HSS Engineering Sdn Bhd in 2002. In 2006, Ir. Reuben joined Consultant HSS,

an engineering consultant firm based in Dubai, as a Civil Engineer. In 2011, he re-joined HSS Engineering Sdn Bhd as a Senior Engineer and was subsequently promoted in 2012 to Chief Engineer (Infrastructure) and promoted again in 2015 to General Manager (Special Projects), a position he has held ever since.

He does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

SULIANA BINTI ROSLI

Malaysian, Female, Aged 46

She is the Senior Legal Manager for the Group. She was appointed on 1 October 2014 and responsible for providing services in the areas of legal, governance and company secretarial to the Group. She graduated with Bachelor of Laws from University of Hull, UK in 1997 and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators.

She has over 21 years of experience in legal, commercial, governance and regulatory functions. She began her career in 1997 as Business Development Executive in The Network Connections Sdn Bhd. She left the company in 1999 to join Golden Arches Restaurants Sdn Bhd as a Legal Manager where she provided legal support to the company and its charitable arm and was with the company until 2007. In 2007, she joined HSBC Data Processing (M) Sdn Bhd ("HSBC") as Senior Legal Counsel where

she headed the offshore legal team for HSBC Bank plc's operations in UK covering the segments of retail, commercial and corporate banking. She left HSBC in 2012 to join Ambank (M) Bhd as Senior Legal Counsel where she headed the legal department which provides legal support and services to the bank's business banking for a year and thereafter led the legal department supporting the bank's retail banking segment. She left the bank in 2014 to join HSS Engineering Sdn Bhd.

She does not hold any directorship in public companies or listed issuers and has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group. She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.