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HEADLINE : HSS ENGINEERS EYES RM500M WORTH OF NEW PROJECTS IN FY22



HSS Engineers Bhd is eyeing RM500 million in new contract wins in the financial year of 2022 (FY22), as the group bids for RM375 million worth of projects for this year.

Its executive vice chairman Tan Sri Kuna Sittampalam said the group is currently occupied in tendering and submitting proposals for several big projects.

“We expect and are reasonably confident that our orderbook secure by the end of this year will exceed RM500 million,” Kuna told a virtual media conference after the AGM on Wednesday.

However, he said HSS Engineers remains cautious in approaching the projects to ensure that it aligns with the key guidelines.

“We are currently looking at a number of jobs and projects, but we are very mindful that recurring revenue incurs high capital costs,” he said.

HSS Engineers’ mega infrastructure projects are expected to be rolled out in the second half of 2022, such as the flood mitigation projects, Pan Borneo Phase 1B and MRT 3 which will boost the group’s current orderbook of RM516.7 million.

Kuna also expects HSS Engineers to roll out several of its overseas strategies and projects in FY22 including Asean, India, the Middle East, the UK and Australia.

“Our revenue diversification strategy is bearing fruit, as we establish multiple sources of income from high-growth sectors that will propel our prospects going forward,” he noted.

The diversification includes HSS Engineers' venture into the digital and technology sector, following the appointment by Digital Nasional Bhd to provide consultancy services for the implementation of Malaysia's 5G infrastructure and network.

On the regional expansion front, the engineering and project management consultant said it also formed strategic collaborations with Japanese consultants to participate in projects funded by the Japanese International Cooperation Agency and other projects in these countries.

"We have commenced supervision services for the North-South Commuter Railway Extension project in the Philippines through our Japanese partner, Oriental Consultants Global, and will commence supervision services for the Chennai Metro Phase 3 with Nippon-Koei in the fourth quarter of 2022," he added.

At the subsequent EGM earlier, HSS Engineers said its shareholders had approved the proposed variation and extension of the time frame for the utilisation of balance proceeds raised from its IPO amounting to RM18 million.

"Under the proposed variation, the group intends to earmark a total of RM6 million of balance IPO proceeds for the combined purposes of expansion into India and Asean, and the venture into recurring income and long term-based contracts with a focus within the power sector," HSS Engineers said.

Meanwhile, the remaining proceeds of RM12 million would be reallocated for partial repayment of borrowings for the acquisition of SMHB Engineering Sdn Bhd.

HSS Engineers' shareholders had also approved extending the timeframe for the utilisation of balance IPO proceeds from Dec 31, 2021, to Dec 31, 2023.