

PRESS RELEASE

## HSS Engineers buoyant of 2021 prospects

- *Implementation of mega infrastructure projects as well as award of new contracts will be accelerated in 2H-2021 to reinvigorate the economy.*
- *Current order book exceeding RM 600 million; tendering for RM437 million worth of jobs in rail, road and water infrastructure*
- *Embarking on revenue diversification strategy by exploring opportunities in the digital & technology space through data centres and telecommunication sector to support the nation's 5G rollout*

Kuala Lumpur, Malaysia, 10 June 2021 - Engineering and project management consultant HSS Engineers Berhad (HEB Group; Bloomberg- HSS:MK) is buoyant of its prospects in the current year on the back of its new contract wins and the anticipated roll out of new contracts for ongoing mega infrastructure projects in the second half of the year.

In April 2021, HEB Group was appointed by the Malaysian Government to provide project management consultancy (PMC) services for the Pan Borneo Highway Sabah project for RM144.9 million. The award bears great testament of the Group's credibility and continued confidence by the Government of the firm's expertise and capabilities in providing Project Management Consultancy (PMC) services in the infrastructure space. Furthermore, on 4<sup>th</sup> June 2021, a consortium of which HEB Group's subsidiary SMHB Sdn Bhd is part of, won an additional contract sum of RM 29.8 million for the Langat 2 Water Supply Scheme.

The new contracts expanded HEB Group's current order book exceeding RM 600 million, which also includes other PMC projects such as the delivery management office for all development projects for the Northern Corridor Investment Authority (NCIA) and the proposed expansion and construction of a new healthcare facility for Institute Jantung Negara, as well as engineering services for major infrastructure projects such as East Coast Rail Link (ECRL) and Iskandar Bus Rapid Transit (BRT). In addition, HEB Group is also tendering for RM 437 million worth of infrastructure projects in rail, road, and water sectors.

“Despite the implementation of the Full Movement Control Order on 1 June 2021, our operations remain uninterrupted as we play a key supporting role for ongoing infrastructure projects. We will remain vigilant in adhering to the standard operating procedures issued by the authorities to uphold the health and safety of our employees whilst continuing to serve our clients diligently.

We are optimistic that the Government will speed up the implementation of mega infrastructure projects which includes the Mass Rapid Transit Line 3 (MRT 3), Penang Transport Master Plan (PTMP) and Johor Bahru - Singapore Rapid Transit System (RTS) in the second half of 2021 to rejuvenate the economy. Our participation in MRT1, the ongoing MRT2 and ECRL are a testament of our engineering capabilities, and position us favourably to secure more projects.

HEB Group’s current order book exceeding RM 600 million, which will sustain our earnings for the next three to five years. The Group will continue to capitalize on its expertise and track record to partake in the nation-building mega infrastructure projects. Our tender book remains healthy at RM 437 million.

In addition, HEB Group remains on course in its regional expansion. This endeavour will be supported through strategic collaborations with other partners. As such, HEB Group is collaborating with its Japanese partner - Nippon-Koei, to provide supervision services for the Chennai Metro Phase 3 in India. Besides that, HEB Group had commenced supervision services for the North-South Commuter Railway Extension project in Philippines through its Japanese Partner - Oriental Consultants Global.

Simultaneously, as part of our revenue diversification strategy and recognizing the transferability of our expertise into other high-growth sectors, HEB Group is exploring opportunities in the digital & technology sector focusing on data centers as well as the 5G telecommunications space, in support of the Government’s focus on accelerating the digital economy in the wake of the COVID-19 pandemic. We have embarked on a collaborative partnership approach with global leading data centre specialists to pursue engineering and project management opportunities in Malaysia and South East Asia. At the same time, we are leveraging on our PMC experience to directly pursue opportunities with Digital Nasional Berhad (DNB) to successfully implement its nationwide 5G roll-out.”

*Tan Sri Ir. Kuna Sittampalam  
Executive Vice Chairman, HSS Engineers Berhad*

In the wake of the pandemic, more businesses have transitioned to performing their operations online. With consumers and businesses gobbling up more data in an increasingly connected world, data centres are in hot demand. With the Singapore Government imposing a moratorium on the establishment of new data centres due to power and land shortage, neighbouring countries such as Malaysia and Indonesia are expected to benefit from the spillover demand. The sector in Malaysia is expected to experience revenue growth of more than US\$ 800 million by 2030. In addition to this, industry statistics anticipate that the data centre market in Southeast Asia such as

Singapore. Malaysia, Indonesia and Thailand are poised to grow at 14% compounded annual growth rate (CAGR) to USD3.5 billion in the next decade.

Tan Sri Kuna added: “We are speaking with global leading data centre specialists to pursue engineering and project management opportunities in Malaysia and South East Asia, and hope to make meaningful inroads in the next one to two years.”

The Malaysian Government has mandated DNB to implement its RM15 billion 5G network rollout nationwide. With multiple stakeholders, project complexities and intensive resource requirements, the project requires significant coordination in its nationwide implementation, which is a scope similar to HEB Group’s current role as DMO for multiple projects under the Northern Corridor Implementation Authority (NCIA).

Inasmuch as we have already proven ourselves as a key enabler for Malaysia’s infrastructure growth in the urban transportation, port and water sectors, we are now pivoting into supporting the aspiration of the nation’s digital infrastructure to chart future progress. This, we believe, is the right way forward for HEB Group’s further expansion in the long term.

#### About HSS Engineers Berhad ([www.hssgroup.com.my](http://www.hssgroup.com.my))

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.

HEB Group’s workforce grew to approximately 1000, of which more than half are engineers, upon the completion of the acquisition of SMHB Engineering Sdn Bhd on 28 March 2018. With a combined experience of more than 80 years, the Group possess 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 MRT 1& 2, Maju Expressway 2, West Coast Expressway, SUKE Expressway, Pahang - Selangor Water Raw Transfer, Development of Sungai Selangor Phase 1, 2 and 3, Sarawak Water Grid Study 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.



ENGINEERS

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