



ENGINEERS

HSS ENGINEERS BERHAD (1128564-U)

Malaysia's Engineering DNA

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PRESS RELEASE

HSS Engineers remains resilient under “next normal” era

- *Tendering for RM215 million projects across transportation, port and water sectors*
- *Order book stands at RM561.3 million as at 31 March 2020*
- *Exploring recurring income streams with focus on renewable energy*

Kuala Lumpur, Malaysia, 10 June 2020 - Engineering and project management consultant HSS Engineers Berhad (**HEB Group**; Bloomberg: HSS:MK; Reuters: HSSE.KL) expects to remain resilient as it adapts to the “next normal” and continue supporting the nation’s infrastructure development initiatives.

The Group is now tendering for RM215 million worth of projects across the transportation, port and water sectors. The sectors are within HEB Group’s core expertise, with HSS Engineering specialising in rail, road and ports, while SMHB Engineering is leading in water sector infrastructure engineering.

Speaking at the press conference after the Annual General Meeting today, HEB Group Executive Vice Chairman Tan Sri Kuna Sittampalam said that these initiatives would potentially enable HEB Group to bolster its order book, which stood at RM561.3 million as at 31 March 2020.

“Going forward, with the Government needing to jumpstart the economy, we foresee the construction industry, particularly the infrastructure space to play a major role, as this will provide the necessary larger downstream multipliers to the economy.

As a key player already involved in existing nation building projects such as the East Coast Rail Link, Klang Valley Mass Rapid Transit Line 2, Iskandar Malaysia Bus Rapid Transit project and Langat 2 Water Supply Scheme, we will leverage on our expertise and track record to be involved in future anticipated projects.”

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

In the long term, public transportation continues to be a priority in the country in order to sustain economic growth by reducing congestion in urban centres. As a result, there are various proposed projects in the pipeline to combat the issue, namely Klang Valley Mass Rapid Transit Line 3 and Johor Bahru-Singapore Rapid Transit System.



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The Government is committed to enhance the national water infrastructure with the aim to improve water reserve margins, reduce non-revenue water (NRW) due to leaks and water theft, as well as increase water supply to meet the anticipated 30% demand increase by 2050. Some of projects that are in the pipelines include Sungai Perak Raw Water Transfer Scheme, Upgrade Works for Water Resource and Supply in Johor, Langkawi Water Supply, Development of Rasau Water Supply Scheme, Sarawak Grid Study, as well as various NRW and Off River Storage projects.

For the port industry, there is a proposed expansion plan by Westport, a long-term client of HEB Group, to double its container-handling capacity to about twenty -eight million twenty-foot equivalent units a year by 2040. Westport has proposed to develop eight additional berths comprising Container Terminal 10 to Container Terminal 17 to support the expected long-term growth in the coming decades.

Furthermore, HEB Group aims to build a recurring income stream with the focus in the renewable energy sector which would involve some level of equity participation. This is in line with the Government's initiative to increase the power generation in the country via renewable energy from 2% currently to 20% by the year 2025.

The Group remains committed in its regional expansion plan, but is wary of the impact on regional economies post-COVID19. A certain degree of rising nationalism is expected in Indonesia and Philippines, as the governments of these countries aim to preserve domestic interests and internal resources by striking a delicate balance in empowering local talents and employing external expertise.

As a result, the Group will need to evaluate the commitment of these countries to their high-growth infrastructure development plans, and as such the realistic mid-to-long term opportunities present to the Group.

Tan Sri Ir. Kuna also touched on the "next normal" in operations in light of the COVID19 pandemic: "We are now starting to see the light at the end of the tunnel, especially in Malaysia, after the Government, on 7 June 2020, announced that the country is now in the recovery phase of the Movement Control Order. In this phase, most of the businesses are allowed to resume operations, while adhering to the Standard Operating Procedures (SOPs) stated. In line with this, our site offices have started to operate at different levels in accordance to their respective SOPs."

"Since we obtained approval to commence operations on 24 April 2020, we focused on three key areas, namely upholding the health and safety of our employees, continuing to serve clients to maintain order book delivery, and to protect future growth of the company, by incorporating guidelines and SOPs that were advised by the Ministry of Health. We will continue to uphold these even under the current recovery period so as to ensure the safety of our employees, clients and other stakeholders."

The AGM today saw all tabled resolutions approved by shareholders.



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About HSS Engineers Berhad (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.

Issued for and on behalf of HSS Engineers Berhad by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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