



ENGINEERS

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PRESS RELEASE

HEB Group eyes RM500 million new wins in 2022

- *Tendering for RM375 million jobs in rail, road and water sectors to boost RM516.7 million order book currently*
- *Shareholders also approve reallocation of increased IPO proceeds for venture into recurring income and long-term based contracts focusing on the power sector, to be utilised till FY2023*

Kuala Lumpur, Malaysia, 8 June 2022 - Engineering and project management consultant HSS Engineers Berhad (HEB Group; Bloomberg- HSS:MK) is eyeing RM500 million new contract wins in the current financial year, as it bids for RM375 million worth of projects.

Executive Vice Chairman Tan Sri Kuna Sittampalam said that apart from tendering for projects within the Group's core expertise in the rail, road and water sectors, HEB Group was keen on opportunities from emerging-yet-crucial themes such as road privatizations, flood mitigation, and the digital and technology sectors.

“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. This includes our maiden venture into the digital and technology sector, as we were appointed by Digital Nasional Berhad to provide consultancy services for the implementation of Malaysia's 5G infrastructure and network. We also hope to play a role in supporting the set-up of data centers in the country. On the regional expansion front, we have formed strategic collaborations with leading Japanese consultants to participate in projects funded by Japanese International Cooperation Agency (JICA) and other projects in these countries. In this regard, we have commenced supervision services for North-South Commuter Railway Extension (NSCR-EX) project in Philippines through our Japanese partner, Oriental Consultants Global and will commence supervision services for the Chennai Metro Phase 3 with Nippon-Koei in the 4th Quarter 2022.

While we make a headstart in these new sectors, we also intend to deepen our involvement in areas of our core expertise of high-impact national development projects. Various mega infrastructure projects are expected to be rolled out in the second half of 2022, such as the various flood mitigation projects, Pan Borneo Phase 1B and MRT 3. These would undoubtedly further boost our current order book of RM516.7 million.

Furthermore, the national development agenda outlined in the 12th Malaysia Plan (12MP) paints a rosy outlook for our long-term prospects as a key engineering services enabler. HEB Group is poised to facilitate the advancement of infrastructure development in Malaysia.”

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



The Group had secured notable wins in the year to date, including a Letter of Award from Malaysia Airports Holding Berhad to be the Independent Checking Consultant for the Design and Build packages of the proposed development of MRO hangars and industrial buildings in relation to the Sultan Abdul Aziz Shah airport, as well as a Letter of Appointment from Mass Rapid Transit Corporation to provide peer review consultancy services for the Mass Rapid Transit (MRT) 3.

Shareholders also approved all the resolutions tabled at the Annual General Meeting held today. At the subsequent Extraordinary General Meeting, shareholders had also approved the proposed variation and extension of timeframe for the utilisation of balance proceeds raised from its Initial Public Offering (IPO) amounting to RM18.0 million.

Under the proposed variation, the Group intends to earmark a total of RM 6.0 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 focus within the power sector.

The remaining proceeds of RM 12.0 million would be reallocated for partial repayment of borrowings for the acquisition of SMHB Engineering.

Shareholders also approved to extend the timeframe for the utilization of balance IPO proceeds from 31 December 2021 to 31 December 2023.

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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 1,000 (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 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 and 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.

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