



RM72.5m new road and bridges project for HSL

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KUCHING (Wednesday): Sarawak-based infrastructure and marine engineering specialist Hock Seng Lee Berhad (HSL) will be involved in a new road and bridges project in Kuching worth RM72.5 million.

The project, called the Construction and Completion of An Access Road Linking Technology Park Samarahan To Tanjong Bako, Kuching has been awarded to the consortium of HSL and Matrik Bestari Sdn Bhd by the Public Works Department (JKR).

HSL, which has built close to 700km of roads throughout Sarawak, will have 90% share in the consortium.

The contract period for the project will be 30 months with completion thus due by December 2012, while payment will be half in cash and half in kind, in the form of land.

"We expect the project to contribute positively to Group bottom line, while the land allocation will add to our existing land bank of some 600 acres and provide further opportunities for our successful property development division," said HSL's Managing Director Dato Paul Yu Chee Hoe.

It is noteworthy that at least half of the new road project will traverse low-lying swampy terrain where HSL's reclamation and geotechnical engineering expertise will come into play.

Crossing Kuching and Samarahan divisions, the new link road will also require two RC bridges over Sungai Bayor and Sungai Jernang and numerous culverts. The new bridges will be constructed with support from HSL's extensive marine fleet as both require bore piling of 1m diameter due to the rocky nature of the river beds.

Added to three smaller new road projects, a building works contract in Samarahan and a wharf at Muara Tebas, the new road and bridges contract brings the total value of projects procured so far in 2010 to RM189 million.

During the same period some RM149 million worth of projects have been completed including an educational institution in Bintulu, road works at Panchor, Kuching and the property development project, Vista Parade in Sibu.



"Procurement is continuing strongly with infrastructure development across Sarawak intensifying in the wake of the economic stimulus packages and the SCORE (Sarawak Corridor for Renewable Energy) initiatives.

"There is real impetus from our leadership to bring industrialization in Sarawak into line with the more developed parts of the nation.

"The resulting boost to the construction industry is very evident in our order book, which at RM1.8 billion with some RM1.15 billion outstanding, is sustained at our highest level," said Dato Paul Yu.

Among other projects in hand, HSL's largest is the Centralised Wastewater Management project for Kuching (Package 1). These important sewage works involve trenchless technology whereby HSL is commissioning Tunnel Boring Machines to lay the pipes.

The entire sewage system for Kuching is estimated to cost RM2 billion, while the first package which is now underway is worth RM530 million.

Also ongoing, HSL has RM179 million reclamation and infrastructure works for the shipping industrial estate in Tanjung Manis, RM136 million Sibu Flood Mitigation works, several road works throughout the state, building construction projects including educational institutions and additional reclamation works for industrial estates, among others.

"We are fortunate to have a niche market position where our strengths in marine engineering and infrastructure works make us a major beneficiary of the re-acceleration of construction activity in Sarawak," said Dato Paul Yu.

"It is an exciting time for Sarawak and with roads into the interiors to be built, the development of hydro-power facilities and rapid urbanization requiring water management, flood mitigation and sewage systems.

All these generate potential projects for HSL and with our recently announced first quarter results putting earnings up 30% over the same period in 2009, 2010 looks like being another year of commendable growth for HSL", said Dato Paul Yu.

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Based in Sarawak, East Malaysia, Hock Seng Lee Group is involved in marine engineering, civil engineering, building construction and property development.

HSL is listed on Bursa Malaysia's Construction Counter (stock code 6238, Bloomberg code HSL MK).

For further information see: www.hsl.com.my