

# HSL to get RM150m new roadworks

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KUCHING — Hock Seng Lee Berhad (HSL) has received Letters of Intent from the State Government of Sarawak through Jabatan Kerja Raya Sarawak on 15 February 2006 for two new road projects worth some RM150 million.

“It is pleasing to start the year with positive procurement outcomes,” said HSL’s Managing Director Mr Paul Yu Chee Hoe.

“It is notable that both these road projects involve substantial amounts of reclamation work which is our area of expertise. We are thus in a position to undertake such work with superior efficiency and cost-effectiveness,” he added.

The first project is the *Construction And Completion Of Proposed Semariang Riverine Loop Road, Kuching* which is to be undertaken on a design and build basis by direct negotiation.

The mode of payment for the contract will be partly in cash and partly in kind in the form of State land. The estimated value of this Project submitted in the preliminary proposal is RM70.1 million with a project duration of 30 months.

This Project involves the construction of a new approximately 11km road along a low-lying coastal stretch, seven major bridges, several minor crossings and associated drainage and culvert works.

The second road project is entitled the *Construction And Completion Of Access Road Linking Technology Park To Kpg. Tanjong Bako, On A “Design And Build” Basis*. The Letter of Intent for the project is directed to HSL in joint venture with local company Matrik Bestari Sdn Bhd with interests of 90 percent and 10 percent respectively.

The estimated value of this Project submitted in the preliminary proposal is RM79.8 million with a project duration of 30 months.

This Project involves the construction of an approximately 12km new road, three major bridges, several crossings and associated drainage and culvert works.

The road links the existing road from Technology Park to the tip of Tanjong Bako, in the process crossing three rivers where major bridges have to be built.

“We are presently carrying out the various investigative works for the two projects and completing Preliminary Design Reports for the authorities,” said Mr Yu.

“The proposed roads both traverse swampy areas and so extensive sand filling will be necessary,” he added.

“Our marine expertise will also be required to construct the ten bridges required for the two projects,” Mr Yu noted.

Upon award both projects will contribute positively to the earnings and net tangible assets of HSL during the construction period.

Moreover, with part payment expected to come in the form of an allocation of State Land, HSL looks forward to further increasing its existing land bank of over 400 acres.

HSL’s marine engineering expertise allows it to economically prepare such land for development and it becomes a subsequent source of projects for its property development arm.

“Our property sector has performed strongly during 2005 and with clients increasingly interested in cash-land payment terms, over time, we foresee great opportunities for successful residential and commercial property projects using our land bank,” said Mr Yu.

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