

HSL 'scores' in Samalaju

- Wins RM90.28m water supply project

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KUCHING (Wednesday): Sarawak-based infrastructure and marine engineering specialist Hock Seng Lee Berhad (HSL) has secured a new rural water treatment plant project in SCORE (the Sarawak Corridor of Renewable Energy) worth RM90.28 million.

The water treatment plant is to be constructed in Samalaju which is 60km north of Bintulu and one of the three growth nodes of SCORE along the central coastline of Sarawak.

"This contract marks HSL's first successful tender result for a project to be directly awarded by RECODA (the Regional Corridor Development Authority) and we hope there will be more to come," said Dato Paul Yu Chee Hoe, Managing Director of HSL.

RECODA is responsible for spearheading the SCORE development as well as the management and promotion of the corridor.

Designated as the new heavy industry hub for Sarawak, Samalaju is a growing township that has seen a recent influx of foreign investors engaged in metal-related production.

Earlier in the year, international industrial giants Japan's Tokuyama Malaysia Sdn Bhd, Singapore's Australian Stock Exchange listed OM Materials, Singapore's Asia Minerals Ltd and Press Metal Berhad were reported to have signed power purchase agreements with Sarawak Energy Berhad and are constructing their plants in Samalaju.

A reliable supply of treated water is clearly essential for these investors and for the success of the rapid ongoing development of this booming industrial town in general.

The scope of works for the water supply project includes substantial mechanical and electrical works, earthworks, drainage and retaining structures, piling, piping and actual construction of the treatment plant and associated works.

The latter involves construction and commissioning of, among others, a pump house, chemical house, aerators, flocculation tanks, sedimentation tanks and other filtration process facilities.

The contract period for the project will be 17 months with the date of site possession scheduled for late November 2011.

“Rural water supply is a field that we are keenly pursuing as it draws on our marine engineering skills, expands our technical capabilities and is a field currently in high demand,” said Dato Paul Yu.

The supply of treated water to rural communities in the state has become an important priority of the government given the fundamental role of this basic amenity to socio-economic development.

The Prime Minister Datuk Seri Najib Tun Razak recently announced that the 2012 budget would feature a RM5 billion allocation to strengthen basic rural infrastructure in the nation including roads, power and water supply.

The Prime Minister made particular mention of the government’s concern over clean water supply to communities in the remote areas of Sabah and Sarawak.

“Rural water treatment and supply is an area of great potential for HSL and it is a rewarding field given that a safe, reliable water supply has a positive impact on raising the living standard and protecting the health of our fellow Sarawakians while encouraging commerce and industry,” said Dato Paul Yu.

“We seek to have a strong presence in infrastructure projects for SCORE and procuring this project after an open tender exercise, demonstrates HSL’s ongoing competitiveness in sophisticated engineering and construction activities,” he added.

Dato Paul Yu said that the new contract, which brought HSL’s order book to RM1.7 billion, was expected to contribute positively to Group bottom line for 2012 and 2013.

HSL Group currently has RM1.1 billion of works outstanding including Package 1 of the Kuching Centralised Waste Water project which involves high-tech tunnel boring for the sewerage line and an advanced waste water treatment plant.

It is also undertaking flood mitigation works, roads and flyovers, construction of affordable housing and educational institutions and various reclamation and infrastructure works throughout the state of Sarawak.

The HSL Group is on track to add another year of growth in 2011 and currently has zero borrowings with RM130 million in cash reserves.

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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