

NEW YEAR (2017) MESSAGE BY OUR CO-FOUNDER / EXECUTIVE DIRECTOR

DATO' SRI Ir. KUNA SITTAMPALAM

On the 10th of August 2016 HSS made history. We took a giant stride and became the **first** and **only** engineering consultancy company in Malaysia to be public listed.

As we celebrate groundbreaking milestones, let us remind ourselves that this listing comes with a responsibility to our clients, the investing public and the nation.

The hallmark of HSS is its ability to innovate where innovation is required and evolve with the changing times. We have done so in the past, and will continue to do so to meet new market requirements.

Today, I am proud to say that we have consolidated and aligned to operate as a listed group. We are responding well and carrying on business as usual.

The consolidation has been organisation wide. The Board of the subsidiaries has been reorganised to encompass all the various disciplines or sectors we are involved in and reflect a younger dynamic board.

Our congratulations to all the directors and a warm welcome to the newly appointed directors, effective 1 January 2017.

HSS Engineering Sdn Bhd

1. Dato' Ir. B. Nitchiananthan
2. Ir. Sharifah Azlina
3. Ir. Kenneth Ten
4. Miss Ng Kuan Yee

BIM Global Ventures Sdn Bhd

1. Ir. Sharifah Azlina
2. Ir. Sundrarajan Krishnan
3. Ir. Md Jamil Ishak

HSS BIM Solutions Private Ltd

1. Ganesh Balasubramanian
2. Ragunathan Jagannathan
3. Dato' Ir. B. Nitchiananthan
4. Ir. Reuben Selvarajah

The new directors for **HSS Integrated Sdn Bhd** (“HSSI”) are awaiting registration with the Board of Engineers and we will announce them upon approval. I am confident that this new board has the strength and wisdom to take HSS forward.

We are also pleased to inform that HSSI was chosen and registered with The Unit Peneraju Agenda Bumiputera (TERAJU) in 2015. Teraju was established as a strategic unit in the Prime Minister’s Department to lead, drive and coordinate the Bumiputera agenda as part of the National Transformation Plan.

It is a privilege to be part of the **Teraju programme** and currently we have permanent Bumiputera professionals at 62% and overall permanent Bumiputera staff at 60%.

HSS Branding

As we embark on this new chapter of our journey, we have overhauled and renewed our emphasis on branding.

We strive to evolve HSS into a great brand that we can all be proud of. A world-class brand. A brand that demands respect, inspires our people, and that our customers admire and trust. Our brand is our identity.

Wherever you are, you represent this brand, consistently reflecting the quality and service that can be expected from HSS. Our brand should be instantly recognisable, providing a stamp of authenticity of our organisation. All these information can be found in our newly released Branding Manual.

Together we must make HSS a brand that we can all be truly proud of.

Visuals and Videos

For the first time our presentation will be in high definition videos. We are progressing with **HD videos for all the sectors and disciplines** we are involved in from Highway, Railway, Bridge and Structure to Ports and Airport, and Infrastructure. Also included in the sectors are our Mechanical & Electrical services.

We now use **Drone Aerial footage of our project sites** in all our videos creating more awareness and impact of our projects to our clients.

Communication Systems

The Group has long been entrenched in the benefits of the digital spectrum and having **already migrated our communication systems** to cloud based services 4 years ago, this year we are in the process of migrating our administrative as well as project documentation, management and control to the digital spectrum.

HSS Innovation

HSS has always prided itself as an Engineering Services company that is **Malaysia's Engineering DNA**. Innovation has been the key to this belief.

Here, let's share some of the **Innovations HSS** has been involved in the past year across all the Engineering sectors and these are only some of such innovations.

1) The Traction Energy Recovery System (TERS).

In one of our rail projects, an innovative development has been included in the traction power and train design. This system efficiently utilizes the regenerated electricity from the train braking and feeds the electrical energy back into the power distribution network. The regenerated electricity is then used to help drive other trains, or light stations, drive escalators and lifts, and the air conditioning.

This innovative solution was recently developed in Europe, and is fitted to Barcelona Metro. The benefits include:

- i) Improve train stopping accuracy – Trains don't need to activate their mechanical braking, thus the train is able to stop more accurately and with no jerking;
- ii) Energy recovery – This system contributes to “greening” the environment through re-usable energy for the Network – about 2% reduction in energy;
- iii) Reduces the weight of the Electric Train (ET) by eliminating the braking resistor bank, therefore consuming less power.

2) Building Structures

HSSI has designed a new diving platform with complex shape and arrangement in accordance to FINA standards for one of our building structures projects. HSSI has also developed the 3D Revit model and 3D reinforcement drawings for the main RC wall of the diving platform to assist the Contractor on the construction of this structure. We are humbled that through our use of **BIM technology we are helping contractors** to build complex geometrical forms with much more ease and cost effective.

3) Communication Based Train Control Signalling System (CBTC).

We have incorporated in one of our rail projects the latest technology for the migration of the existing fixed block signalling system (for the existing Starline) to Communication Based Train Control Signalling System (CBTC).

It is impressive that in this project we were the first in Malaysia to submit to SPAD on **Engineer Report** for approval prior to the issuance of the operating license. We believe that this report will become the **Industry Standard for future Railway Schemes**.

4) Energy Conservation and Sustainability

We are promoting **energy conservation** and **sustainability** not only in our own working environment but also in the work we do for our Clients. Currently, we are undertaking studies on **renewable energy** for one of **our larger Clients** in terms of power generation such as the use of solar farms or cogeneration plants, instead of the conventional power generation plants. Energy efficiency and sustainability are at the fore front of our goals for the coming year.

5) Bridge Engineering

In Bridge Engineering we are happy to note we are involved in many innovative and challenging structures. Just to name a few.

- 160 m long navigational span balanced cantilever box girder bridge;
- 60 m long steel-composite plate girder bridges over major rivers; and
- Integrated structural framing with double-deck system supporting both rail guideway and station concourse and platform at different level etc.

6) Successfully Completed Projects

There are many other achievements in 2016 that all of us can be proud of. For example, partial opening **of MRT 1 railway project** – a mega Infrastructure project or the completion of the Temporary Workers Camps for 70,000 workers for Petrol Chemical Plant in Pengerang, Johor or the completion of Ampang LRT Line Extension project.

Thank You

I wish to thank the Board of Directors of HEB, namely Dato' Mohd Zakhir (Chairman), Dato' Ir. Khairudin Sidek, Mr Mohan Ramalingam and Mr Foo Lee Khean for their continued support and guidance throughout the year.

We are grateful to CEO/Director Dato' Ir. B. Nitchiananthan and COO/Alternate Director, Puan Sharifah Azlina for their leadership.

Their leadership is complimented by the many talented and capable Senior Management members:- Vimalanathan P, Mathew Philip, Ng Kuan Yee, Ganesh Balasubramanian, Ragunathan J, Jeff Hewitt, Malcolm Owens, Punniya Moorthy, Chen Wai Peng, Lee Yew Seng, Bassam Mansour, Arul Nathan, Kenneth Ten, Md. Jamil Ishak, Sundrarajan K, Aruljothy P, Reuben S, Thavaseelan N, Ragavan K , Sivaanathan, Norhaliza, Khairul Anuar, Rabindranath, Somnath M, Zamri Mohd, Azman Abdul Rahman, Khamsah Rais, Chong Kim Soong, Kamala G, Suliana Bt. Rosli, Stephanie Liew, Norhayati Shamsuddin, L Yoogarajah, S Punithakumar, Paul Millward, Sudip, Deepa, Dr. Andrew Yap, Gan Hwa Kian, Afridah Abd Hamid, K Ragunathan, Ramesh Menon, Swai Kwee Ngor. Our appreciation to all of them.

And finally, **a big thank you to all the staff of HSS** for without them, we wouldn't be where we are today.

2017

In terms of order book, projects and financial position of the group, these will be covered as per Bursa's requirements in our 2016 Annual Report due out in the second quarter of 2017.

Today, we are in a strong position to vie for the many mega projects that the Government has announced including The High Speed Rail and East Coast Rail Project.

With many infrastructure projects the nation is currently embarking on, 2017 looks very promising for HSS.

Together, as one, We Are HSS. When we say 'we are HSS', we are looked upon with awe and respect. Let us sustain this image and build HSS further to become the Premier Service Provider.

Wishing all of you A Happy & Prosperous New Year 2017

KUNA SITTAMPALAM

Date: 28 December 2016