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TERAS Teknologi Sdn Bhd, a wholly-owned subsidiary of United Engineers (M) Bhd (UEM), aims to float its shares by 2009 and boost revenue fivefold to over RM300 million in five years.

Teras Teknologi is an information, communications and technology (ICT) company and has consistently chalked a steady revenue stream of between RM30 million and RM38 million in the last five years.

General manager of operations, Abdul Rahim Seliman, said the company also wants to become a reputable ICT company in Asia by 2011.

Abdul Rahim said the company expects to register a revenue of RM38 million in 2006 and aims for a 68 per cent revenue growth to RM60 million in 2007.

"We want to strengthen our local and overseas business, ensure a stable growth recognised by the Government and acquire one relevant company in 2009," he told Business Times recently.

Teras Teknologi is part of the Government-owned conglomerate UEM. The company is involved in ICT systems integration which includes integrating the Touch 'n Go smart cards and the SmartTAG transponder payment systems used on highways.

The company monitors, integrates and manages ICT systems at 19 concession toll companies nationwide to ensure smooth operations and improved lane performance for motorists at Touch 'n Go and SmartTAG lanes.

Teras Teknologi handles and integrates the electronic toll system for Malaysia's four million Touch 'n Go card users (not including the Touch 'n Go feature incorporated in some of the 10

# Teras Teknologi aims for Bursa listing in 2009

million MyKad) and 400,000 SmartTAG transponders.

Malaysia currently has some five million vehicles on the road, of which one million pay toll. Out of the one million, 30 per cent use the Smart TAG transponder.

Teras Teknologi has business focus in nine areas such as electronic payment systems, congestion management, parking systems, public transport systems and access systems in offices and homes.

Incorporated in 1994, Teras Teknologi's role is to localise content of Malaysia's highway toll systems whose technology was imported from France and Japan.

"We were tasked by the Government to boost local content and now cost has been reduced by 40 per cent or a saving of RM100,000 per lane. Now 75 per cent of toll systems in the country employ local technology," said Abdul Rahim.

Employing 160 workers, Teras Teknologi derives 60 per cent of its revenue from the electronic payment systems, other ICT services (20 per cent) and surveillance control systems (10 per cent).

The company, which has an 80 per cent market share in the country for ICT toll systems, had

an order book of RM35.8 million in 2006, of which 70 per cent of jobs were awarded by its parent company UEM Bhd.

It also carries out toll system jobs for Projek Lebuhraya Utara Selatan, the Penang bridge, Elite and Second Link highways as well as installed a RM2 million toll system at the upcoming Smart tunnel project in Jalan Tun Razak.

Abdul Rahim said the company is now set for greater things as it expands overseas to make toll systems in the Philippines, Bangladesh, India, Sri Lanka and Indonesia.

"We hope to secure a RM3.5 million contract in India by July this year and in Bangladesh we are still tendering.

"In Sri Lanka, we are in the second stage of awards to supply toll systems together with a South Korean partner," he added.

Abdul Rahim said the transport sector is the best expanding market for the company, contributing 5-7 per cent to overall gross domestic product of the country between 2000-2005.

For the future, Abdul Rahim said Malaysia is gearing towards a multi-lane free toll system slated by 2009 which eliminates toll booths, a system commonly used in Australia and Europe.



“We want to strengthen our business, ensure a stable growth recognised by the Government and acquire one relevant company in 2009”

Abdul Rahim

## HSBC to cross-sell insurance products to boost customer base

■ By Rupinder Singh  
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HSBC Bank Malaysia Bhd expects 60 per cent of its banking customers to own an insurance product in two years time.

It expects to achieve this target with the rising contribution from its Islamic insurance unit, HSBC Amanah Takaful Sdn Bhd.

Currently, the bank's in-house insurance penetration rate is about 30 per cent from a total of just over one million customers.

Its general manager (personal financial services) U Chen Hock said the penetration rate is higher than the overall banking industry's of 8 per cent.

"Our first focus is to cross-sell into our existing customer base. Together with our sister company (HSBC Amanah Takaful), we would be developing products which we think are suitable for our existing customers," U told a news conference in Kuala Lumpur yesterday.



Our penetration rate is higher than the banking industry, says U

He said both the bank and its takaful unit will introduce new products to cater for segments that are relatively untapped within its existing customer base.

"This is where we feel the growth exists," U said.

The bank also distributes over 20

conventional insurance products via bancassurance tie-ups with Mitsui Sumitomo Insurance (Malaysia) Bhd, Manulife Insurance (Malaysia) Bhd and American International Assurance Co Ltd.

HSBC aims to be a key player in the bancassurance market that accounts for half of the new business written in the life insurance industry.

As at December 2006, bancassurance accounts for a small portion of HSBC's wealth management portfolio which is led by its investment segment.

HSBC is the leading institutional unit trust agents (IUTAs) in the country with RM2 billion in sales.

Meanwhile, HSBC Amanah Takaful chief executive officer Keith Driver said the government and the financial services community will continue to develop comparable and universal products that are Islamically-compliant and competitive.

He said the country's low insurance penetration rate augurs well for the industry's prospects as a whole.

## Petronas Gas Q3 profit rises to RM357m

PETRONAS Gas Bhd, a subsidiary of Petrolia Nasional Bhd (Petronas), reported a 36 per cent year-on-year growth in net profit in the third quarter, due to higher throughput revenue and utilities sales.

It saw net profit reaching RM357.4 million for the three months ended December 31 2006 from RM262.3 million in the same quarter a year ago.

Revenue rose 4.6 per cent to RM752.9 million in October-December 2006 from RM719.7 million in the same period in 2005.

The state-owned company said going forward, revenue from its utilities business is expected to increase as a result of higher sales to customers.

"Revenue prospect for the gas processing and transmission business would continue to be dependent on upstream gas production levels," it said in a filing to Bursa Malaysia yesterday.

Last September, Petronas Gas completed its acquisition of a 20 per cent stake in Gas Malaysia Sdn Bhd from Petronas.