

# Teras Teknologi driven towards global dreams

## Company moving into new markets



The toll revenue collection system pioneer and UEM Group unit wants to become a reputable ICT player in Asia within five years.

ABDUL RAHIM: Firm aims to expand market base globally

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TERAS Teknologi Sdn Bhd, which pioneered the toll revenue collection system in Malaysia, aims to become a global information and communications technology (ICT) player by first strengthening its position in the Asia-Pacific.

It has set its sights on becoming a reputable ICT player in Asia within five years.

The company, which has been beefing up its research and development (R&D) team for the past 14 years, is confident of expanding its market base globally.

"We expect contributions from the international market to increase to 30 per cent of the group's revenue by 2012 from the current 10 per cent," its senior general manager Abdul Rahim Seliman told Business Times in an interview in Kuala Lumpur.

Revenue is anticipated to rise to RM350 million by then, from RM47 million last year.

Teras Teknologi, a wholly-owned subsidiary of UEM Group Bhd, was incorporated in 1994 to localise the content of Malaysia's highway toll system, which back then depended on imported technology from France and Japan.

The company's core business is payment system, especially toll payment where it commands 70 per cent share of the domestic market.

Other businesses include the provision of surveillance and security systems and enterprise-wide solutions.

Abdul Rahim said the company's order book for overseas jobs stood at almost RM5 million last year, representing eight per cent of its total order book.

Another RM10 million will come in this year from contracts in India and Indonesia.

Teras Teknologi, which developed the RM3 million toll system for the Manila-Cavite Toll Expressway in the Philippines, is interested in the Indian, Indonesian and Sri Lankan markets.

It recently completed the RM5 million toll system for the Bhiwandi-Kalyan-Shil Phata Highway in India and will deliver a complete tolling solution for the Jakarta Outer Ring Road in Indonesia.

"Sri Lanka will be Teras Teknologi's new growth market, with a major deal in the final stage of negotiations and to be finalised this year," Abdul Rahim said.

The RM10 million contract covers a full package comprising toll collection and traffic management systems.

According to Abdul Rahim, Teras Teknologi is currently bidding for domestic and overseas projects worth RM85 million.

The overseas projects are in India, Indonesia, the Philippines and the Middle East. Three projects worth RM20 million are expected to be awarded in two years.

Abdul Rahim also said that a listing on Bursa Malaysia was among the company's plans.

"If things go well and we are able to sustain revenue growth, we will consider listing," he said.

Teras Teknologi, one of the Enterprise 50 award winners last year, received a Merit Award recently under the Malaysia-Asia Pacific ICT Award in Best Application and Infrastructure Tools category for its Traffic Revenue and Control System product.

TERAS Teknologi Sdn Bhd, which controls 70 per cent of the payment system market in the country's transportation industry, is diversifying into surveillance system and enterprise-wide solutions.

If previously its playground was highways and the transportation sector, it is now stepping into new markets — targeting property and public-listed companies as well as multinational corporations.

Its senior general manager Abdul Rahim Seliman said the company was eyeing the property market in the country for surveillance and security jobs, especially in gated communities and high-rise buildings where the same access and security technology used for highways can be adopted.

"In enterprise-wide solutions, Teras Teknologi is expanding into information technology (IT) outsourcing, IT disaster recovery plan and back-office support," he told Business Times in an interview in Kuala Lumpur.

Last year, 85 per cent of Teras Teknologi's RM47 million revenue came from its payment system.

Abdul Rahim said the segment is

expected to contribute 40 per cent of total revenue by 2011 or 2012, while its surveillance and enterprise-wide solutions will each contribute 30 per cent.

Teras Teknologi, a wholly-owned subsidiary of UEM Group Bhd, is expected to deliver a full solution for intelligence building system for a commercial building in Kuala Lumpur in the third quarter of this year.

"We manage the parking by integrating Touch 'n Go and SmartTAG with door access," Abdul Rahim said.

The company also provides integrated Touch 'n Go, SmartTAG and closed-circuit television for Ledang Height, a gated community in the Nusajaya township in Iskandar Malaysia in south Johor.

Abdul Rahim said all the company's technologies are developed by local experts among its research and development (R&D) team.

For the past 13 years, Teras Teknologi has invested over RM10 million in the development of new technologies.

"Each year, we allocate about five per cent of our revenue to R&D," he said.

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