Solution Engineering order book at RM20m

Company will benefit from strong US dollar and exemption from GST for exports

BY JONATHAN GAM

KUALA LUMPUR: Solution Engineering Holdings Bhd (SEHB), which provides teaching equipment for chemical, mechanical, electrical and control engineering education, is chasing projects in the current financial year ending Dec 31, 2015 (FY15), with a current order book of RM30 million and potential contracts in the pipeline.

We are very confident about our performance this year, said its managing director Barry Lim Yong Yew told The Edge Financial Daily in an interview.

"As an export market player, there are two things going in our favour (this year). One is the US dollar appreciation against the ringgit. Another is the fact that export orders will be exempted from the 6% goods and services tax come April," he said.

The ACE Market-listed company is targeting to post a revenue of RM43 million for FY15, a 20% increase from the RM36.91 million recorded in FY14.

SEHB (Bursa: 3758; boil: 2.55) saw its net profit for FY14 grow 489.9% to RM3.8 million from RM745,000 in FY13, on the back of strong investments in engineering training made by the oil and gas (O&G) industry and contracts from its overseas counterparts.

"The training investments in O&G will be significant for the next five years, which is why we foresee growth in our revenue," said Lim. His firm was awarded contracts for lubrication production training, a Solution Biogen Sdn Bhd is also expected to capitalise on a piece of local content, which the group had secured from Technology Park Malaysia Sdn Bhd.

"With the new facilities, we are able to increase production of these lubricants and our sales revenue is expected to grow very significantly this year," said Lim.

Solution Biogen contributed RM1.8 million or 5% to the group's revenue for FY14. Solution Biogen produces green lubricant base oils for industrial, automotive and household purposes.

In addition to its plant in Bukit Keman, the group is also planning to build another plant in Bukit Laut Technology Park, Kuala Lumpur.

"Our core business is still in training. So we will acquire targets in the Thriller industry. We are looking at targets which have niches in the electrical and software equipment suppliers locally. Our major competitors are from Europe, the UK and Germany," he said. "We focus on a niche segment, but this is good as we don't have to deal with too many competitors."

Going forward, Lim said the group plans to expand into the North and South America markets.

SEHB shares closed down 3.57%, at 71 sen on Friday, giving a market capitalisation of RM35.02 million.

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Go to www.theedgemarkets.com for more details on a company's financial dashboard.

Seda adheres to transparency with auditor developing SOP

KUALA LUMPUR: The Sustainable Energy Development Authority (Seda) adheres to transparency as it has appointed an independent auditor, Adam and Co, to develop a standard operating procedure (SOP) for the manual submission of its solar photovoltaic (PV) allocation.

In a statement on Saturday, Seda said the independent auditor was present in the entire process flow for the manual submission and assessment phase.

According to Seda, the manual submission process is for non-individuals with rated capacities above 25kW and up to 10kW, first began in 2014.

Following the first exercise, Seda took note of the need to improve transparency.

"Seda said two LIM members of Parliament, Jimmy Wong (Kota Kinabalu) and Dr Ong Kian Ming (MBM), had issued press statements on the lack of transparency of allocations and solar PV quota for that category.

Seda noted that in order to preserve integrity in the manual submission of solar PV applications, the independent auditor was also tasked to receive the applications so any concerns raised by applicants could also be negotiated at the point of submission," it said.

Seda said the need for an independent auditor, members from the Ministry of Energy, Green Technology and Water and the Energy Commission were invited to be part of the assessment committee.

Corporations falling behind on cyber security

BY AHMAD MAIQI IDRIS

KUALA LUMPUR: After the recent spate of high-profile cyberattacks on global and local corporations, such as the hacking of Apple Inc's iCloud servers and the "offshoring" of Malaysia Airline Systems Bhd's website, businesses are becoming more aware of the importance of cyber security as part and parcel of their operations.

In the latest Annual Global CEO survey by PricewaterhouseCoopers (PwC), CEOs had highlighted cyber security as one of the key concerns, as vast quantities of corporate information are made accessible via the internet.

In Malaysia, while corporations are lagging behind in the battle against cybercrime, cyber security investments are not going up, but the number of high-profile attacks continue to go up," he said.

"In the high-profile attacks over the past two years — a sharp increase compared with 5% in 2011. Out of the 31%, 35% of respondents believed that they have suffered financial losses of more than RM3 million (US$1 million)."

"It's not a risk that it's becoming normal. It's serious, but leaders may be seeing how serious it is and it's still business as usual for these companies," said Meekle.

"But then look at the recent successful hacking Hong Kong Ltd manager Dan Kelly, who specialises in cyber threats and policies, said that cybercrime is an area that should be taken seriously.

"This is evident, because there have been 14 months undetected. This is very significant for big companies with a big international presence. We would come to a breach assessment exercise, find a compromise, initiate the instant response process, and find that it spans every continent," he said.

Meekle also noticed that the attack methods employed are getting more and more sophisticated. Over the years, Meekle noticed that the attack methods employed are getting more and more sophisticated compared to a decade ago, where businesses resisted attacks through the use of traditional perimeter defences such as firewalls and antivirus software.

"Obviously, these are still required, but the game has changed. Now you have to get the sines wefters, which can parachute into the data and deface your website, and not have any real vulnerabilities for an attack has significantly decreased over the past 10 years. This is attributed to the widespread availability of exploit packs and malware creation tools, which are user friendly and very effective."

Looking ahead, Meekle expects the sophistication of the methods to increase, and hopes businesses show more initiative in addressing the issue.

"Companies need to invest in line with their threat level, depending on the industry they're in, the nature of their company, who's going to attack them and why," he said.

Meekle also noticed that there has been a shift from the traditional usage of perimeter defences, as companies should place their investments around its critical information rather than just trying to protect all of its data.

"Companies have to be realistic about the risk of cyber attacks can be exponential. It's not just something you should be saying 'okay we're now aware of this', you're planning for it. At the end of the day, if you don't have a plan, it's just a conversation," said Kelly.