

## BREAKING NEWS

### ARIANTEC SET TO BAG RENEWABLE ENERGY DEAL

Ariantec Global is about to sign its first contracts for its solar system integrator with supermarkets in Peninsular Malaysia. This is in line with its expansion into the renewable energy arena.

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## Ariantec set to bag solar system integrator deal

BY Tony C H Goh

Ariantec Global Bhd is close to securing its first contract for the provision of solar power system integrators as part of the group's expansion into the renewable energy arena. Its first customers will be supermarkets in Peninsular Malaysia.

A previously dormant subsidiary company has been restructured and renamed Global Green Energy Sdn Bhd to undertake this new venture, with an initial contract worth more than RM30 million, Ariantec executive director Vincent Loy Ghee Yaw tells *The Edge*.

Loy adds that the solar venture is part of the RM255 million worth of jobs the group is currently bidding for. Loy says the system can help enhance and optimise the use of solar power. However, he refuses to disclose more information on the project as the parties are still finalising the details.

"Ariantec has been doing R&D to provide integrator systems for solar and wind power in the past two years, and we hope to start a new company under the group to manage this particular sector this year," he says.

While this venture is a departure from the group's core ICT business, Ariantec has developed and marketed technologies for the power sector, such as the Smart Powerbar and the Element Management System (EMS).

These technologies provide power management and remote management solutions and are currently used to deliver extra low voltage to a Rembang coal-fired power plant in Indonesia — a project worth RM4.6 million.

Smart Powerbar is a device that allows users to remotely power up and power down the equipment thus saving on manpower, time and costs. EMS allows users to remotely monitor systems.

The company has tendered for both local and overseas jobs as it seeks to add to its or-



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dering more contracts to provide its channel bonding solution (CBS) technology to government schools. It has contracts for 3,000 smart schools throughout the nation, and has completed work on more than 1,500 so far.

"There are more than 10,000 schools in Malaysia and expanding our coverage is part of the contracts we are vying for as well," says Loy. CBS is a technology that helps to increase the speed of Internet connections through a combination of smaller bandwidths.

Loy: The solar venture is part of the RM255 million worth of jobs the group is currently bidding for

Founded in 2000, Ariantec was involved in the field of data communication, managed security, hardware and software solutions, e-business strategy and business consulting. It made a reverse takeover on Global Soft (MSC) Bhd in March 2009, and was subsequently renamed Ariantec Global Bhd.

der book of RM68 million. The contracts are mainly for end-to-end ICT projects within the telecommunications, education, government and financial sectors.

The ACE Market-listed ICT solution provider is also setting its sights on secur-

## Strong revenue from smart school projects

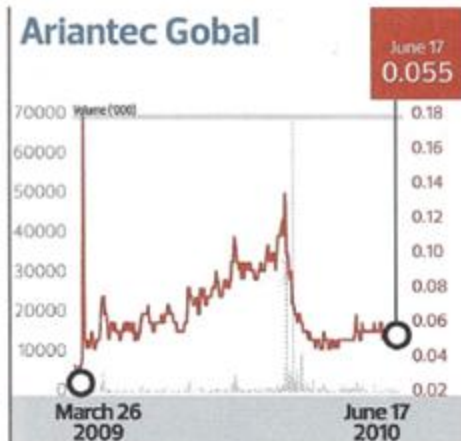
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The takeover involved an issuance of 382.5 million new Global Soft shares at 10 sen each to Ariantec Sdn Bhd. Much of the previous unprofitable business has since been divested and Ariantec Sdn Bhd's core business is ICT solutions.

Overall, Ariantec aims to achieve total revenue of RM73 million for FY2010, much higher than SJ Securities' — the only broker covering the stock — forecast of RM61 million and up by 35.18% from RM54 million in FY2009.

The group was still in the red in FY2009, although net loss did shrink from RM11.88 million the year before to RM5.98 million on the back of higher revenue of RM20.14 million against RM9.66 million. Ariantec attributed rising revenue and declining loss after tax to contribution from Ariantec Sdn Bhd.

The stock closed at 5.5 sen last Friday, trading at a forward PER of 4.5 times based on SJ Securities' forecast EPS of 1.1 sen for FY2010 ending Dec 31.



Ariantec has established itself with many reputable companies, including Telekom Malaysia Bhd, KPJ Healthcare Bhd, Alice Smith International School, Etiqa Insurance, Genting Group of Companies and Measat Global Bhd.

In May, Ariantec inked a potentially lucrative managed security services (MSS) partnership with Kosdaq-listed Oulim Information Technology (OIT), which is a leading global provider of ICT network security in South Korea with 60% market share. Kosdaq is the South Korean tech-heavy board.

According to a report by ICT industry research firm Infonetics Research in March, worldwide revenue from the MMS business totalled US\$9.4 billion (RM30.56 billion) last year, a 12% increase over 2008. Southeast Asia currently contributes between 10% and 15% of total global MMS sales.

To cater for the growing MSS business, Ariantec plans to expand its own network-operating centre (NOC) at the group's new corporate headquarters in Kota Damansara. The investment cost of the NOC is about RM2.5 million and Ariantec is expected to move to the new address before year-end.

Prior to the OIT deal, Ariantec entered into a memorandum of understanding with Australia's Exinda Network on April 14 for a technology collaboration that allows Ariantec to further leverage on Exinda Network's wide area network (WAN) optimisation technologies for specific solutions in deployment into its local IT projects.

WAN optimisation is a type of wide area data services technology that compresses a stream of data being sent over a network area, giving better bandwidth performance to users at remote locations by reducing the amount of data transmissions.