

23/12/2006 : Tip of the iceberg

By JOSE BARROCK (Source - thestar.com.my)

WITHOUT a doubt, the top brass at Mesdaq-bound MY E.G. Services Bhd are pretty excited about the company's impending floatation exercise. Executive chairman Datuk Norraesah Mohamad says its prospects are bright and the shares are likely to garner much excitement once they are quoted.

Perhaps her enthusiasm is understandable as MY E.G Services' mainstay as an electronic service provider to the Government and other companies has been raking in profits since 2003, and that too with only a handful of initiatives having taken off.

"Quite frankly, if you look at the mandate that was given to us, we have only touched the tip of the iceberg.

"For example, for our contract with the National Registration Department, there is still a lot more to be done. We have fulfilled maybe not even a third of what we had agreed upon. There is still a lot of room for growth," Norraesah says in an interview with *BizWeek*.



MY E.G. Services' has two business segments. The company has a wholly-owned unit, Gale Vector Sdn Bhd, and a 54.5% stake in PDX.net Sdn Bhd, which provide software solutions and maintenance services and insurance related services respectively.

The company at present provides services to Government agencies such as the Insolvency Department, the Kuala Lumpur City Hall, the Road Transport Department and the police. Some of the company's corporate clients include Tenaga Nasional Bhd and Telekom Malaysia Bhd.

"We basically expedite things. Today, if you need to get a licence, for example, you need to go to various offices and departments and it can be very time-consuming. What we have achieved is that a consumer can go through us, transact through us, whereby we are a one-stop centre and we take care of all the backend needs for the consumer and the Government," Norraesah says.

With the Government placing much emphasis on the delivery systems under the 9MP, the businesses should boom and possibly boost the company's earnings.

Norraesah

For the current financial year ending June 2007, MY E.G. Services has forecasted a net profit of RM7mil on RM22mil in revenue, which is a gain of about 75% and 29% respectively.

Norraesah explains the growth, "Each time a new service is launched, it adds to the growth of the company's earnings. We hope to launch a new service quite soon. It is already in the development stage and set to be launched soon. Hence, the bullish numbers for the year."

There are also plans to bring the technology developed here to Pakistan and to the United Arab Emirates.

Norraesah, however, says that these initiatives are still in the preliminary stages and the company's focus will be in Malaysia for the foreseeable future as there are still many initiatives, which have yet to be implemented but are being mulled by the Government.

"The number of things which we ought to be doing, those that we have signed agreements to do, are numerous but we have only touched one or two. So the challenge is really to make sure that the others are followed through and undertaken.

"So our focus is more towards being able to introduce the upcoming projects in a timely manner so we can maintain our growth. We are already a profitable entity and we have registered growth over the last few years. It's about maintaining the business and the growth patterns," she adds.

MY E.G. Services' initial public offering involves an issue of about 25.5 million shares with a par value of 10 sen at an issue price of about 55 sen. The bulk of the shares, some 23.5 million will be sold via a private placement to identified investors, while another million shares will be made available to the public.