

AKN eyes more contributions from overseas ventures

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MOBILE phone content provider AKN Messaging Technologies Bhd (AKN MTECH) expects to see more significant revenue contributions from its overseas ventures in the next financial year ending June 2005.

Managing director Lim Seng Boon said by that time all of its overseas expansion plans will already be in place.

He said the company has already begun operating in Thailand while operations in Hong Kong are expected to take off next February upon the completion of its merger with Messaging Technologies (HK) Ltd. (MTECH).

"The merger with MTECH not only allows us to tap into the mobile market in Hong Kong but also provides us the gateway to enter the China market.

"In fact, they are now helping us set up our operations in China and we expect to make our presence there by January next year," he told a Press conference after its annual general meeting in Petaling Jaya yesterday.

Lim said its overseas expansion would bring in more revenue for the company as it allows them to have access to a larger pool of mobile phone subscribers - beyond the current 9.8 million in Malaysia.

And by end of this year, AKN MTECH would have access to more than 50 million mobile phone subscribers from the combined Malaysia-Thailand-Singapore-Hong Kong market.

He said the company is looking forward to its overseas expansion - especially entry into China that would provide them with access to an additional 250 million mobile phone subscribers.

"With access to around 300 million subscribers by next year, we are optimistic of seeing significant improvements in our future revenue," he added.

Lim said China will be a important area to the company mostly due to its huge population size of 1.2 billion people.

He pointed out that even with the current subscriber base, the penetration rate of mobile phone services in China is only at 20 per cent.

"There is still ample room for growth in China and it is not surprising if the current subscriber base can go up by 60 per cent to 400 million within the next 5 years.

"Our preparation in China right now is basically to ensure our position in the market when the growth in mobile service there takes place," he said, adding that AKN MTECH is also looking at possibilities to venture into Indonesia, Pakistan, the Philippines and India.

AKN MTECH registered an almost 10-fold increase in pre-tax profit to RM5.7 million for the financial year ended June 30 2003, from RM600,000 before.

This was achieved on a 283 per cent revenue surge to RM16.1 million from RM4.2 million previously.