

M3Tech Sees New Venture Contributing Half Of Bottom Line By 2012

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KUALA LUMPUR: M3 Technologies (Asia) Bhd, a regional mobile content and applications developer, expects its recently launched online store www.m3gps.com to contribute 50% of its bottom line by 2012, said its group chief operations officer Lester Neil Francis.

"Revenue has grown over 10 times on a month-to-month basis since it was launched in November last year," he told reporters after the Mesdaq-listed company's EGM here yesterday. "In June, we will see the online store also operating in China, India and Indonesia."

As part of the new venture, which was contributing less than 10% of its bottom line currently, he said the company had also launched a range of mobile global positioning system (GPS)-related services under the brand name Scout.

Lester said Scout was the result of the company's partnership with Garmin International, a renowned name in GPS. M3 also holds the distributorship for the products of Altina, a GPS designer and manufacturer in Taiwan.

"We are looking to develop our own brand, we haven't determined our brand name though," he said. "That is our own initiative to come out some time, probably by July."

Francis said the groundwork to deploy the online store initiative to its other regions had already begun without compromising its conventional business channels in providing mobile applications and solutions.

"Our normal conventional business, the mobile business, is quite good; all countries are profitable now, even China and Hong Kong," he said. "We have recently secured more projects from banks."

Some of its past and current projects include providing and managing the contest system for Maybank Mastercard & Visa Card and Watson. Its other clients include educational institutions.

Meanwhile, its group managing director Lim Seng Boon said the company was on track to beat last year's earnings performance on the back of the new venture and stronger business for its mobile segment.

For its second quarter ended Dec 31, 2008 (2QFY09), its net profit surged 79.2% to RM1.41 million from RM787,000 a year earlier mainly contributed by its foreign subsidiaries. Francis said the breakdown between local and overseas sales was 38:62 currently. He said M3 expected to see overseas sales contribution increase to 70% in the next two years.

In 2QFY09, revenue rose 12.4% to RM8.9 million from RM7.92 million a year earlier, while earnings per share climbed to 0.86 sen from 0.48 sen. The company declared a first tax-exempt interim dividend of 10% or one sen for the financial year ending June 30, 2009.