

MNC Wireless sees turnaround on advertising deal



by Lim Yeh Ern

DIGITAL marketing solution provider MNC Wireless Bhd is hopeful of better performance after inking a memorandum of understanding (MoU) with

Petrowangsa Sdn Bhd, a Petroliam National Bhd's (Petronas) licence holder.

Petrowangsa is targeting an aggregate revenue of RM100 mil over the next three years from the tie-up.

Under the MoU, both companies will provide services to the national oil corporation using Petrowangsa's media advertising licence and leveraging on MNC to supply products, services and solutions.

"We just had a meeting with Petronas [on Oct 27]. It's a good meeting but I'm unable to share too much yet because I would like to finalise a few terms before we talk further," MNC CEO and executive director Christopher Tan tells *FocusM*.

Tan says even with reduced advertising budgets, the O&G industry still offers very healthy profit margins over other

industries. With the tie-up coupled with other clients across different industries, MNC's order book is estimated to be over RM5 mil.

MNC's services involve providing customised mobile applications and content management for both Android and Apple iOS platforms. The Petaling Jaya-based company also provides multimedia marketing solutions such as bulk messaging services via text messaging, website development and social media management.

The counter rose slightly following the signing of the MoU on Oct 22, hitting 29 sen on Oct 29 from just below 20 sen early this month. It has since dipped to 26 sen on Nov 4.

Back to the black

Having slowly narrowed its losses over the last five financial years, MNC is optimistic of returning to the black from this financial year. Revenue has been growing since the previous management streamlined the operations, including working closer with partners and implementing a more effective marketing plan.

For its first-half year ended June 30,



JONATHAN LOI/FocusM

Tan believes in going straight to the point with clients even if it means losing deals

the group posted revenue of RM10.6 mil from RM18.7 mil in FY14 and net profit of RM709,000 against net loss of RM344,000.

"This year onwards, the company has started to turn around with profit in the first and second quarters. It should be [proceeding] in this improving trend," says Tan.

MNC also works with some customers in the banking, insurance and property industries. "Suffice to say that with the tie-ups that we have with our existing customers and suppliers, the company is on a positive path," he says, adding MNC is looking to expand its presence to Penang and Johor Bahru.

However, Tan is cautious of the group's turnaround even with its collaboration with Petrowangsa given the economic headwinds. He points out that the economic situation is "10 times worse than the 2009 economic crisis".

He reveals there are no fewer than 10 major players in the industry. "A company may be small but gets a big project.

MNC WIRELESS BHD

KEY BOARD MEMBERS

Christopher Tan Chor How (CEO and director)
Pang Siaw Sian (director)

MAJOR SHAREHOLDERS

Bank Lombard Odier	31.75%
Metronic Global Bhd	16.21%
Tan Mee Hua	6.89%

MARKET CAP (Nov 4)	RM24.6m
SHARE PRICE (Nov 4)	26 sen
52-WEEK HIGH (April 8)	38 sen
52-WEEK LOW (Oct 5)	18 sen

FINANCIAL RESULTS (1HFY15 ended June 30)

REVENUE	RM10.6m
NET PROFIT	RM709,000

On the flip side, they can be big but get a lot of smaller projects."

Rather than going down the conventional path of tendering and fighting on price, Tan says it is important to have a strong business network. "This is the approach I've seen and understood, so I'm very selective on the customers we want to take on because we need to defend a certain margin."

Tan, who has over 11 years in the banking industry, took over the helm from Hoh Ming Fatt in June.

MNC's largest shareholder is Bank Lombard Odier, one of the largest private banks in Switzerland and Europe. *FocusM*