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FSBM seeks recurring income with UNOS

KUALA LUMPUR – FSBM Holdings Bhd is hoping to get more recurring income through UNOS, a virtual subscriber identity module (SIM) for mobile phones, as the company no longer wants to depend only on IT projects.

Its chairman and managing director Datuk Tan Hock San said contracted projects accounted for about 80% of its revenue, while business with recurring income made up the remaining 20%.

With UNOS, FSBM believed it could increase the proportion of its recurring income in the future, he told *The Edge Financial Daily* in an interview.

UNOS is an Internet Protocol (IP) based tool which allows users to make and receive calls and send messages anywhere in the world via a virtual SIM without high roaming charges.

Prior to UNOS, the company has been providing Voice-over-Internet-Protocol (VoIP) telephony services through its subsidiary FSBM Net Media Sdn Bhd, which markets the IPZone brand of products and services.

However, FSBM was unable to get a good margin from IPZone as VoIP telephony services were facing greater competition from the higher telecommunication companies (telcos), Tan said.

According to Tan, UNOS was akin to communication tools such as Skype or Yahoo! Messenger customized for mobile phones.

Users only need to download a software from the UNOS website onto their mobile phones to enable the use of this virtual SIM which allows users to make and receive calls or send messages without a physical SIM.

As an Internet Protocol-based tool, it did not rely on the infrastructure provided by telcos and could charge its customers lower voice and data rates, he said.

“Our technology can ride on any infrastructure (as opposed to VoIP services which need to ride on a telco’s infrastructure),” Tan said, adding that UNOS already had about 20,000 users from 65 countries.

The company recently launched UNOS in China and was planning to venture into Taiwan, the Philippines and Singapore.

“There are three billion mobile phone users in the world today. China alone has more than 500 million users, and it is growing at a rate of seven million a month. With that kind of potential, we choose to go into China,” Tan said.

He revealed that FSBM had invested about RM7 million in the past one year to develop UNOS as well as to maintain its hardware and rental of space for its servers.

On the company’s financial performance, Tan said the company was expecting a lower revenue and net profit in the current financial year ending Dec 31, 2007 (FY07), compared to the previous year due to a delay in securing a major project this year.

FSBM’s net profit for the nine month period in FY07 declined by more than 60% to RM3.35 million from RM8.85 million a year earlier on the back of a lower revenue.

Meanwhile, Tan said FSBM had yet to obtain the contract to train another 25,000 teachers under an Education Ministry scheme after completing the training of 100,000 teachers recently.

He also said the company had initiated talks with various government and private hospitals for the implementation of a total hospital information system.

FSBM was more confident of handling more hospital projects as the company had been implementing the new information system for Universiti Malaya Medical Centre (UMMC) in the past one year and the project had been running smoothly thus far, he added.

“For the past one year, we did not pursue any other hospitals to ensure that the UMMC project can be successfully implemented,” Tan said.