

## The Edge Malaysia

### 04-09-2006: Maemoode's 3 steps to raise corporate profile By Ashwin Raman

Johor-based Malaysian AE Models Holdings Bhd (MAEMode) has taken steps to raise its profile with moves to expand its overseas operations, especially in China, give higher dividend payouts and go on roadshows to highlight its business activities.

The low-profile automated material handling manufacturer is already expecting the revenue of its overseas operations to exceed local contribution. Its China division is finalising two deals with two multinational courier service providers worth a total of RM60 million.



Its executive director Dr William Chong (*pic*) said MAEMode had started to attract several fund managers' attention lately after a recent roadshow by the company. He believes the company's overseas expansion drive, especially in China, would put the company in the radar of these fund managers and investors.

The company has seven factories in Batu Pahat, two in China and one in Indonesia. Plans are afoot to set up another plant in Batam, Indonesia, while it is also considering having a facility in India.

Speaking to *FinancialDaily*, he said MAEMode has targeted a 25% annual revenue growth over the next three years, to be driven by increasing contribution from the overseas market.

In the last year ended May 31, 2006, the overseas market contributed 50% of MAEMode's turnover of RM286.8 million but Chong said it will surpass domestic contribution in the current financial year (FY).

In FY06, China's operations accounted for RM62.9 million or 22% of the company's total revenue, second only to the Malaysian market.

"In three to four years, China will be the biggest contributor to our revenue," Chong said, adding that MAEMode is currently negotiating two projects with multinational companies in China worth a total of RM60 million.

As of May 31 this year, he said, over 80% of the company's current order book of RM235 million was from abroad, with projects from China comprising 28.4% of the total order book. The projects include maintenance and technical contracts that will provide an annual recurring income of RM75 million over the next six years.

He said MAEMode, with RM30 million cash in its coffers, is also looking to tap the Indian market and would allocate up to RM7 million to invest in a manufacturing plant depending on the demand.

"If there are a firm number of orders in India, we will open a plant in India. Within the next two years, we should see India contributing to our revenue," Chong said.

To attract investors and fund managers, he said the company intends to raise dividends to 2.5 sen to three sen in the current financial year from last year's 1.5 sen. The company is looking into the possibility of raising this to four sen in the next financial year.

To raise the company's profile and its business activities, Chong said MAEMode had started a roadshow in July and more is in the pipeline, including one in Singapore.

“Our counter has been overlooked and we are now trying to create more awareness,” Chong added.

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