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FACB sets up IT unit, company in Silicon Valley

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FIRST Allied Corp Bhd, which expects one-third of its future earnings to be generated from the leisure and tourism sector, is also setting its sights on the next growth sector - information technology.

The company has set up an IT division, called FACB Net, to spearhead its move into this competitive sector. It has also set up a wholly-owned subsidiary in the Silicon Valley in the US - where most of the IT companies are being courted to invest in Malaysia's Multimedia Super Corridor.

FACB president and chief executive officer Tan Sri Dr Chen Lip Keong, who was in Prime Minister Datuk Seri Dr Mahathir Mohamad's entourage during the latter's visit to the Valley last month, said: "We received positive response for our Eco-Media City project from the US trip."

Eco-Media City, to be developed in Bukit Unggul, Selangor, is in the heart of the proposed MSC. When completed, Eco-Media City - with a gross built-up area of 6.5 million square feet - is expected to generate RM500 million in pre-tax profits, Chen added.

He said US-based subsidiary, First Multimedia Corporation Inc, was actively looking into the acquisition of suitable IT companies.

"Two possible candidates are being considered now, namely a distance learning company and the other is Web Master Inc, which provides Internet-related services to niche markets such as medical and engineering," he said in Kuala Lumpur yesterday after the company's extraordinary meeting.

FACB is also setting up two local subsidiaries - First Multimedia Corporation Sdn Bhd and DapanNet Sdn Bhd.

DapanNet is developing software using foreign technology but plans to rely on Malaysian expertise later. Currently, the company is building a database system for the Government.

On its leisure and tourism sector, Chen said: "FACB is upbeat about this sector. In fact, in the medium- to long-term, we will give more priority to this sector."

The optimism, he added, was based on the prediction by management guru John Neisbitt that in the 21st century, the tourism sector would generate 10 per cent of the world's Gross Domestic Product.

Chen said to date, FACB had invested almost RM1 billion in the hospitality and leisure business.

The investment covers the building of three hotels in Karambunai, Sabah, one each in Bukit Unggul and Jalan Ceylon in the heart of Kuala Lumpur.

The first of the hotels, the four-star Nexus Golf Hotel, will be opened for business in August.

Apart from the Nexus Golf, the other Karambunai hotels are Nexus Bay Hotel, a six-star hotel, and Nexus Lagoon, a four-star hotel, and are targeted at the Japanese market.

The two Nexus hotel, costing RM300 million, will be funded by the Sabah Development Bank and Bank of Commerce. They are expected to be completed within the next two to three years.

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