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DRB-HICOM sees good results from PC venture

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DRB-HICOM Bhd's venture into the production and trading of affordable yet high quality personal computers (PCs) will help partly offset the losses of its services division, with positive results expected in the very immediate term, analysts said.

The services division dragged down the group's net profit of RM177 million in the year ended March 31 2002, analysts at Mayban Securities Sdn Bhd said, noting that the division made pre-tax losses of RM27 million and RM26 million in the financial years 2002 and 2001, respectively.

Recently set up DRB-HICOM Information Technologies Sdn Bhd (DH Info), together with HICOM Communication Sdn Bhd, can help cushion the overall losses of the group's services division, said a local analyst who tracks DRB-HICOM.

"Significant positive results from the new foray could be seen in one or two years," the analyst said, noting that DRB-HICOM's information technology division had already churned out RM2 million in pre-tax profit in the last financial year.

DRB-HICOM and DH Info will start selling Linux-based PCs costing less than RM2,000 from tomorrow after the computer's launch by Datuk Seri Dr Mahathir Mohamad today. The Prime Minister is also expected to announce the exact price and other details, such as loan schemes.

"With a full package of computing solutions for less than RM2,000 each which consumers can pay for at less than RM50 a month, the PC is going to be a hit and DRB-HICOM can expect to generate good revenues," said another analyst.

DRB-HICOM has said that while its core interest remains in automotive manufacturing and distribution as well as property development and construction, the IT division will be developed to become an integral part of the overall activities.

Datuk Yatina Yahya, DH Info chairman and DRB-HICOM senior group director, said it intends to deliver a competitively-priced information technology product to reach all levels of people, specifically the low- to medium-income groups, government staff and students.

She said DH Info is revolutionising the concept of computing with a customised Linux operating system linked to practical applications that would eliminate piracy while saving on foreign exchange.

"The customised software will also adopt a Bahasa Malaysia interface," Yatina said at the signing of a strategic alliance with Telekom Malaysia's wholly-owned TM Net Sdn Bhd to provide pre-installed Internet access recently.

DH Info is discussing with three financial institutions the option of attractive loan packages with easy repayment schemes of less than RM50 a month, which can be deducted from the purchaser's salary.