

StemLife expects net profit to surge

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STEMLIFE Bhd expects its net profit to surge 58 per cent to RM6 million for financial year ending December 31 2007, backed by further growth in its stem cell banking services.

The stem cell storage and therapy specialist currently stores more than 15,000 baby cord stem cell units. This storage generates the bulk of its revenue.

"There is more room for growth, especially since less than 10 per cent of the revenue comes from our adult service," said StemLife finance director Michael Lim after announcing its joint publication of three research papers on stem cell expansion with nanofiber technology in international journals in Petaling Jaya on Wednesday.

For the half year ended June 30 2007, StemLife posted a net profit of RM3.9 million. It posted a net profit of RM3.8 million for the financial year ended 2006.



LOW: StemLife will consider expanding in Vietnam and Indonesia

Lim also said StemLife has used close to 15 per cent of its net proceeds of RM11.5 million raised from its initial public offering.

StemLife, which was listed in October 2006, drew gross proceeds of RM13.2 million from the public issue.

The company has allocated RM10 million from the proceeds for office expansion and the building of a new laboratory.

"We have earmarked RM7.5 million for a new laboratory and medical equipments," said Lim.

He said work on the laboratory will commence within a year but will take 18 to 24 months to complete. The laboratory is likely to be based in Kuala Lumpur.

"We have also allocated another RM2.5 million for five new offices as part of our expansion nationwide," he said.

StemLife managing director Sharon Low said the company is targeting to expand its current base of nine outlets to secondary cities including Sarawak and Penang within one year.

She added that StemLife would consider expanding in nascent markets such as Vietnam and Indonesia.

StemLife has a 40 per cent stake in Thai StemLife Co Ltd, a private stem cell bank.

Meanwhile, StemLife pledged RM300,000 over two years since 2005 to the National University of Singapore to carry out research on finding innovative medical solutions using nanotechnology and stem cells.

StemLife chief medical officer Professor Dr Aw Tar Choon said while the research is a long drawn process, he said success would mean the ability to tap into the bone graft market of between US\$500 million and US\$1 billion (RM1.6 billion) and RM3.32 billion).

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