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Transmile's air cargo project to start operation in 2 months

THE joint venture between Transmile Group Bhd, Pos Malaysia Bhd and Konsortium Perkapalan Bhd to set up an international express service company will commence operations in two months.

Speaking to reporters after the company's share listing ceremony at KLSE yesterday, Transmile's chairman Mirzan Mahathir said the joint venture company will concentrate on providing air cargo services in the Asean region, and is expected to achieve growth of between 15 and 20 per cent a year.

Transmile shares made an impressive debut on the second board of the Kuala Lumpur Stock Exchange with the shares closing at RM13.70, a premium of RM8.50 over its offer price of RM5.20 each.

The shares opened trading at RM12.50 and were traded to a high of RM14.50 and a low of RM12.50 with a total of 5678 lots done. Transmile was the second highest gainer for the day.

Mirzan said the encouraging price of its shares reflect investors' confidence in the company, thus the company has a heavy responsibility to achieve good results.

In an effort to expand its fleet of aircraft, Transmile plans to purchase between three and four new wide-bodied aircraft, possibly DC-10s.

The company currently owns a fleet of seven Boeing 737-200s and four Cessna Caravans which are used to operate its air cargo business and air passenger charter service.

A major portion of the proceeds of RM40 million from its public issue of 6.04 million shares will be used for the purchase of new aircraft.

The rest of the proceeds will be used for upgrading its engineering services and to buy a new computer system for monitoring its air cargo and passengers.

Transmile air cargo business currently accounts for more than 60 per cent of its business activities while air passenger charter service accounts for the rest.

Its major subsidiary, Transmile Air Service Sdn Bhd, started out in 1993 by providing air courier services to Pos Malaysia Bhd which later took a 30 per cent equity interest.

In 1995, it started the air passenger charter service which flies to about 20 destinations in the Asean region and China.

Another subsidiary, Transmile (M) Sdn Bhd leases aircraft to other airlines such as P T Garuda.

It is also the sole authorised sales representative for Cessna Caravans, Pilatus Britten-Norman and Beechcraft aircraft, with major customers such as the Malaysian Air Force and the Police.

In conjunction with its listing on the Kuala Lumpur Stock Exchange, Transmile made a public issue of 6.04 million new shares of RM1.00 each priced at RM5.20, thus increasing its issued share capital from RM33.96 million to RM40 million.

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