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Disposals will help expansion plans

TRANSMILE Group Bhd's proposal to dispose of its 35 per cent stake in Transmile Air Services Sdn Bhd to Konsortium Perkapalan Bhd would enable the former to proceed with its expansion plans to acquire or lease new aircraft, chairman Mirzan Mahathir said.

The company proposed to dispose of its stake - equivalent to seven million shares - for RM78.75 million in cash.

Mirzan said the proposal would allow Transmile Group to establish a strategic alliance and tap KPB's extensive logistic network in the land and sea transport business.

The pooling of resources and expertise between KPB and Transmile Group will strengthen the alliance as a "one-stop" logistic network centre, to exploit new markets through the joint venture company CEN Sdn Bhd.

CEN has been designated by the Malaysian Government as the national courier and express freight carrier.

In addition, Transmile Group proposed a divestment of 1.4 million shares or a seven per cent stake in Transmile Air to Prima Paragon Sdn Bhd for RM15.75 million.

The group also proposed to allow its directors to issue new shares not exceeding 10 per cent of its paid-up share capital.

The proposals were approved by Transmile Group's shareholders at an extraordinary general meeting in Kuala Lumpur yesterday.

With the proposed disposals, the net earnings per share will increase to RM2.65 for the year ending Dec 31, 1998 from last year's 69.03 sen.

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