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Transmile to focus on domestic expansion for now

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TRANSMILE Group Bhd (TGB) is reviewing its overseas strategy in the light of the current economic situation, and spending now appears to be focused on domestic expansion.

"We have to be able to position ourselves well so that when the economy recovers we are able to take advantage of the growth once again," said chairman Mirzan Mahathir.

That means taking into account liquidity and available funds, he told reporters in Kuala Lumpur yesterday.

Mirzan was commenting on a memorandum of understanding signed by TGB in Sri Lanka last year to carry out a feasibility study on a proposed air cargo terminal to handle the transshipment of air cargo there.

TGB shareholders yesterday passed a resolution to dispose of seven million shares representing a 35 per cent stake in Transmile Air Services Sdn Bhd (TAir) to Konsortium Perkapalan Bhd (KPB) for RM78.75 million cash.

Mirzan, who is also KPB executive chairman, said the funds from the disposal will be used for TGB's expansion.

With Transmile's air services arm operating with load factors of more than 90 per cent, it is considering expanding its fleet by leasing more aircraft.

KPB and TGB are already partners with Pos Malaysia Bhd in CEN Sdn Bhd, which has been designated by the Government to be the national courier and express freight carrier.

Mirzan said an announcement on TGB's talks to provide air services to Philippines Postal Corp will be made "at the right time".

TGB is in the final stages of negotiations for an agreement to provide dedicated air services to Philippines Postal Corp for the carriage of mail, packages, parcel and goods to selected destinations.

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