

23/06/1998

Transmile sees prospects to expand aviation services

TRANSMILE Group Bhd foresees greater prospects in expanding the group aircraft engineering, technical and maintenance services through its participation in CEN Worldwide Sdn Bhd.

"It has opened up a realm of opportunities, broadening the scope of the group operations," says chairman Mirzan Mahathir in Transmile latest annual report.

CEN Worldwide is a joint-venture company between Pos Malaysia Bhd, Transmile and Konsortium Perkapalan Bhd, with the golden shares held by the Ministry of Finance.

The company is the country's first Government-approved express distribution and logistics management company. It also provides express transport services.

The additional wide-body aircraft is also expected to create even greater opportunities for Transmile to stabilise and consolidate its position as a provider of Haj charter services, as well as expanding its aircraft fleet.

Despite being a fledgling in the aircraft industry, Transmile has already poised for a bigger role in the international marketplace through strategic alliance locally and internationally.

"Through the strategic alliances we are still growing our businesses at home and abroad," he says, adding that Transmile is also well-positioned to seize major opportunities air cargo carrier industry.

Reviewing the group business last year, Mirzan says that most of its activities are conducted under long-term contracts. This is to ensure a recurring sources of revenue.

"Our air cargo, passenger charter and air craft sales, and leasing services are also subject to low elasticity of demand," he says.

As a niche operator, Transmile foresees its market share to grow in the near future as companies and individuals become more cost-conscious and particular in delivering goods to their customers.

Transmile posted a group pre-tax profit of RM21.88 milion for the financial year ended December 31 1997, on the back of RM172.32 million in turnover.

Profit after tax was RM19.85 million, while earnings per share was 65.4 sen. The group declared a dividend of 2 per cent for the fiscal year of 1997.

There was no comparative figure as this is the first year for the group to prepare financial results.

Meanwhile, on the company level, Transmile posted a pre-tax profit of RM1.74 million on the back of RM1.85 million in turnover. Profit after tax was 1.23 million.

(END)