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Freight Management looking at potential acquisitions

KUALA LUMPUR: Freight Management Holdings Bhd, a leader in the provision of international multi-model freight services, is looking at potential acquisitions domestically and regionally.

Managing director Chew Chong Keat said there were now ongoing talks for potential acquisitions in Malaysia.



Chew Chong Keat . . .
'Acquisitions within the region will be synergistic to our expansion strategies'.

“We are keen on the South-East Asian region. Acquisitions within the region will be synergistic to our expansion strategies,” he said during a luncheon talk on Sept 3.

According to Chew, Freight Management is targeting to increase revenue contribution from overseas. “Currently, overseas revenue contribution is 20% to group revenue,” he said.

Freight Management has an extensive network of independent overseas agents with over 500 personnel servicing a diverse range of customers and direct consolidation and trans-shipment services to over 40 ports.

The group, which has established itself as a leading player in the logistics industry, has also more than 2,500 clients in diverse industries from multinationals to small and medium enterprises and industries.

Chew said the company had been profitable even through the global economic downturn in the past two years, by leveraging on a business model which was not asset-heavy and kept cost down to a minimum.

“We do not own ships and other assets. We work with shipping lines and airlines like a middleman,” he said.

In line with its expansion plans to add more capacity, he said the company was looking at increasing its warehouse space in Port Klang and this would involve an investment of about RM12mil to RM14mil.

“The strong balance sheet position allows Freight Management to capitalise on growth opportunities,” he said.

The company has at present a low net debt position of RM11.7mil, or net gearing of 0.12 times as of June 30. “We have also provided a strong record of dividend payout of about 30% yearly,” Chew said. — Bernama