

Business

TDM pays oil palm JV partner RM1.87m as share of profit

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PETALING JAYA: TDM Bhd paid out RM1.87 million to Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT) as part of its profit-sharing agreement for their joint venture (JV) in an oil palm plantation.

Its plantation division, TDM Plantation Sdn Bhd manages a 1,336ha oil palm plantation owned by LTAWNT in Air Putih Estate through the JV established in 1996.

TDM executive director Najman Kamaruddin said it reported significant financial growth backed by a stronger performance from the plantation division, despite the challenges brought on by the Covid-19 pandemic.

"This was supported by the disciplined execution of the company's business plan and support from our staff, alongside prudent risk management practices since the coronavirus outbreak," he said in a statement today.

For FY2020, the group's plantation business posted a profit before tax of RM24.8 million, a turnaround from loss before tax of RM24.5 million posted for the preceding year, while the division's earnings before interest, tax, depreciation and amortisation (ebitda) stood at RM89.8 million, compared to RM42.4 million during the previous year. The results were attributed to a 33% higher crude palm oil (CPO) and 29% higher palm kernel (PK) average prices in 2020 compared to 2019, which translated to bigger JV payout of RM1.87 million against RM1.05 million, previously.

Moving forward, the group will continue strengthening its plantation division by remaining focused on improving productivity and oil palm age profile, optimising production cost for its plantation business and at the same time exploring agro-commodity projects.

For its healthcare division, it will prioritise reinventing its services and products by leveraging on technology to improve its patient-care and treatment deliverables to the local community in Klang Valley and East Coast of Peninsular Malaysia, and follow through with its brownfield and greenfield hospitals acquisition plan accordingly.