

TDM optimistic on plantation, healthcare for this year

By Azanis Shahila Aman - June 23, 2022 @ 4:36pm



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KUALA LUMPUR: TDM Bhd is optimistic about its outlook supported by twin growth from its major segments, namely, plantation and healthcare, for the current financial year.

Chairman Raja Datuk Idris Raja Kamarudin said that stepping into the second year of the company's five-year strategic business plan, TDM is shifting into higher gears to capitalise on favourable macro trends in both plantations and healthcare industries.

Raja Idris said that to date, TDM has already made promising progress on its strategic expansion plans and efforts to unlock value from existing assets.

"Looking at the financial year 2022 (FY22), TDM is confident in building positive momentum from the strong operating results of FY21.

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"Underpinned by the twin growth engines of plantation and healthcare, we are looking forward to creating better value for our shareholders over the foreseeable future," he said at TDM's 57th annual general meeting (AGM) today.

Commenting on TDM's plantation segment, Raja Idris said the company is working closely with the respective parties to conclude the proposed disposal of its two Indonesian subsidiaries, which have been loss-making since their first year of production and acquisition.

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He said this is a positive move as the disposal will raise RM115.0 million in cash, reduce borrowings and improve capital requirements.

"Instead of sustaining loss-making operations, we will be able to allocate resources to strengthen our Malaysian businesses, which are generating positive returns," he said.

TDM has benefitted from the sharp rise in crude palm oil (CPO) average selling prices which increased from RM2,822 per metric tonne (MT) in 2020 to RM4,447 per MT in 2021.

Meanwhile, Raja Idris said in TDM's healthcare segment, the global pandemic and an ageing population in Malaysia have increased the need for healthcare services in the country.

As such, he said the company plans to extend its coverage with both brownfield and greenfield expansions.

"We recently completed the acquisition of Tawau Specialist Hospital (TSH), now known as KMI Tawau Medical Centre (KMI Tawau), following the company's post-acquisition plan, under such strategy," he said.

During the AGM, TDM shareholders approved a single-tier final dividend in respect of FY21 of 0.35 per cent on 1.72 billion ordinary shares.

The company's solid progress and efficient operations have been translated into a dividend pay-out of RM6 million.

The shareholders endorsed the payment of the final single-tier dividend of 35 sen per ordinary share.

This contributed to a total dividend of 64 sen per ordinary share for FY21, which is the highest since 2016.