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TDM Berhad

Registration No.: 196501000477 (6265-P)
Wisma TDM, 443D, Jalan Kamaruddin,
20400 Kuala Terengganu, Terengganu
Tel: +609-620 4800
Fax: +609-620 4803

TDM EMBRACES SUSTAINABLE GROWTH IN HEALTHCARE AND PLANTATION SECTORS WITH STRATEGIC INITIATIVES

Mechanisation and digitalisation efforts aimed at building long-term resilience across healthcare and plantation divisions

Kuala Terengganu, 8 June 2023 – TDM Berhad (“TDM” or “the Group”) today concluded its Annual General Meeting for its financial year ended 31 December 2022 (“FY2022”) and remains committed to optimising long-term business prospects and building resilience to ensure sustainability of its primary business segments.

The Group extended its Vision 2025 to Vision 2027, alongside the next Five-Year Strategic Business Plan (2023 – 2027) after extensive stakeholder engagement and analysis of the risk appetite of both business segments.

Over the next five years, our Group's primary focus will be on enhancing our bottom line by catering to the increasing demand for healthcare services and health tourism. The Healthcare Division will focus on expanding its capacity through the addition of beds and further growing its capabilities by offering new sub-specialty treatments. TDM plans to adopt an asset-light approach to expand its hospital network through leasing and sale-leaseback arrangements. This strategy will support the acquisition of brownfield sites as well as the development of new facilities. By implementing digitalisation, the Group aims to improve overall patients' experience and optimize operational performance.

Additionally, leveraging on our successful track record in sustainable palm oil, the Plantation Division is actively exploring opportunities to improve operational efficiency and cost-effectiveness through the implementation of advanced mechanisation techniques.

Healthcare Division

The Group has completed the acquisition of Tawau Specialist Hospital and rebranded it as KMI Tawau Medical Centre (“KMI Tawau”). To meet the growing demand for quality healthcare, TDM has commissioned the construction of a new extension at KMI Tawau. This development will add 52 beds to the hospital and is scheduled to be completed by Q4 2024. TDM aims to position its medical centres as the trusted healthcare provider of choice.

KMI Kuantan Medical Centre is set to undergo an expansion with plans to construct an additional 80 beds. The Group is currently planning and exploring for the development of new purpose-built hospitals to further enlarge its healthcare network.

The business division has taken the first steps on its health tourism journey and intends to expand its services by offerings more sub-specialty treatments, while continually improving patient care. The Group is also intensifying its presence in selected geographical areas and reinforcing its brand recognition in existing market by providing high-quality and cost-effective healthcare services to the community.

Several digitalisation initiatives such as the upgrade of the hospital information system and digitalisation of electronic medical records ("EMR") system were undertaken to enhance operational efficiency and patient engagement. A pilot project involving *iWard*, an intelligent ward management solution, was carried out at KMI Kelana Jaya Medical Centre, and is scheduled to become fully operational in Q3 2023. With *iWard*, the Group hopes to become a pioneer in the installation of such a solution in Malaysia.

Plantation Division

TDM is set to commence its replanting program, targeting 1,977 hectares of land in the current financial year to improve the age profile of its trees. In addition, the Group is striving to secure higher Certified Sustainable Palm Oil ("CSPO") and Certified Sustainable Palm kernel ("CSPK") premiums in 2023. The Group already holds certifications from reputable industry bodies such as Roundtable for Sustainable Palm Oil ("RSPO"), Malaysian Roundtable Sustainable Palm Oil ("MSPO") and International Sustainability and Carbon Certification by the European Committee ("ISCC EU") which attest to its compliance in environmental, social and governance ("ESG") standards.

The division will be utilising technology such as the internet of things ("IoT") and data analytics to better monitor machinery performance and schedule preventive maintenance. In addition, Geographic Information System ("GIS") and Global Positioning System ("GPS") are also deployed for oil palm tree replanting.

Financial Performance

For FY2022, the Group achieved a record-high full year revenue of RM614.4 million, a 20% increase from the previous year. Revenue from the plantation division grew by 17% to RM335.4 million, while revenue from the healthcare division rose by 24% to an all-time high of RM279.0 million. For the full year, TDM recorded a Profit Before Tax ("PBT") and Profit After Tax ("PAT") of RM36.3 million and RM17.0 million respectively.

For financial year ending 31 December 2023 ("FY2023"), TDM will continue to prioritise cost rationalisation to mitigate the impact of price fluctuations of palm oil and its related products. The implementation of several digitalisation initiatives in the Healthcare Division is expected to enhance the patient experience and establish our medical centres as the top healthcare provider of choice. These initiatives are anticipated to have a positive impact on the Group's bottom line, contributing to the continued growth of the business division.

Divestment of Indonesia Plantation Division

In line with the Group's asset monetisation initiatives, TDM entered into a Conditional Share Purchase Agreement ("CSPA") with Ikhasas Sawit Sdn Bhd on the 29th July 2022 for the disposal of the loss-making Indonesian subsidiaries, PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") for a total consideration of RM115.0 million. PT RKA is fully operated by PT Ikhasas Sawit Indo Makmur through a management services arrangement started on 1 August 2022.

Comments from TDM Executive Director, Haji Najman Kamaruddin

"As we look ahead to the current financial year, we are confident in our ability to drive long-term growth and improve our operations. Our focus on technology initiatives, harnessing the power of mechanisation and digitalisation will be key to achieving these goals. Additionally, we are actively considering opportunities to expand our business, both organically and inorganically, in order to create long-term value for our shareholders."

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About TDM Berhad

Incorporated in 1965, TDM Berhad is one of the Shariah-compliant securities listed on the Main Market of Bursa Malaysia's with core businesses in oil palm plantation and healthcare services.

The Group's plantation arm, TDM Plantation Sdn. Bhd. (TDMP), is a premium producer of Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) with the Malaysian Sustainable Palm Oil (MSPO), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification approved by the European Commission (ISCC EU) certifications. It manages 13 oil palm estates and two (2) palm oil mills, two (2) Bio-Composting plants and two (2) Biogas plants located in Terengganu.

Under Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), TDM owns five (5) community specialist hospitals that provide quality and affordable secondary healthcare services. The hospitals are KMI Kelana Jaya Medical Centre, Petaling Jaya, Selangor, KMI Kuantan Medical Centre, Kuantan, Pahang, KMI Kuala Terengganu Medical Centre, Kuala Terengganu, KMI Taman Desa Medical Centre, Kuala Lumpur and KMI Tawau Medical Centre, Sabah.

For further details, please visit our website www.tdmberhad.com.my

Released on behalf of TDM Berhad by Capital Front Investor Relations.

For media enquiries, kindly contact:

Name: Dwayne Teng

Email: dwayne@capitalfront.biz