

Tradewinds sees all segments improving

KUALA LUMPUR: Tradewinds Corp Bhd expects its plantation and sugar refining businesses to be major contributors to group revenue this year and the hotels and property divisions to register improved results, going forward.

Chairman Datuk Seri Megat Najmuddin Megat Khas said stronger crude palm oil (CPO) prices and increased sugar production capacity were expected to strengthen earnings this year.

Tradewinds had allocated almost RM300mil in capital expenditure (capex) this year to strengthen the four core businesses, he said after the company AGM yesterday.

Najmuddin said the bulk of the capex would be for oil palm cultivation and the construction of two palm oil mills.

"We have 30,000ha which still needs to be planted (with oil palm trees). Our target is to plant 4,000ha to 5,000ha per year," he said.

Najmuddin said as a new player in oil palm sector, Tradewinds needed to focus

on increasing CPO production, yield and the oil extraction rate.

On sugar refining, he said Central Sugar Refinery Sdn Bhd and newly acquired Gula Padang Terap Sdn Bhd would have a combined annual production of 700,000 tonnes of sugar.

"It will be a challenge to reach RM1bil revenue in our sugar refining business this year amid the strengthening ringgit against the US dollar and a 25% to 30% drop in the international price of sugar currently," he added.

Najmuddin also said the occupancy rate of the group's hotels improved to 66.3% from 63.9% in the first quarter this year. This excludes Mutiara Beach Resort Penang, which is temporarily closed for renovation.

"Mutiara Beach is undergoing extensive renovations costing RM80mil to RM100mil and will re-open by the second quarter next year," he said.

Tradewinds has 10 hotels under its wing.