

BLD PLANTATION BHD. (562199-A)

Interim Financial Report
31 March 2012

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 March 2012

Index	Page
Condensed Consolidated Statement of Comprehensive Income	1
<hr/>	
Condensed Consolidated Statement of Financial Position	2 - 3
<hr/>	
Condensed Consolidated Statement of Changes in Equity	4
<hr/>	
Condensed Consolidated Statement of Cash Flows	5 - 6
<hr/>	
Notes to the Financial Information	7 - 16

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 March 2012

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
Revenue		494,001	423,608	494,001	423,608
Cost of sales		(456,781)	(363,314)	(456,781)	(363,314)
Gross profit		37,220	60,294	37,220	60,294
Other operating (loss) / income		(683)	281	(683)	281
Selling expenses		(13,749)	(9,499)	(13,749)	(9,499)
Administrative expenses		(2,501)	(3,402)	(2,501)	(3,402)
Finance costs		(214)	(211)	(214)	(211)
Profit before taxation		20,073	47,463	20,073	47,463
Income tax expenses	18	(5,298)	(13,146)	(5,298)	(13,146)
Profit for the period, net of tax representing total Comprehensive Income for the period		14,775	34,317	14,775	34,317
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		14,677	34,325	14,677	34,325
Non-controlling interests		98	(8)	98	(8)
		14,775	34,317	14,775	34,317
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		17.27	40.38	17.27	40.38
- Diluted		N/A	N/A	N/A	N/A
		=====	=====	=====	=====

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.3.2012 RM'000	As At 31.12.2011 RM'000
Non-current Assets		
Property, plant and equipment	393,404	355,233
Biological assets	424,154	454,999
Deferred tax asset	7,665	8,339
Goodwill on consolidation	82	82
	825,305	818,653
Current Assets		
Inventories	106,146	173,177
Receivables	63,633	52,697
Prepaid operating expenses	2,381	2,774
Deposits, cash and bank balances	261,207	243,806
Tax refundable	3,687	3,669
Derivative financial instrument	-	-
	437,054	476,123
Total assets	1,262,359 =====	1,294,776 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	85,000	85,000
Reserves	530,342	515,665
	615,342	600,665
Non-controlling interests	1,370	1,272
	616,712	601,937

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.3.2012 RM'000	As At 31.12.2011 RM'000
Non-current liabilities		
Borrowings	164,112	150,114
Deferred tax liabilities	130,124	126,800
	294,236	276,914
Current liabilities		
Borrowings	182,202	206,421
Payables	167,130	208,477
Provision for taxation	973	871
Derivative financial instrument	1,106	156
	351,411	415,925
Total liabilities	645,647	692,839
Total equity and liabilities	1,262,359	1,294,776
	=====	=====
Net assets per share attributable to Owners of the Company (RM)	7.24	7.07
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 March 2012

(The figures have not been audited)

	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Retained Profit	Share Premium	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	85,000	493,561	22,104	600,665	1,272	601,937
Total comprehensive income	-	14,677	-	14,677	98	14,775
At 31 March 2012	85,000	508,238	22,104	615,342	1,370	616,712

	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Retained Profit	Share Premium	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	85,000	400,218	22,104	507,322	730	508,052
Total comprehensive income	-	34,325	-	34,325	(8)	34,317
Disposal of interest in a subsidiary	-	-	-	-	884	884
Transactions with owners						
Dividend paid by a subsidiary	-	(821)	-	(821)	-	(821)
At 31 March 2011	85,000	433,722	22,104	540,826	1,606	542,432

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2012

(The figures have not been audited)

	Cumulative 3 months 31.3.2012 RM'000	Cumulative 3 months 31.3.2011 RM'000
Cash flows from operating activities		
Profit before taxation	20,073	47,463
Adjustments for:		
Depreciation of property, plant and equipment	5,462	3,993
Gain on disposal of property, plant and equipment	-	(7)
Interest income	(265)	(275)
Interest expense	214	136
Loss on disposal of a subsidiary	-	885
Net fair value loss on derivative	950	718
Net unrealized foreign exchange loss/(gain)	752	(52)
Operating profit before changes in working capital	27,186	52,861
Decrease / (increase) in inventories	67,031	(12,676)
(Increase) / decrease in receivables and other assets	(10,443)	51,388
(Decrease) / increase in trade and other payables	(41,347)	23,722
Cash generated from operations	42,427	115,295
Income tax paid net of refund	(1,215)	(448)
Interest received	265	275
Net cash generated from operating activities	41,477	115,122
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,198)	(3,843)
Acquisition of biological assets	(4,468)	(1,991)
Proceeds from disposal of property, plant and equipment	-	7
Net cash used in investing activities	(11,666)	(5,827)

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2012(Continued)

(The figures have not been audited)

	Cumulative 3 months 31.3.2012 RM'000	Cumulative 3 months 31.3.2011 RM'000
Cash flows from financing activities		
Dividend paid	-	(821)
Interest paid	(1,336)	(1,301)
Proceeds from term loans	14,000	-
Repayment of term loans	(6,480)	(4,905)
Proceeds from revolving credit	31,800	-
Repayment of revolving credit	(14,500)	-
Proceeds from banker acceptance	353,967	322,294
Repayment of banker acceptance	(388,799)	(300,650)
Net cash (used in)/ generated from financing activities	(11,348)	14,617
Net increase in cash and cash equivalents	18,463	123,912
Effect of foreign exchange rate changes	(851)	52
Cash and cash equivalents at the beginning of the year	234,280	163,030
Cash and cash equivalents at the end of the period	251,892	286,994
	=====	=====

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information

1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been principally prepared in accordance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2011 except for the adoption of the following new Financial Reporting Standards (FRSs), amendments to FRSs and IC Interpretations with effect from 1 January 2012:

IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14:	Prepayments of a Minimum Funding Requirement
Amendments to FRS 1:	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7:	Transfers of Financial Assets
Amendments to FRS 112:	Deferred Tax: Recovery of Underlying Assets
FRS 124:	Related Party Disclosures

The adoption of the above FRSs, Amendments and IC Interpretations do not have any significant financial impact on the Group’s results for the current quarter and financial year-to-date.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective (for the FRS Framework) :

Amendments to FRS 101:	Presentation of Items of Other Comprehensive Income
FRS 10:	Consolidated Financial Statements
FRS 11:	Joint Arrangements
FRS 12:	Disclosure of interests in Other Entities
FRS 13:	Fair Value Measurement
FRS 119:	Employee Benefits
FRS 127:	Separate Financial Statements
FRS 128:	Investment in Associate and Joint Ventures
IC Interpretation 20:	Stripping Costs in the Production Phase of a Surface Mine
Amendment to FRS 7:	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendment to FRS 132:	Offsetting Financial Assets and Financial Liabilities
FRS 9:	Financial Instruments

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information

2. Significant Accounting Policies (Con't)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amount reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

4. Comments about seasonal or cyclical factors

The production of fresh fruit bunches is seasonal in nature and low during the first half of the year.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting quarter.

6. Changes in estimates

There was no significant change in estimates of amounts reported which have a material impact on the reporting quarter.

7. Debt and equity securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period ended 31 March 2012.

8. Dividends Paid

There was no dividend paid in the current quarter.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**9. Segmental information**

The segment information for business segments predominantly conducted in Malaysia for the current financial period were as follows:-

Result for period ended 31 March 2012

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	485,564	64,851	114	550,529
Less: Inter-segment revenue	-	(56,465)	(63)	(56,528)
External revenue	485,564	8,386	51	494,001
Segment profit / (loss) before tax	1,691	18,930	(548)	20,073
Income tax expenses	(674)	(4,665)	41	(5,298)
Profit / (Loss) after tax	1,017	14,265	(507)	14,775

Result for period ended 31 March 2011

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	417,419	102,271	15,439	535,129
Less: Inter-segment revenue	-	(96,146)	(15,375)	(111,521)
External revenue	417,419	6,125	64	423,608
Segment profit / (loss) before tax	8,827	38,964	(328)	47,463
Income tax expenses	(2,500)	(10,645)	(1)	(13,146)
Profit / (Loss) after tax	6,327	28,319	(329)	34,317

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**10. Carrying amount of revalued assets**

As at the end of this reporting quarter, the Group does not have any revalued assets.

11. Subsequent events

There is no other material event subsequent to this reporting quarter as at the date of this announcement.

12. Changes in the composition of the Group

There is no change in composition of the Group for this reporting quarter.

13. Contingent liabilities and contingent assets

The Company has given corporate guarantee for credit facilities of subsidiaries amounting to RM1,000.30 million.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2012 is as follows:

	RM'000
Approved and contracted for	28,874
Approved but not contracted for	79,825
	<hr/>
	108,699
	=====

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information

15. Review of Performance

The Group recorded a profit before tax of RM20.073 million in the first quarter of current year compared to RM47.463 million reported for first quarter of the preceding year. The current quarter revenue recorded at RM494.001 million as compared to RM423.608 million for corresponding quarter of preceding year.

Refinery & Kernel Crushing Plant

The current quarter's revenue was about RM68 million higher than the corresponding period of the preceding year mainly due to the increase in sales volume.

The profit before tax of the current quarter was about RM7 million lower than the corresponding quarter of the preceding year as the result of lower average selling price of products.

Milling & Plantation

The milling and plantation revenue recorded of about RM65 million in the current quarter as compared to about RM102 million for corresponding period of the preceding year. Accordingly, the profit before tax of the current quarter is about RM20 million lower than the corresponding quarter of the preceding year. This was due to the lower average selling price and sales volume of products during the quarter.

Others

Other segments' results are insignificant to the group.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**16. Comparison with Preceding Quarter's Results**

The Group recorded profit before tax of RM20.073 million compared to RM23.633 million of the immediate preceding quarter. The decrease was mainly due to lower sales volume of products.

17. Commentary on prospects

The Group's financial performance is mainly dependent on the demand for palm oil products in world edible oil market and their corresponding prices. Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the current year.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Deferred taxation	3,999	12,716	3,999	12,716
Current period provision	1,299	430	1,299	430
	-----	-----	-----	-----
	5,298	13,146	5,298	13,146
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 31 March 2012 is higher than the statutory tax rate due to certain non-deductible expenses.

19. Sale of unquoted investments and properties

There were no sales of unquoted investments and properties during the current quarter.

20. Quoted securities

There were no purchases or sales of quoted securities during the current quarter.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**21. Borrowings and debt securities**

	RM'000
Short term borrowings	
Secured	182,202
Long term borrowings	
Secured	164,112

	346,314
	=====

The above borrowings are denominated in Ringgit Malaysia.

22. Changes in material litigation

There are no material litigations pending since the last annual balance sheet date to the date of this announcement.

23. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast and profit guarantee.

24. Dividend

No dividend has been proposed for the current reporting quarter.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**25. Earnings per share**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
Net profit attributable to ordinary equity holders of the parent	14,677 =====	34,325 =====	14,677 =====	34,325 =====
Weighted average number of ordinary shares in issue ('000)	85,000 =====	85,000 =====	85,000 =====	85,000 =====
Basic earnings per share (sen)	17.27 =====	40.38 =====	17.27 =====	40.38 =====
Diluted earnings per share (sen)	N/A =====	N/A =====	N/A =====	N/A =====

26. Realised and Unrealized Profit/(Losses)

	As At 31.3.2012 RM'000	As At 31.3.2011 RM'000
Total retained profits of the group		
- Realised	632,556	551,881
- Unrealised	(124,318)	(118,159)
	----- 508,238 =====	----- 433,722 =====

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**27. Comprehensive Income Disclosures**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
Result from operating activities is arrived at after charging:				
Finance cost	214	136	214	136
Depreciation of property, plant and equipment	5,462	3,993	5,462	3,993
Loss on disposal of subsidiary	-	885	-	885
Unrealised foreign exchange loss	752	-	752	-
Loss on derivative	950	718	950	718
	<hr/>	<hr/>	<hr/>	<hr/>
Result from operating activities is arrived at after crediting:				
Finance income	265	275	265	275
Other Operating Income	7	5	7	5
Gain on disposal of property, plant and equipment	-	7	-	7
Unrealised foreign exchange gain	-	52	-	52
	<hr/>	<hr/>	<hr/>	<hr/>

Other items not applicable to the Group are impairment of assets, provision for and write off of receivables and inventories.