

**BLD PLANTATION BHD.**(562199-A)

**Interim Financial Report**  
**30 September 2013**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for the Period Ended 30 September 2013**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Period Ended 30 September 2013

(The figures have not been audited)

		<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		481,636	517,546	1,194,217	1,404,369
Cost of sales		(441,029)	(485,993)	(1,119,692)	(1,289,611)
Gross profit		40,607	31,553	74,525	114,758
Other operating income		4,173	2,488	3,552	2,930
Selling expenses		(10,888)	(10,346)	(23,601)	(36,330)
Administrative expenses		(2,727)	(2,825)	(8,171)	(8,460)
Finance costs		(5,453)	(1,930)	(8,723)	(3,505)
Profit before taxation		25,712	18,940	37,582	69,393
Income tax expenses	<b>18</b>	(7,201)	(4,246)	(10,562)	(17,486)
Profit for the period, net of tax representing total Comprehensive Income for the period		18,511	14,694	27,020	51,907
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		18,402	14,133	27,207	51,192
Non-controlling interests		109	561	(187)	715
		18,511	14,694	27,020	51,907
		=====	=====	=====	=====
<b>Earnings per share (sen) attributable to Owners of the Company:</b>	<b>26</b>				
- Basic		19.68	16.62	30.84	60.22
- 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 2012 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 30.09.2013 RM'000	As At 31.12.2012 RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	386,430	386,108
Biological assets	497,920	482,944
Goodwill on consolidation	-	82
	884,350	869,134
<b>Current Assets</b>		
Inventories	135,800	138,059
Receivables	84,161	59,290
Prepaid operating expenses	1,374	1,742
Deposits, cash and bank balances	333,946	296,545
Tax refundable	5,520	10,593
Derivative financial instruments	-	196
	560,801	506,425
<b>Total assets</b>	1,445,151 =====	1,375,559 =====
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	93,500	85,000
Reserves	668,374	588,266
	761,874	673,266
<b>Non-controlling interests</b>	1,326	1,745
	763,200	675,011
<b>Total equity</b>	763,200	675,011

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Financial Position**

(The figures have not been audited)

	<b>As At 30.09.2013 RM'000</b>	<b>As At 31.12.2012 RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	117,561	167,585
Deferred tax liabilities	155,617	146,533
	273,178	314,118
<b>Current liabilities</b>		
Borrowings	286,906	262,609
Payables	121,369	123,821
Derivative financial instruments	498	-
	408,773	386,430
<b>Total liabilities</b>	681,951	700,548
<b>Total equity and liabilities</b>	1,445,151	1,375,559
	=====	=====
<b>Net assets per share attributable to Owners of the Company (RM)</b>	8.64	7.92
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Changes in Equity**

For the Period Ended 30 September 2013

(The figures have not been audited)

	Attributable to owners of the Company				Non- controlling Interests	Total Equity
	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000		
<b>At 1 January 2013</b>	85,000	566,162	22,104	673,266	1,745	675,011
Issuance of shares	8,500	-	57,576	66,076	-	66,076
Total comprehensive income	-	27,207	-	27,207	(187)	27,020
Dividend paid to non-controlling interests	-	-	-	-	(232)	(232)
Final dividend	-	(4,675)	-	(4,675)	-	(4,675)
<b>At 30 September 2013</b>	93,500	588,694	79,680	761,874	1,326	763,200
	=====	=====	=====	=====	=====	=====

	Attributable to owners of the Company				Non- controlling Interests	Total Equity
	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000		
<b>At 1 January 2012</b>	85,000	493,561	22,104	600,665	1,272	601,937
Acquisition of non-controlling interests	-	(4,010)	-	(4,010)	-	(4,010)
Total comprehensive income	-	51,192	-	51,192	715	51,907
Dividend paid to non-controlling interest	-	-	-	-	(74)	(74)
Final dividend	-	(11,900)	-	(11,900)	-	(11,900)
<b>At 30 September 2012</b>	85,000	528,843	22,104	635,947	1,913	637,860
	=====	=====	=====	=====	=====	=====

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 2012 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 September 2013

(The figures have not been audited)

	<b>Cumulative 9 months 30.09.2013 RM'000</b>	<b>Cumulative 9 months 30.09.2012 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	37,582	69,393
Adjustments for:		
Depreciation of property, plant and equipment	17,795	16,668
Loss / (Gain) on disposal of property, plant and equipment	32	(23)
Interest income	(4,415)	(817)
Interest expense	8,723	3,505
Net fair value loss / (gain) on derivative	694	(2,096)
Impairment of Goodwill	82	-
Net unrealized foreign exchange (gain) / loss	(2,119)	1,370
Operating profit before changes in working capital	58,374	88,000
Decrease in inventories	2,259	19,465
Increase in receivables and other assets	(24,677)	(13,209)
Decrease in trade and other payables	(2,452)	(2,255)
<b>Cash generated from operations</b>	33,504	92,001
Income tax paid net of refund	3,595	(5,453)
Interest received	4,415	817
<b>Net cash generated from operating activities</b>	41,514	87,365
<b>Cash flows from investing activities</b>		
Acquisition of additional interest in an existing subsidiary	-	(4,010)
Purchase of property, plant and equipment	(18,167)	(36,258)
Acquisition of biological assets	(10,790)	(17,675)
Proceeds from disposal of property, plant and equipment	19	23
<b>Net cash used in investing activities</b>	(28,938)	(57,920)

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 September 2013

(The figures have not been audited)

	<b>Cumulative 9 months 30.09.2013 RM'000</b>	<b>Cumulative 9 months 30.09.2012 RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the Company	(4,675)	(11,900)
Dividend paid by a subsidiary to non-controlling interests	(232)	(74)
Proceeds from issuance of ordinary shares	66,076	-
Interest paid	(12,910)	(7,106)
Proceeds from bank borrowings	976,518	1,189,712
Repayment of bank borrowings	(997,272)	(1,176,219)
<b>Net cash generated from / (used in) financing activities</b>	<u>27,505</u>	<u>(5,587)</u>
<b>Net increase in cash and cash equivalents</b>	40,081	23,858
<b>Effect of foreign exchange rate changes</b>	2,293	(1,305)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>287,905</u>	<u>234,280</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>330,279</u> =====	<u>256,833</u> =====

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2012.

#### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with prevailing established guidelines described in FRS and IC Interpretations wherever applicable and relevant. The adoption of the FRS and IC Interpretations effective for annual financial periods beginning on or after 1 January 2013 did not have any effect on the financial position of the Group or of the Company.

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

Amendment to FRS 132: Offsetting Financial Assets and Financial Liabilities

FRS 9 : Financial Instruments

Amendment to FRS 10,  
FRS 12 and FRS 127 : Investment Entities

## **Notes to the Financial Information**

### **2. Significant Accounting Policies (Contd.)**

#### **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 period 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 additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2015. 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 2012 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**

The Company issued 8,500,000 ordinary shares of RM1.00 each at RM7.80 per share on 20 June 2013 for the Private Placement of shares.

Save for the above, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period ended 30 September 2013.

#### **8. Dividends Paid**

The Company had paid final dividend amounting to RM4.675 million in respect of financial year ended 31 December 2012 during the reporting 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 30 September 2013**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	1,166,254	27,627	336	-	1,194,217
Inter-segment revenue	-	188,294	190	(188,484)	-
Total revenue	1,166,254	215,921	526	(188,484)	1,194,217
Profit / (Loss) before tax	29,998	9,056	(1,472)	-	37,582

**Result for period ended 30 September 2012**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	1,372,391	31,820	158	-	1,404,369
Inter-segment revenue	13	215,612	190	(215,815)	-
Total revenue	1,372,404	247,432	348	(215,815)	1,404,369
Profit / (Loss) before tax	22,280	48,856	(1,743)	-	69,393

## **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 were no changes in the composition of the Group as at the date of this announcement.

### **13. Contingent liabilities and contingent assets**

The Company has given corporate guarantee for credit facilities of subsidiaries amounting to about RM1,329 million.

### **14. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2013 is as follows:

	<b>RM'000</b>
Approved and contracted for	12,963
Approved and not contracted for	20,403
	-----
	33,366
	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****15. Review of Performance**

The Group recorded a profit before tax of RM37.582 million compared to the profit before tax of RM69.393 million reported for the corresponding financial period of preceding year. The revenue recorded at RM1,194.217 million for the current financial period as compared to RM1,404.369 million for the corresponding financial period of preceding year.

**Refinery & Kernel Crushing Plant**

The current quarter's revenue was lower by about RM35 million as compared to the corresponding quarter of the preceding year mainly due to lower average selling price of products. The profit before tax of current quarter was about RM5.9 million higher than the corresponding quarter of the preceding year due to higher sales volume.

The segment's profit before tax increased by about RM7.7 million though the revenue was about RM206 million lower than the preceding year. This was mainly due to higher sales volume despite lower average selling price during the current financial period.

**Milling & Plantation**

The segment's revenue was lower by about RM9.7 million as compared to the corresponding period of the preceding year. This was mainly due to the lower average selling price of products. However, the profit before tax recorded an increase of about RM0.6 million as compared to the corresponding period of the preceding year due to higher sales volume of products.

Owing to lower average selling price of products and notwithstanding with higher sales volume, the segment's revenue and profit before tax were lower by about RM31.5 million and RM39.8 million respectively, as compared to the corresponding preceding financial period.

**Others**

Other segments' results are insignificant to the group.

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(Company No: 562199-A)

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

The Group recorded profit before tax of about RM25.7 million compared to about RM10 million of the immediate preceding quarter. The increase was mainly due to higher sales volume of products.

**17. Commentary on prospects**

Based on various reports, it is expected that palm oil prices in Year 2013 will continue to be affected by physical supplies and demand. With Indonesia reported to experience production increase due to maturity and increased cultivation area and with uncertainty in Europe thus putting pressure on palm oil demand for the bio-diesel industry, the outlook for palm oil prices will be expected to be one of cautions. Furthermore, the on-setting of minimum wages will also be expected to fuel further increase in costs. Notwithstanding, the Group is mindful of these influencing factors and will continue to be vigilant and prudent in expenditure and productivity.

**18. Income tax expenses**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>9 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expenses for the year:				
Deferred taxation	6,699	6,031	9,084	17,043
Current period provision	280	1,483	1,256	3,711
Under/(Over) provision in prior years	222	(3,268)	222	(3,268)
	-----	-----	-----	-----
	7,201	4,246	10,562	17,486
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 30 September 2013 is higher than the statutory tax rate due to certain non-deductible expenses.

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**Notes to the Financial Information****19. Status of corporate proposals**

- a) The proposed private placement announced on 23 May 2013 was completed during the quarter ended 30 June 2013.
- b) The utilization of the proceed from the Private Placement as at the current financial period is as follow:

<b>Purpose</b>	<b>Original Proposed Utilization</b>	<b>Revised Proposed Utilization</b>	<b>Actual Utilization</b>	<b>Balance</b>	<b>Expected Timeframe for utilization of proceeds</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Oil palm plantation expenditures and general working capital	58,050	58,076	39,000	19,076	Within 24 months
Repayment of borrowings	8,000	8,000	8,000	-	Within 6 months
Expenses related to the Private Placement	250	224	224	-	Within 1 month
<b>Total</b>	<b>66,300</b>	<b>66,300</b>	<b>47,224</b>	<b>19,076</b>	

**20. Sale of unquoted investments and properties**

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

**21. Quoted securities**

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



**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****22. Borrowings and debt securities**

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	286,906
<b>Long term borrowings</b>	
Secured	117,561
	-----
	404,467
	=====

The above borrowings are denominated in Ringgit Malaysia.

**23. Changes in material litigation**

There are no material litigations pending since the last annual reporting date to this announcement date.

**24. Profit Forecast or Profit Guarantee**

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

**25. Dividend**

No dividend has been proposed for the current reporting quarter.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****26. Earnings per share**

	<b>Individual Quarter 9 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit attributable to Owners of the Company	18,402 =====	14,133 =====	27,207 =====	51,192 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	85,000 =====	88,207 =====	85,000 =====
Basic earnings per share (sen)	19.68 =====	16.62 =====	30.84 =====	60.22 =====
Diluted earnings per share (sen)	N/A =====	N/A =====	N/A =====	N/A =====

**27. Realised and Unrealised Profit/(Losses)**

	<b>As At 30.09.2013 RM'000</b>	<b>As At 30.09.2012 RM'000</b>
Total retained profits of the group		
- Realised	742,690	667,788
- Unrealised	(153,996)	(134,935)
	-----	-----
	588,694	532,853
	=====	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****28. Comprehensive Income Disclosures**

	<b>Individual Quarter 9 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Result from operating activities is arrived at after charging:</b>				
Finance cost	5,453	1,930	8,723	3,505
Depreciation of property, plant and equipment	6,238	5,637	17,795	16,668
Loss on disposal of property, plant and equipment	50	-	32	-
Impairment of assets	82	-	82	-
Unrealised foreign exchange loss	-	1,069	-	1,370
Loss on derivative	-	-	694	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Result from operating activities is arrived at after crediting:</b>				
Finance income	3,855	299	4,415	817
Other operating income	13	7	32	16
Gain on disposal of property, plant and equipment	-	-	-	23
Unrealised foreign exchange gain	275	-	2,119	-
Gain on derivative	483	2,191	-	2,096
	<hr/>	<hr/>	<hr/>	<hr/>

The Group does not have other material items, other than the items disclosed above, that recognized in the Statement of Comprehensive Income.