

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 December 2014

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 December 2014

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 - 17

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 December 2014

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue		427,413	440,249	1,558,192	1,634,466
Cost of sales		(393,127)	(416,994)	(1,449,943)	(1,536,686)
Gross profit		34,286	23,255	108,249	97,780
Other operating income		4,649	2,431	7,355	5,983
Selling expenses		(7,880)	(10,764)	(37,202)	(34,365)
Administrative expenses		(10,056)	(12,650)	(20,902)	(20,821)
Finance costs		(2,697)	(3,329)	(10,833)	(12,052)
Profit / (loss) before taxation		18,302	(1,057)	46,667	36,525
Income tax expenses	18	(3,410)	10,890	(13,767)	328
Profit for the period, net of tax representing total Comprehensive Income for the period		14,892	9,833	32,900	36,853
Profit for the period attributable to:					
Owners of the Company		15,280	9,856	33,178	37,063
Non-controlling interests		(388)	(23)	(278)	(210)
		14,892	9,833	32,900	36,853
Earnings per share (sen) attributable to Owners of the Company:	26				
- Basic		16.34	10.54	35.48	41.39
- 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 2013 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 31.12.2014 RM'000	As At 31.12.2013 RM'000
Non-current Assets		
Property, plant and equipment	383,577	388,823
Biological assets	515,229	502,438
Deferred tax assets	-	1,308
	898,806	892,569
Current Assets		
Inventories	126,486	156,852
Receivables	46,799	123,028
Prepaid operating expenses	484	1,635
Deposits, cash and bank balances	353,070	263,176
Tax refundable	3,675	5,259
	530,514	549,950
Total assets	1,429,320 =====	1,442,519 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	93,500	93,500
Reserves	706,733	678,230
	800,233	771,730
Non-controlling interests	1,025	1,303
	801,258	773,033
Total equity	801,258	773,033

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 31.12.2014 RM'000	As At 31.12.2013 RM'000
Non-current liabilities		
Borrowings	140,681	138,524
Deferred tax liabilities	149,788	145,126
	290,469	283,650
Current liabilities		
Borrowings	234,318	269,502
Payables	102,044	114,475
Derivative financial instruments	1,231	1,859
	337,593	385,836
Total liabilities	628,062	669,486
Total equity and liabilities	1,429,320	1,442,519
	=====	=====
Net assets per share attributable to Owners of the Company (RM)	8.56	8.62
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 December 2014

(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 2014	93,500	598,550	79,680	771,730	1,303	773,033
Total comprehensive income	-	33,178	-	33,178	(278)	32,900
Final dividend	-	(4,675)	-	(4,675)	-	(4,675)
At 31 December 2014	93,500	627,053	79,680	800,233	1,025	801,258

	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 2013	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	-	37,063	-	37,063	(210)	36,853
Dividend paid to non-controlling interest	-	-	-	-	(232)	(232)
Final dividend	-	(4,675)	-	(4,675)	-	(4,675)
At 31 December 2013	93,500	598,550	79,680	771,730	1,303	773,033

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 2013 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2014

(The figures have not been audited)

	Cumulative 12 months 31.12.2014 RM'000	Cumulative 12 months 31.12.2013 RM'000
Cash flows from operating activities		
Profit before taxation	46,667	36,525
Adjustments for:		
Depreciation of property, plant and equipment	28,176	27,906
(Gain) / Loss on disposal of property, plant and equipment	(211)	28
Interest income	(6,606)	(6,300)
Interest expense	10,833	12,052
Net fair value (gain) / loss on derivative	(628)	2,055
Impairment of Goodwill	-	82
Net unrealized foreign exchange gain	(2,957)	(2,205)
Operating profit before changes in working capital	75,274	70,143
Decrease / (Increase) in inventories	30,366	(18,793)
Decrease / (Increase) in receivables and other assets	77,308	(63,595)
Decrease in payables	(12,431)	(9,346)
Cash generated from / (used in) operations	170,517	(21,591)
Income tax paid net of refund	(6,263)	2,947
Interest received	6,606	6,300
Net cash generated from / (used in) operating activities	170,860	(12,344)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(23,083)	(30,715)
Acquisition of biological assets (net of interest capitalised)	(8,241)	(13,735)
Proceeds from disposal of property, plant and equipment	363	66
Net cash used in investing activities	(30,961)	(44,384)

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2014

(The figures have not been audited)

	Cumulative 12 months 31.12.2014 RM'000	Cumulative 12 months 31.12.2013 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(4,675)	(4,675)
Dividend paid by a subsidiary to non-controlling interests	-	(232)
Proceeds from private placement of shares, net of expenses	-	66,076
Interest paid	(15,382)	(17,811)
Proceeds from bank borrowings	1,364,219	1,282,768
Repayment of bank borrowings	(1,397,559)	(1,298,125)
	<hr/>	<hr/>
Net cash (used in) / proceed from financing activities	(53,397)	28,001
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	86,502	(28,727)
Effect of foreign exchange rate changes	3,029	2,169
Cash and cash equivalents at the beginning of the year	261,347	287,905
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	350,878	261,347
	<hr/> <hr/>	<hr/> <hr/>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2013.

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 2014 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) :

- Amendments to FRS 2, FRS 3, FRS 8, FRS 116, FRS 124 and FRS 138, Annual Improvements 2010-2012 Cycle
- Amendments to FRS 3, FRS 13 and FRS 140, Annual Improvements 2011-2013 Cycle
- Amendments to FRS 119, Defined Benefit Plans: Employee Contributions
- FRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- FRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)
- FRS 9, Financial Instruments: Hedge Accounting and amendments to FRS7 and FRS 139

BLD PLANTATION BHD

(Company No: 562199-A)

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 five years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

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 2017. 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 2013 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 year ended 31 December 2014.

8. Dividends Paid

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

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 year were as follows:-

Result for year ended 31 December 2014

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	1,511,924	45,893	375	-	1,558,192
Inter-segment revenue	-	303,471	6,303	(309,774)	-
Total revenue	1,511,924	349,364	6,678	(309,774)	1,558,192
Profit before tax	13,865	30,095	2,707	-	46,667

Result for year ended 31 December 2013

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	1,594,333	39,596	537	-	1,634,466
Inter-segment revenue	-	286,922	10,416	(297,338)	-
Total revenue	1,594,333	326,518	10,953	(297,338)	1,634,466
Profit before tax	9,082	26,391	1,134	(82)	36,525

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

Bintulu Lumber Development Sdn Bhd, a wholly owned subsidiary of BLD Plantation Bhd, acquired 2 ordinary shares of RM1.00 each in Easibright Sdn Bhd. Subsequent to the acquisition of the said shares, Easibright Sdn Bhd became a 100% owned subsidiary of Bintulu Lumber Development Sdn Bhd.

13. Contingent liabilities and contingent assets

The Company has given corporate guarantee for credit facilities of subsidiaries amounting to about RM1,314 million.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2014 is as follows:

Approved and contracted for	RM'000 2,000 =====
-----------------------------	---------------------------------

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information

15. Review of Performance

The Group recorded a profit before tax of RM46.667 million compared to the profit before tax of RM36.525 million reported for the corresponding preceding financial year. The revenue recorded at RM1,558.192 million for the current financial year as compared to RM1,634.466 million for the corresponding preceding financial year.

Refinery & Kernel Crushing Plant

The current quarter's profit before tax was increased by about RM27 million though the revenue was lower by about RM12 million as compared to the corresponding quarter of the preceding year. This was mainly due to lower average costs during the current quarter.

The higher profit before tax of about RM4.8 million as compared to the preceding year was mainly due to higher average selling price of products. The lower revenue of about RM82 million was mainly due to lower sales volume as compared to the preceding year.

Milling & Plantation

The segment's revenue and profit before tax were lower by about RM30.9 million and RM9.6 million respectively as compared to the corresponding period of the preceding year. These were mainly due to lower average selling price of products.

Owing to higher sales volume, the segment's revenue and profit before tax were increased by about RM22.8 million and RM3.7 million respectively, as compared to the corresponding preceding financial year.

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**

Owing to higher sales volume notwithstanding with the lower average selling price of products during the current quarter, the Group recorded profit before tax of about RM18.3 million as compared to about RM10.4 million of the immediate preceding quarter.

17. Commentary on prospects

The financial performance of the Group is dependent on the physical supply and demand of palm oil products in the world edible oil market and their corresponding prices. The Group is cautious that some changes in policy might cause supply constraints in long term to the local industry as a whole while leading to positive economic implications on palm oil prices. Notwithstanding, the Group is mindful of various influencing factors and will continue to be vigilant and prudent in expenditure and productivity.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	(781)	(11,799)	5,920	(2,715)
Current year provision	4,191	909	7,630	2,165
Under provision in prior year	-	-	217	222
	-----	-----	-----	-----
	3,410	(10,890)	13,767	(328)
	=====	=====	=====	=====

The effective tax rate of the Group for the financial year ended 31 December 2014 is higher than the statutory tax rate due to certain non-deductible expenses.

BLD PLANTATION BHD

(Company No: 562199-A)

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:

Purpose	Original Proposed Utilization	Revised Proposed Utilization	Actual Utilization	Balance	Expected Timeframe for utilization of proceeds
	RM'000	RM'000	RM'000	RM'000	
Oil palm plantation expenditures and general working capital	58,050	58,076	58,076	-	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
Total	66,300	66,300	66,300	-	

20. Sale of unquoted investments and properties

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

21. Quoted securities

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

BLD PLANTATION BHD

(Company No: 562199-A)

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

	RM'000
Short term borrowings	
Secured	234,318
Long term borrowings	
Secured	140,681

	374,999
	=====

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**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Net profit attributable to Owners of the Company	15,280 =====	9,856 =====	33,178 =====	37,063 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	89,541 =====
Basic earnings per share (sen)	16.34 ====	10.54 =====	35.48 =====	41.39 =====
Diluted earnings per share (sen)	N/A ====	N/A ====	N/A ====	N/A ====

27. Realised and Unrealised Profit/(Losses)

	As At 31.12.2014 RM'000	As At 31.12.2013 RM'000
Total retained profits of the group		
- Realised	775,114	742,022
- Unrealised	(148,061)	(143,472)
	-----	-----
	627,053	598,550
	=====	=====

BLD PLANTATION BHD

(Company No: 562199-A)

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Result from operating activities is arrived at after charging:				
Finance cost	2,697	3,329	10,833	12,052
Depreciation of property, plant and equipment	7,294	10,111	28,176	27,906
Loss on disposal of property, plant and equipment	-	-	-	28
Impairment of assets	-	-	-	82
Loss on derivative	-	1,361	-	2,055
	_____	_____	_____	_____
Result from operating activities is arrived at after crediting:				
Finance income	2,232	1,885	6,606	6,300
Other operating income	21	33	95	65
Gain on disposal of property, plant and equipment	-	4	211	-
Unrealised foreign exchange gain	1,956	86	2,957	2,205
Gain on derivative	1,579	-	628	-
	_____	_____	_____	_____

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