

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 March 2015

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 March 2015

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 March 2015

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
		RM'000	RM'000	RM'000	RM'000
Revenue		303,665	367,896	303,665	367,896
Cost of sales		(293,259)	(348,468)	(293,259)	(348,468)
Gross profit		10,406	19,428	10,406	19,428
Other operating income		2,963	3,966	2,963	3,966
Selling expenses		(6,860)	(10,161)	(6,860)	(10,161)
Administrative expenses		(2,819)	(2,652)	(2,819)	(2,652)
Finance costs		(2,455)	(3,186)	(2,455)	(3,186)
Profit before taxation		1,235	7,395	1,235	7,395
Income tax expenses	18	(1,085)	(2,119)	(1,085)	(2,119)
Profit for the period, net of tax representing total Comprehensive Income for the period		150	5,276	150	5,276
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		143	5,149	143	5,149
Non-controlling interests		7	127	7	127
		150	5,276	150	5,276
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		0.15	5.51	0.15	5.51
- 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 2014 and the accompanying explanatory notes.

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(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.03.2015 RM'000	As At 31.12.2014 RM'000
Non-current Assets		
Property, plant and equipment	380,365	383,627
Biological assets	518,068	515,598
	898,433	899,225
Current Assets		
Inventories	122,275	126,533
Receivables	15,214	46,739
Prepaid operating expenses	9	484
Deposits, cash and bank balances	341,885	353,070
Tax refundable	2,022	4,116
	481,405	530,942
Total assets	1,379,838 =====	1,430,167 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	93,500	93,500
Reserves	706,989	706,846
	800,489	800,346
Non-controlling interests	1,036	1,029
Total equity	801,525 =====	801,375 =====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 31.03.2015 RM'000	As At 31.12.2014 RM'000
Non-current liabilities		
Borrowings	176,981	140,731
Deferred tax liabilities	150,453	150,045
	<u>327,434</u>	<u>290,776</u>
Current liabilities		
Borrowings	158,279	234,318
Payables	91,297	102,467
Tax payable	783	-
Derivative financial instruments	520	1,231
	<u>250,879</u>	<u>338,016</u>
Total liabilities	578,313	628,792
Total equity and liabilities	<u>1,379,838</u> =====	<u>1,430,167</u> =====
Net assets per share attributable to Owners of the Company (RM)	8.56 =====	8.56 =====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

(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		
At 1 January 2015	93,500	627,166	79,680	800,346	1,029	801,375
Total comprehensive income	-	143	-	143	7	150
At 31 March 2015	93,500	627,309	79,680	800,489	1,036	801,525

	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		
At 1 January 2014	93,500	598,550	79,680	771,730	1,303	773,033
Total comprehensive income	-	5,149	-	5,149	127	5,276
At 31 March 2014	93,500	603,699	79,680	776,879	1,430	778,309

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 2014 and the accompanying explanatory notes.

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2015

(The figures have not been audited)

	Cumulative 3 months 31.03.2015 RM'000	Cumulative 3 months 31.03.2014 RM'000
Cash flows from operating activities		
Profit before taxation	1,235	7,395
Adjustments for:		
Depreciation of property, plant and equipment	6,896	6,840
Gain on disposal of property, plant and equipment	(56)	(14)
Interest income	(2,203)	(1,232)
Interest expense	2,455	3,186
Net fair value gain on derivative	(711)	(2,692)
Net unrealized foreign exchange gain	(1,193)	(224)
Operating profit before changes in working capital	6,423	13,529
Decrease in inventories	4,258	8,482
Decrease in receivables and other assets	32,000	82,556
(Decrease) / Increase in payables	(11,170)	4,989
Cash generated from operations	31,511	109,286
Income tax paid, net of refund	2,200	(1,082)
Interest received	2,203	1,232
Net cash generated from operating activities	35,914	109,436
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,634)	(4,131)
Acquisition of biological assets	(1,559)	(1,992)
Proceeds from disposal of property, plant and equipment	56	14
Net cash used in investing activities	(5,137)	(6,109)

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(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2015

(The figures have not been audited)

	Cumulative 3 months 31.03.2015 RM'000	Cumulative 3 months 31.03.2014 RM'000
Cash flows from financing activities		
Interest paid	(3,366)	(4,298)
Proceeds from bank borrowings	245,782	327,608
Repayment of bank borrowings	(288,101)	(311,335)
	<hr/>	<hr/>
Net cash (used in) / proceed from financing activities	(45,685)	11,975
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(14,908)	115,302
Effect of foreign exchange rate changes	1,194	223
Cash and cash equivalents at the beginning of the year	350,878	261,347
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	337,164	376,872
	<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 2014 and the accompanying explanatory notes.

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(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 2014.

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 2015 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 116 and FRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 11, Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 127, Equity Method in Separate Financial Statements
- Amendments to FRS 10 and FRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 10, FRS 12 and FRS 128, Investment Entities: Applying the Consolidated Exception
- Amendments to FRS 5, FRS 7, FRS 119 and FRS 134, Annual Improvements to FRSs 2012-2014 Cycle
- FRS 14, Regulatory Deferral Accounts
- Amendments to FRS 101, Presentation of Financial Statements - Initiative Disclosure
- FRS 9, Financial Instruments (IFRS 9 issued by IASB in July 2014)

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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.

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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 2014 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 2015.

8. Dividends Paid

There was no dividend paid in the current quarter.

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Notes to the Financial Information

9. Segmental information

No segment analysis is prepared as the Company is primarily engaged in the oil palm industry in Malaysia.

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 RM1,314 million.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2015 is as follows:

	RM'000
Approved and contracted for	3,939
Approved and not contracted for	49,635

	53,574
	=====

15. Review of Performance

The current's quarter revenue and profit before tax of the Group were about RM64 million and RM6 million lower than the corresponding period of the preceding year mainly due to lower sales volume and lower average selling price of products.

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Notes to the Financial Information

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM1.23 million compared to the profit before tax of RM18.28 million of the immediate preceding quarter. This was mainly due to lower sales volume of products and higher average costs.

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 as well as the exchange rate of Ringgit Malaysia.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	409	669	409	669
Current year provision	676	1,450	676	1,450
	-----	-----	-----	-----
	1,085	2,119	1,085	2,119
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 31 March 2015 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 financial period.

20. Quoted securities

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

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

	RM'000
Short term borrowings	
Secured	158,279
Long term borrowings	
Secured	176,981

	335,260
	=====

The above borrowings are denominated in Ringgit Malaysia.

22. Changes in material litigation

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

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.

25. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	143	5,149	143	5,149
	===	====	===	====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	0.15	5.51	0.15	5.51
	=====	=====	=====	=====
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

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Notes to the Financial Information**26. Realised and Unrealised Profit / (Losses)**

	As At 31.03.2015 RM'000	As At 31.03.2014 RM'000
Total retained profits of the group		
- Realised	777,089	747,129
- Unrealised	(149,780)	(143,430)
	-----	-----
	627,309	603,699
	=====	=====

27. Comprehensive Income Disclosures

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Result from operating activities is arrived at after charging:				
Finance cost	2,455	3,186	2,455	3,186
Depreciation of property, plant and equipment	6,896	6,840	6,896	6,840
	-----	-----	-----	-----
Result from operating activities is arrived at after crediting:				
Finance income	2,203	1,232	2,203	1,232
Other operating income	14	28	14	28
Gain on disposal of property, plant and equipment	56	14	56	14
Unrealised foreign exchange gain	1,193	224	1,193	224
Gain on derivative	711	2,692	711	2,692
	-----	-----	-----	-----

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