

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
30 September 2015

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 September 2015

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 September 2015

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue		374,249	366,126	1,017,948	1,130,779
Cost of sales		(348,534)	(337,916)	(962,269)	(1,056,816)
Gross profit		25,715	28,210	55,679	73,963
Other operating (loss) / income		(7,293)	(651)	(5,660)	2,706
Selling expenses		(14,038)	(10,398)	(27,929)	(29,322)
Administrative expenses		(4,063)	(4,116)	(10,466)	(10,846)
Finance costs		(3,876)	(2,616)	(7,931)	(8,136)
(Loss) / Profit before taxation		(3,555)	10,429	3,693	28,365
Income tax expenses	18	4,877	(5,292)	1,505	(10,357)
Profit for the period, net of tax representing total Comprehensive Income for the period		1,322	5,137	5,198	18,008
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		1,237	5,092	4,961	17,898
Non-controlling interests		85	45	237	110
		1,322	5,137	5,198	18,008
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		1.33	5.45	5.31	19.14
- 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.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 30.09.2015 RM'000	As At 31.12.2014 RM'000
Non-current Assets		
Property, plant and equipment	371,156	383,627
Biological assets	525,827	515,598
Deferred tax assets	6,571	-
	903,554	899,225
Current Assets		
Inventories	152,932	126,533
Receivables	198,307	46,739
Prepaid operating expenses	286	484
Deposits, cash and bank balances	325,407	353,070
Tax refundable	2,789	4,116
	679,721	530,942
Total assets	1,583,275	1,430,167
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	93,500	93,500
Reserves	708,067	706,846
	801,567	800,346
Non-controlling interests	1,266	1,029
	802,833	801,375
Total equity	802,833	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 30.09.2015 RM'000	As At 31.12.2014 RM'000
Non-current liabilities		
Borrowings	130,414	140,731
Deferred tax liabilities	152,013	150,045
	<u>282,427</u>	<u>290,776</u>
Current liabilities		
Borrowings	289,633	234,318
Payables	196,060	102,467
Tax payable	426	-
Derivative financial instruments	11,896	1,231
	<u>498,015</u>	<u>338,016</u>
Total liabilities	780,442	628,792
Total equity and liabilities	<u>1,583,275</u> =====	<u>1,430,167</u> =====
Net assets per share attributable to Owners of the Company (RM)	8.57 =====	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 30 September 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	-	4,961	-	4,961	237	5,198
Final dividend	-	(3,740)	-	(3,740)	-	(3,740)
At 30 September 2015	<u>93,500</u>	<u>628,387</u>	<u>79,680</u>	<u>801,567</u>	<u>1,266</u>	<u>802,833</u>

	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	-	17,898	-	17,898	110	18,008
Final dividend	-	(4,675)	-	(4,675)	-	(4,675)
At 30 September 2014	<u>93,500</u>	<u>611,773</u>	<u>79,680</u>	<u>784,953</u>	<u>1,413</u>	<u>786,366</u>

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.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2015

(The figures have not been audited)

	Cumulative 9 months 30.09.2015 RM'000	Cumulative 9 months 30.09.2014 RM'000
Cash flows from operating activities		
Profit before taxation	3,693	28,365
Adjustments for:		
Depreciation of property, plant and equipment	20,836	20,882
Gain on disposal of property, plant and equipment	(43)	(211)
Interest income	(5,751)	(4,374)
Interest expense	7,931	8,136
Net fair value loss on derivative	10,665	951
Net unrealized foreign exchange gain	(27,355)	(1,001)
Operating profit before changes in working capital	9,976	52,748
Increase in inventories	(26,399)	(6,407)
(Increase) / Decrease in receivables and other assets	(143,607)	95,927
Increase / (Decrease) in payables	93,593	(11,571)
Cash (used in) / generated from operations	(66,437)	130,697
Income tax paid, net of refund	(1,345)	(2,412)
Interest received	5,751	4,374
Net cash (used in) / generated from operating activities	(62,031)	132,659
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,389)	(19,768)
Acquisition of biological assets	(7,580)	(6,090)
Proceeds from disposal of property, plant and equipment	67	363
Net cash used in investing activities	(15,902)	(25,495)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2015

(The figures have not been audited)

	Cumulative 9 months 30.09.2015 RM'000	Cumulative 9 months 30.09.2014 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(3,740)	(4,675)
Interest paid	(10,580)	(11,586)
Proceeds from bank borrowings	789,617	1,007,832
Repayment of bank borrowings	(746,439)	(1,062,248)
	<hr/>	<hr/>
Net cash generated from / (used) in financing activities	28,858	(70,677)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(49,075)	36,487
Effect of foreign exchange rate changes	19,592	1,001
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	321,395	298,835
	=====	=====

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 30 September 2015.

8. Dividends paid

The Company had paid final dividend amounting to RM3.74 million in respect of financial year ended 31 December 2014 during the reporting quarter.

9. Segmental information

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

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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 RM1,147 million.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2015 is as follows:

	RM'000
Approved and contracted for	4,992
Approved and not contracted for	39,395

	44,387
	=====

15. Review of Performance

The current's quarter revenue increased by about RM8.1 million mainly due to higher sales volume as compared to the corresponding quarter of the preceding year. Due to the lower average selling price of products and derivative loss, the Group recorded of about RM3.5 million loss before tax in the current quarter as compared to the corresponding quarter of about RM10.4 million profit before tax.

The revenue and profit before tax, lower by about RM113 million and RM24.7 million during the current financial period, as compared to the preceding year were mainly due to lower average selling price of products and derivative loss.

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

Owing to the lower average selling price of products and derivative loss, notwithstanding with the higher sales volume during the current quarter, the Group recorded loss before tax of about RM3.5 million as compared to the profit before tax of about RM6.01 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 as well as the exchange rate of Ringgit Malaysia.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	(6,041)	3,215	(4,603)	6,701
Current year provision	1,126	2,104	3,154	3,439
Under / (over) provision in prior year	38	(27)	(56)	217
	-----	-----	-----	-----
	(4,877)	5,292	(1,505)	10,357
	=====	=====	=====	=====

The group recognized about RM6.0 million of deferred tax assets during the current financial period due to unabsorbed tax allowances in its subsidiary company.

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	289,633
Long term borrowings	
Secured	130,414

	420,047
	=====

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.

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	1,237 =====	5,092 =====	4,961 =====	17,898 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	93,500 =====
Basic earnings per share (sen)	1.33 =====	5.45 =====	5.31 =====	19.14 =====
Diluted earnings per share (sen)	N/A =====	N/A =====	N/A =====	N/A =====

26. Realised and unrealised profit / (losses)

	As At	As At
	30.09.2015	30.09.2014
	RM'000	RM'000
Total retained profits of the group		
- Realised	758,369	764,100
- Unrealised	(129,982)	(152,327)
	-----	-----
	628,387	611,773
	=====	=====

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Notes to the Financial Information**27. Comprehensive income disclosures**

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Result from operating activities is arrived at after charging:				
Finance cost	3,876	2,616	7,931	8,136
Depreciation of property, plant and equipment	7,000	7,111	20,836	20,882
Loss on derivative	8,455	2,251	10,665	951
	_____	_____	_____	_____
Result from operating activities is arrived at after crediting:				
Finance income	1,556	1,591	5,751	4,374
Other operating income	20	28	46	74
Gain on disposal of property, plant and equipment	11	149	43	211
Unrealised foreign exchange gain	25,565	531	27,355	1,001
	_____	_____	_____	_____

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