

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

**Interim Financial Report**  
**30 September 2016**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for the Period Ended 30 September 2016**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Period Ended 30 September 2016

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.09.2016	30.09.2015	30.09.2016	30.09.2015
		RM'000	RM'000	RM'000	RM'000
Revenue		589,578	374,249	1,312,371	1,017,948
Cost of sales		(553,690)	(348,534)	(1,226,759)	(962,269)
Gross profit		35,888	25,715	85,612	55,679
Other operating (loss) / income		(2,724)	(7,293)	740	(5,660)
Selling expenses		(15,320)	(14,038)	(33,702)	(27,929)
Administrative expenses		(4,382)	(4,063)	(11,835)	(10,466)
Finance costs		(2,730)	(3,876)	(8,074)	(7,931)
Profit / (Loss) before taxation		10,732	(3,555)	32,741	3,693
Income tax expenses	<b>18</b>	(5,465)	4,877	(11,798)	1,505
Profit for the period, net of tax representing total Comprehensive Income for the period		5,267	1,322	20,943	5,198
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		4,860	1,237	20,319	4,961
Non-controlling interests		407	85	624	237
		5,267	1,322	20,943	5,198
		=====	=====	=====	=====
<b>Earnings per share (sen) attributable to Owners of the Company:</b>	<b>26</b>				
- Basic		5.20	1.33	21.73	5.31
- 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 2015 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 30.09.2016 RM'000</b>	<b>As At 31.12.2015 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	353,955	368,519
Biological assets	551,435	532,112
Deferred tax assets	2,549	11,780
	907,939	912,411
<b>Current Assets</b>		
Inventories	89,508	130,474
Receivables	152,631	107,515
Prepaid operating expenses	6,626	851
Deposits, cash and bank balances	306,568	363,995
Tax refundable	1,382	3,221
	556,715	606,056
<b>Total assets</b>	1,464,654 =====	1,518,467 =====
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	93,500	93,500
Reserves	715,175	696,726
	808,675	790,226
<b>Non-controlling interests</b>	1,906	1,282
	810,581	791,508
<b>Total equity</b>	810,581	791,508

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 30.09.2016 RM'000</b>	<b>As At 31.12.2015 RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	92,313	130,414
Deferred tax liabilities	147,656	152,334
	239,969	282,748
<b>Current liabilities</b>		
Borrowings	214,730	310,549
Payables	191,656	132,510
Tax payable	2,252	141
Derivative financial instruments	5,466	1,011
	414,104	444,211
<b>Total liabilities</b>	654,073	726,959
<b>Total equity and liabilities</b>	1,464,654	1,518,467
	=====	=====
<b>Net assets per share attributable to Owners of the Company (RM)</b>	8.65	8.45
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

(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 2016</b>	93,500	617,046	79,680	790,226	1,282	791,508
Total comprehensive income	-	20,319	-	20,319	624	20,943
Final dividend	-	(1,870)	-	(1,870)	-	(1,870)
<b>At 30 September 2016</b>	<u>93,500</u>	<u>635,495</u>	<u>79,680</u>	<u>808,675</u>	<u>1,906</u>	<u>810,581</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		
<b>At 1 January 2015</b>	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)
<b>At 30 September 2015</b>	<u>93,500</u>	<u>628,387</u>	<u>79,680</u>	<u>801,567</u>	<u>1,266</u>	<u>802,833</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 2015 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 September 2016

(The figures have not been audited)

	<b>Cumulative 9 months 30.09.2016 RM'000</b>	<b>Cumulative 9 months 30.09.2015 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	32,741	3,693
Adjustments for:		
Depreciation of property, plant and equipment	21,005	20,836
Loss / (Gain) on disposal of property, plant and equipment	47	(43)
Interest income	(5,141)	(5,751)
Interest expense	8,074	7,931
Net fair value loss on derivative	4,455	10,665
Net unrealized foreign exchange gain	(2,616)	(27,355)
Operating profit before changes in working capital	58,565	9,976
Decrease / (Increase) in inventories	40,966	(26,399)
Increase in receivables and other assets	(50,599)	(143,607)
Decrease in payables	59,146	93,593
<b>Cash generated from / (used in) operations</b>	108,078	(66,437)
Income tax paid, net of refund	(3,295)	(1,345)
Interest received	5,141	5,751
<b>Net cash generated from / (used in) operating activities</b>	109,924	(62,031)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,758)	(8,389)
Acquisition of biological assets	(16,767)	(7,580)
Proceeds from disposal of property, plant and equipment	270	67
<b>Net cash used in investing activities</b>	(23,255)	(15,902)

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 September 2016

(The figures have not been audited)

	<b>Cumulative 9 months 30.09.2016 RM'000</b>	<b>Cumulative 9 months 30.09.2015 RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the Company	(1,870)	(3,740)
Interest paid	(10,630)	(10,580)
Proceeds from bank borrowings	881,494	789,617
Repayment of bank borrowings	(1,015,291)	(746,439)
	<hr/>	<hr/>
<b>Net cash (used in) / generated from financing activities</b>	(146,297)	28,858
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	(59,628)	(49,075)
<b>Effect of foreign exchange rate changes</b>	2,325	19,592
<b>Cash and cash equivalents at the beginning of the year</b>	361,832	350,878
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	304,529	321,395
	=====	=====

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015.

#### **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 2016 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, Classification and Measurement of Share-based Payment Transactions
- FRS 9, Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- Amendments to FRS 10 and FRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 107, Disclosure Initiative
- Amendments to FRS 112, Recognition of Deferred Tax Assets for Unrealised Losses

## **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 are allowed to defer adoption of MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB. According to announcement made by the MASB on 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

In presenting its first MFRS financial statements, the Company 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 2015 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 2016.

#### **8. Dividend paid**

The Company had paid final dividend amounting to RM1.87 million in respect of the financial year ended 31 December 2015 during the reporting quarter.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **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 RM1,105 million.

#### **14. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2016 is as follows:

	<b>RM'000</b>
Approved and contracted for	1,999
Approved and not contracted for	17,908
	-----
	19,907
	=====

#### **15. Review of Performance**

Due to higher sales volume and higher average selling price of products in the current quarter, the Group achieved higher revenue and profit before tax of about RM215.3 million and RM14.3 million than the corresponding period of the preceding year.

The Group's revenue and profit before tax were higher by about RM294 million and RM29 million during the current financial period as compared to the preceding year due to higher sales volume and higher average selling price of products.

**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 about RM10.7 million as compared to RM8.4 million of the immediate preceding quarter. This was mainly due to higher sales volume of products during the current 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 9 months ended		Cumulative Quarter 9 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Tax expense for the year:				
Deferred taxation	373	(6,041)	4,553	(4,603)
Current year provision	5,092	1,126	7,296	3,154
Under / (Over) provision in prior year	-	38	(51)	(56)
	-----	-----	-----	-----
	5,465	(4,877)	11,798	(1,505)
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 30 September 2016 is higher than the statutory tax rate due to certain non-deductible expenses.

**19. Status of corporate proposals**

In respect of the acquisition of the entire equity interest in Pekan Semangat Sdn Bhd (Pekan) as per the Share Sale Agreement (“SSA”) dated 15<sup>th</sup> March 2016, BLD Plantation Berhad and the Vendors of Pekan have mutually agreed to rescind the SSA on 5<sup>th</sup> October 2016.

**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	214,730
<b>Long term borrowings</b>	
Secured	92,313
	-----
	307,043
	=====

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.

**26. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>9 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2016</b>	<b>30.09.2015</b>	<b>30.09.2016</b>	<b>30.09.2015</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	4,860	1,237	20,319	4,961
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	5.20	1.33	21.73	5.31
	=====	=====	=====	=====
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****27. Realised and Unrealised Profit / (Losses)**

	<b>As At 30.09.2016 RM'000</b>	<b>As At 30.09.2015 RM'000</b>
Total retained profits of the group		
- Realised	783,452	758,369
- Unrealised	(147,957)	(129,982)
	-----	-----
	635,495	628,387
	=====	=====

**28. Comprehensive Income Disclosures**

	<b>Individual Quarter 9 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30.09.2016 RM'000</b>	<b>30.09.2015 RM'000</b>	<b>30.09.2016 RM'000</b>	<b>30.09.2015 RM'000</b>
<b>Result from operating activities is arrived at after charging:</b>				
Finance cost	2,730	3,876	8,074	7,931
Depreciation of property, plant and equipment	7,183	7,000	21,005	20,836
Loss on disposal of property, plant and equipment	-	-	47	-
Loss on derivative	4,540	8,455	4,455	10,665
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<b>Result from operating activities is arrived at after crediting:</b>				
Finance income	1,799	1,556	5,141	5,751
Other operating income	15	20	46	46
Gain on disposal of property, plant and equipment	9	11	-	43
Unrealised foreign exchange gain	6,645	25,565	2,616	27,355
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The group does not have other material items, other than the items disclosed above, that recognized in the Statement of Comprehensive Income.