

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 March 2018

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 March 2018

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 - 13

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 March 2018

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.03.2018 (Unaudited) RM'000	31.03.2017 (Restated) RM'000	31.03.2018 (Unaudited) RM'000	31.03.2017 (Restated) RM'000
Revenue		366,567	468,374	366,567	468,374
Cost of sales		(348,245)	(451,050)	(348,245)	(451,050)
Gross profit		18,322	17,324	18,322	17,324
Other operating income		3,150	8,744	3,150	8,744
Selling expenses		(7,909)	(14,589)	(7,909)	(14,589)
Administrative expenses		(5,992)	(3,902)	(5,992)	(3,902)
Finance costs		(3,521)	(2,542)	(3,521)	(2,542)
Profit before taxation		4,050	5,035	4,050	5,035
Income tax expenses	18	(1,747)	(1,955)	(1,747)	(1,955)
Profit for the period, net of tax representing total Comprehensive Income for the period		2,303	3,080	2,303	3,080
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		2,159	2,678	2,159	2,678
Non-controlling interests		144	402	144	402
		2,303	3,080	2,303	3,080
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		2.31	2.86	2.31	2.86
- 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 2017 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 31.03.2018 (Unaudited) RM'000	As At 31.12.2017 (Restated) RM'000	As At 01.01.2017 (Restated) RM'000
Non-current Assets			
Property, plant and equipment	618,648	614,145	616,122
Deferred tax assets	5	28	4,390
	618,653	614,173	620,512
Current Assets			
Inventories	141,266	125,315	83,911
Receivables	159,056	169,159	168,005
Prepaid operating expenses	2,443	4,144	6,070
Tax refundable	7,594	7,195	1,278
Derivative financial instruments	6,650	5,838	-
Deposits, cash and bank balances	205,361	284,713	319,283
	522,370	596,364	578,547
Total assets	1,141,023 =====	1,210,537 =====	1,199,059 =====
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	173,180	173,180	93,500
Reserves	434,542	432,383	491,355
	607,722	605,563	584,855
Non-controlling interests	(1,038)	(1,182)	(598)
	606,684	604,381	584,257
Total equity	606,684	604,381	584,257

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 31.03.2018 (Unaudited) RM'000	As At 31.12.2017 (Restated) RM'000	As At 01.01.2017 (Restated) RM'000
Non-current liabilities			
Borrowings	73,057	73,220	92,313
Deferred tax liabilities	75,891	75,232	77,075
	148,948	148,452	169,388
Current liabilities			
Borrowings	299,352	329,316	269,660
Payables	86,023	128,374	168,756
Tax payable	16	14	2,474
Derivative financial instruments	-	-	4,524
	385,391	457,704	445,414
Total liabilities	534,339	606,156	614,802
	1,141,023	1,210,537	1,199,059
	=====	=====	=====
Net assets per share attributable to Owners of the Company (RM)	6.50	6.47	6.25
	=====	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018

(The figures have not been audited)

	Attributable to owners of the Company				Non- controlling Interests	Total Equity
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total RM'000		
At 1 January 2018 (as restated)	173,180	-	432,383	605,563	(1,182)	604,381
Total comprehensive income	-	-	2,159	2,159	144	2,303
At 31 March 2018	173,180	-	434,542	607,722	(1,038)	606,684

	Attributable to owners of the Company				Non- controlling Interests	Total Equity
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total RM'000		
At 1 January 2017 (as previously stated)	93,500	79,680	637,675	810,855	2,078	812,933
Effect on adoption of MFRS	-	-	(226,000)	(226,000)	(2,676)	(228,676)
At 1 January 2017 (as restated)	93,500	79,680	411,675	584,855	(598)	584,257
Total comprehensive income	-	-	2,678	2,678	402	3,080
Reclassification pursuant to Company Act 2016	79,680	(79,680)	-	-	-	-
At 31 March 2017 (as restated)	173,180	-	414,353	587,533	(196)	587,337

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 2017 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2018

(The figures have not been audited)

	Cumulative 3 months 31.03.2018 (Unaudited) RM'000	Cumulative 3 months 31.03.2017 (Restated) RM'000
Cash flows from operating activities		
Profit before taxation	4,050	5,035
Adjustments for:		
Depreciation of property, plant and equipment	12,386	12,307
Loss / (Gain) on disposal of property, plant and equipment	1	(58)
Interest income	(1,770)	(1,508)
Interest expense	3,521	2,542
Net fair value gain on derivative	(812)	(7,162)
Net unrealized foreign exchange loss	715	353
Operating profit before changes in working capital	18,091	11,509
Increase in inventories	(15,951)	(50,299)
Decrease in receivables and other assets	10,425	57,575
Decrease in payables	(42,000)	(58,882)
Cash used in operations	(29,435)	(40,097)
Income tax paid, net of refund	(1,462)	(5,663)
Interest received	1,770	1,508
Net cash used in operating activities	(29,127)	(44,252)
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest and depreciation capitalized)	(15,903)	(13,437)
Proceeds from disposal of property, plant and equipment	1	58
Net cash used in investing activities	(15,902)	(13,379)

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2018

(The figures have not been audited)

	Cumulative 3 months 31.03.2018 (Unaudited) RM'000	Cumulative 3 months 31.03.2017 (Restated) RM'000
Cash flows from financing activities		
Interest paid	(4,514)	(2,913)
Proceeds from bank borrowings	419,508	362,057
Repayment of bank borrowings	(449,233)	(411,495)
Net cash used in financing activities	<u>(34,239)</u>	<u>(52,351)</u>
Net decrease in cash and cash equivalents	(79,268)	(109,982)
Effect of foreign exchange rate changes	313	(350)
Cash and cash equivalents at the beginning of the year	<u>282,515</u>	<u>317,293</u>
Cash and cash equivalents at the end of the period	<u>203,560</u> =====	<u>206,961</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 2017 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 Malaysian Financial Reporting Standards (“MFRS”) 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 2017.

2. Significant Accounting Policies

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with MFRS and the adoption was carried out in accordance with MFRS 1 First-time adoption of Malaysian Financial Reporting Standards, using 1 January 2017 as the Transition Date.

The significant accounting policies and methods of computation applied are consistent with prevailing established guidelines described in MFRS and IC Interpretations wherever applicable and relevant.

The financial effect arising from the adoption of all MFRS including Amendments to MFRS 116 Property, Plant and Equipment MFRS 141 Agriculture – Agriculture: Bearer Plants are as follows:

a) Condensed Consolidated Statement of Financial Position

	As previously reported	Effect on adoption of MFRS	Restated
	RM’000	RM’000	RM’000
As at 01/01/2017			
Property, plant and equipment	354,945	261,177	616,122
Biological assets	562,066	(562,066)	-
Reserves	717,355	(226,000)	491,355
Non-controlling interests	2,078	(2,676)	(598)
Deferred tax liabilities	149,288	(72,213)	77,075
As at 31/12/2017			
Property, plant and equipment	334,570	279,575	614,145
Biological assets	601,823	(601,823)	-
Reserves	674,358	(241,975)	432,383
Non-controlling interests	1,752	(2,934)	(1,182)
Deferred tax liabilities	152,571	(77,339)	75,232

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**2. Significant Accounting Policies (Contd.)****b) Condensed Consolidated Statement of Comprehensive Income**

	As previously reported	Effect on adoption of MFRS	Restated
	RM'000	RM'000	RM'000
Period ended 31/03/2017			
Cost of sales	(445,711)	(5,339)	(451,050)
Gross profit	22,663	(5,339)	17,324
Profit before taxation	10,374	(5,339)	5,035
Income tax expenses	(3,236)	1,281	(1,955)
Profit for the period, net of tax representing Total Comprehensive Income for the period	7,138	(4,058)	3,080
Profit for the period attributable to:			
Owner of the Company	6,672	(3,994)	2,678
Non-controlling interests	466	(64)	402
	<u>7,138</u>	<u>(4,058)</u>	<u>3,080</u>
	=====	=====	=====

c) Condensed Consolidated Statement of Cash Flows

	As previously reported	Effect on adoption of MFRS	Restated
	RM'000	RM'000	RM'000
Period ended 31/03/2017			
Profit before taxation	10,374	(5,339)	5,035
Depreciation of property, plant and equipment	6,968	5,339	12,307

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

- Amendments to MFRS 3 (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9 (Prepayment Features with Negative Compensation)
- Amendments to MFRS 10 and MFRS 128 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- Amendments to MFRS 11 (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- MFRS 16 Leases

BLD PLANTATION BHD
(Company No: 562199-A)

Notes to the Financial Information

2. Significant Accounting Policies (Contd.)

- MFRS 17 Insurance Contracts
- Amendments to MFRS 112 (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119 (Plan Amendment, Curtailment or Settlement)
- Amendments to MFRS 123 (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128 (Long-term Interests in Associates and Joint Ventures)
- IC Interpretations 23 (Uncertainty over Income Tax Treatments)

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 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 2018.

8. Dividend paid

There was no dividend paid in the current quarter.

9. Segmental information

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

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

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 RM1,082 million.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2018 is as follows:

	RM'000
Approved and contracted for	625
Approved and not contracted for	145,726

	146,351
	=====

15. Review of Performance

Due to lower sales volume and lower average selling price of products, the Group's revenue and profit before tax were lower by about RM102 million and RM0.98 million respectively as compared to the corresponding period of the preceding year.

16. Comparison with Preceding Quarter's Results

The Group recorded lower profit before tax of about RM4.0 million in the current quarter as compared to about RM21.8 million of the immediate preceding quarter due to lower sales volume and lower average selling price of products.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**17. Commentary on prospects**

Anticipating gradual recovery in Malaysian oil palm production coupled with lacklustre global demand, palm oil prices is likely to be lower than in Year 2017. Notwithstanding the challenging market conditions, the Group remains confident in maintaining momentum to sustain development with its focus on enhancing cost efficiencies as well as improving yield and productivity to deliver positive results to its shareholders and other stakeholders.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	682	(587)	682	(587)
Current year provision	1,065	2,542	1,065	2,542
	-----	-----	-----	-----
	1,747	1,955	1,747	1,955
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 31 March 2018 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.

21. Borrowings and debt securities

	RM'000
Short term borrowings	
Secured	299,352
Long term borrowings	
Secured	73,057

	372,409
	=====

The above borrowings are denominated in Ringgit Malaysia.

BLD PLANTATION BHD

(Company No: 562199-A)

Notes to the Financial Information**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

A final single-tier dividend of 3 sen per ordinary share in respect of the financial year ended 31 December 2017 was approved by the shareholders during the Annual General Meeting held on 30 May 2018 and to be paid on 20 July 2018. The payment was made to the shareholders whose names appeared in the Company's Record of Depositors on 21 June 2018.

25. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	2,159	2,678	2,159	2,678
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	2.31	2.86	2.31	2.86
	====	====	====	====
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**26. Comprehensive Income Disclosures**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Result from operating activities is arrived at after charging:				
Finance cost	3,521	2,542	3,521	2,542
Depreciation of property, plant and equipment	12,386	12,307	12,386	12,307
Loss on disposal of property, plant and equipment	1	-	1	-
Unrealised foreign exchange loss	715	353	715	353
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Result from operating activities is arrived at after crediting:				
Finance income	1,770	1,508	1,770	1,508
Other operating income	20	16	20	16
Gain on disposal of property, plant and equipment	-	58	-	58
Gain on derivative	812	7,162	812	7,162
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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