

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

**Interim Financial Report**  
**30 June 2018**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for the Period Ended 30 June 2018**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Period Ended 30 June 2018

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.06.2018 (Unaudited) RM'000	30.06.2017 (Restated) RM'000	30.06.2018 (Unaudited) RM'000	30.06.2017 (Restated) RM'000
Revenue		394,202	520,747	760,769	989,121
Cost of sales		(381,797)	(506,267)	(730,042)	(957,317)
Gross profit		12,405	14,480	30,727	31,804
Other operating income		1,169	3,383	4,319	12,127
Selling expenses		(8,868)	(12,370)	(16,777)	(26,959)
Administrative expenses		(3,585)	(4,775)	(9,577)	(8,677)
Finance costs		(2,520)	(2,652)	(6,041)	(5,194)
(Loss) / Profit before taxation		(1,399)	(1,934)	2,651	3,101
Income tax expenses	<b>18</b>	(118)	(19)	(1,865)	(1,974)
(Loss) / Profit for the period, net of tax representing total Comprehensive Income for the period		(1,517)	(1,953)	786	1,127
		=====	=====	=====	=====
(Loss) / Profit for the period attributable to:					
Owners of the Company		(1,542)	(2,143)	617	535
Non-controlling interests		25	190	169	592
		(1,517)	(1,953)	786	1,127
		=====	=====	=====	=====
<b>(Loss) / Earnings per share (sen) attributable to Owners of the Company:</b>	<b>25</b>				
- Basic		(1.65)	(2.29)	0.66	0.57
- 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)

	<b>As At 30.06.2018 (Unaudited) RM'000</b>	<b>As At 31.12.2017 (Restated) RM'000</b>	<b>As At 01.01.2017 (Restated) RM'000</b>
<b>Non-current Assets</b>			
Property, plant and equipment	643,045	614,145	616,122
Deferred tax assets	-	28	4,390
	643,045	614,173	620,512
<b>Current Assets</b>			
Inventories	145,454	125,315	83,911
Receivables	99,419	169,159	168,005
Prepaid operating expenses	1,840	4,144	6,070
Tax refundable	9,005	7,195	1,278
Derivative financial instruments	6,774	5,838	-
Deposits, cash and bank balances	260,616	284,713	319,283
	523,108	596,364	578,547
<b>Total assets</b>	1,166,153 =====	1,210,537 =====	1,199,059 =====
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	173,180	173,180	93,500
Reserves	430,195	432,383	491,355
	603,375	605,563	584,855
<b>Non-controlling interests</b>	(1,013)	(1,182)	(598)
	602,362	604,381	584,257
<b>Total equity</b>	602,362	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)

	<b>As At 30.06.2018 (Unaudited) RM'000</b>	<b>As At 31.12.2017 (Restated) RM'000</b>	<b>As At 01.01.2017 (Restated) RM'000</b>
<b>Non-current liabilities</b>			
Borrowings	97,966	73,220	92,313
Deferred tax liabilities	75,898	75,232	77,075
	173,864	148,452	169,388
<b>Current liabilities</b>			
Borrowings	279,939	329,316	269,660
Payables	109,947	128,374	168,756
Tax payable	41	14	2,474
Derivative financial instruments	-	-	4,524
	389,927	457,704	445,414
<b>Total liabilities</b>	563,791	606,156	614,802
	1,166,153	1,210,537	1,199,059
	1,166,153	1,210,537	1,199,059
<b>Net assets per share attributable to Owners of the Company (RM)</b>	6.45	6.47	6.25
	6.45	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 30 June 2018

(The figures have not been audited)

	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Retained Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2018</b> <b>(as restated)</b>	173,180	-	432,383	605,563	(1,182)	604,381
Total comprehensive income	-	-	617	617	169	786
<b>Transaction with owners</b>						
Dividend paid to owner of Company	-	-	(2,805)	(2,805)	-	(2,805)
<b>At 30 June 2018</b>	173,180	-	430,195	603,375	(1,013)	602,362
	=====	=====	=====	=====	=====	=====
	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Retained Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2017</b> <b>(as previously stated)</b>	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)
<b>At 1 January 2017</b> <b>(as restated)</b>	93,500	79,680	411,675	584,855	(598)	584,257
Total comprehensive income	-	-	535	535	592	1,127
<b>Transaction with owners</b>						
Dividend paid to owner of Company	-	-	(3,740)	(3,740)	-	(3,740)
Dividend paid to non-controlling interest	-	-	-	-	(600)	(600)
Reclassification pursuant to Company Act 2016	79,680	(79,680)	-	-	-	-
<b>At 30 June 2017</b> <b>(as restated)</b>	173,180	-	408,470	581,650	(606)	581,044
	=====	=====	=====	=====	=====	=====

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 30 June 2018

(The figures have not been audited)

	<b>Cumulative 6 months 30.06.2018 (Unaudited) RM'000</b>	<b>Cumulative 6 months 30.06.2017 (Restated) RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	2,651	3,101
Adjustments for:		
Depreciation of property, plant and equipment	21,976	24,900
Gain on disposal of property, plant and equipment	(2)	(195)
Interest income	(3,333)	(2,735)
Interest expense	6,041	5,194
Net fair value gain on derivative	(929)	(9,229)
Net unrealized foreign exchange gain	(936)	(1,199)
Operating profit before changes in working capital	25,468	19,837
(Increase) / Decrease in inventories	(20,139)	848
Decrease in receivables and other assets	72,723	33,215
Decrease in payables	(21,824)	(82,230)
<b>Cash generated from / (used in) operations</b>	56,228	(28,330)
Income tax paid, net of refund	(2,954)	(10,155)
Interest received	3,333	2,735
<b>Net cash generated from / (used in) operating activities</b>	56,607	(35,750)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment (net of interest and depreciation capitalized)	(48,698)	(22,147)
Proceeds from disposal of property, plant and equipment	10	353
<b>Net cash used in investing activities</b>	(48,688)	(21,794)

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 June 2018

(The figures have not been audited)

	<b>Cumulative 6 months 30.06.2018 (Unaudited) RM'000</b>	<b>Cumulative 6 months 30.06.2017 (Restated) RM'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(8,227)	(6,418)
Dividends paid to owners of a subsidiary company	-	(600)
Proceeds from bank borrowings	842,259	835,776
Repayment of bank borrowings	(866,778)	(817,452)
<b>Net cash (used in) / generated from financing activities</b>	<u>(32,746)</u>	<u>11,306</u>
<b>Net decrease in cash and cash equivalents</b>	(24,827)	(46,238)
<b>Effect of foreign exchange rate changes</b>	842	994
<b>Cash and cash equivalents at the beginning of the year</b>	<u>282,515</u>	<u>317,293</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>258,530</u> =====	<u>272,049</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**

	<b>As previously reported</b>	<b>Effect on adoption of MFRS</b>	<b>Restated</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>As at 01/01/2017</b>			
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
<b>As at 31/12/2017</b>			
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**

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

	<b>As previously reported</b>	<b>Effect on adoption of MFRS</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Quarter ended 30/06/2017</b>			
Cost of sales	(500,927)	(5,340)	(506,267)
Gross profit	19,820	(5,340)	14,480
Profit / (Loss) before taxation	3,407	(5,341)	(1,934)
Income tax expenses	(1,301)	1,282	(19)
Profit / (Loss) for the period, net of tax representing Total Comprehensive Income for the period	2,106	(4,059)	(1,953)
Profit / (Loss) for the period attributable to:			
Owner of the Company	1,851	(3,994)	(2,143)
Non-controlling interests	255	(65)	190
	<u>2,106</u>	<u>(4,059)</u>	<u>(1,953)</u>
	=====	=====	=====
<b>Period ended 30/06/2017</b>			
Cost of sales	(946,638)	(10,679)	(957,317)
Gross profit	42,483	(10,679)	31,804
Profit before taxation	13,781	(10,680)	3,101
Income tax expenses	(4,537)	2,563	(1,974)
Profit for the period, net of tax representing Total Comprehensive Income for the period	9,244	(8,117)	1,127
Profit for the period attributable to:			
Owner of the Company	8,523	(7,988)	535
Non-controlling interests	721	(129)	592
	<u>9,244</u>	<u>(8,117)</u>	<u>1,127</u>
	=====	=====	=====

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

#### **2. Significant Accounting Policies (Contd.)**

##### **c) Condensed Consolidated Statement of Cash Flows**

	<b>As previously reported</b>	<b>Effect on adoption of MFRS</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Period ended 30/06/2017</b>			
Profit before taxation	13,781	(10,680)	3,101
Depreciation of property, plant and equipment	14,220	10,680	24,900

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

- Amendments to MFRS 2
- Amendments to MFRS 3
- 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)
- Amendments to MFRS 14
- MFRS 16 Leases
- MFRS 17 Insurance Contracts
- Amendments to MFRS 101
- Amendments to MFRS 108
- 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)
- Amendments to MFRS 134
- Amendments to MFRS 137
- Amendments to MFRS 138
- 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.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

#### **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 June 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.

#### **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.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

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

The amount of commitments not provided for in the interim financial statements as at 30 June 2018 is as follows:

	<b>RM'000</b>
Approved and contracted for	620
Approved and not contracted for	113,727
	-----
	114,347
	=====

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

The current quarter's revenue of the Group was about RM126 million lower than the corresponding period of the preceding year mainly due to lower sales volume and lower average selling price of products. Notwithstanding the above, the loss before tax was reduced by about RM0.5 million as compared to the corresponding period of the preceding year due to lower average costs of products.

The Group achieved lower revenue and profit before tax by about RM228 million and RM0.4 million respectively during the current financial period as compared to the preceding year mainly due to lower sales volume and lower average selling price of products.

#### **16. Comparison with Preceding Quarter's Results**

Owing to lower average selling price of products, the Group recorded loss before tax of about RM1.4 million in the current quarter as compared to profit before tax of about RM4.0 million of the immediate preceding quarter.

#### **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.

**BLD PLANTATION BHD**

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**Notes to the Financial Information****18. Income tax expenses**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 6 months ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017 (Restated)</b>	<b>30.06.2018</b>	<b>30.06.2017 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the year:				
Deferred taxation	(707)	(612)	(25)	(1,199)
Current year provision	965	655	2,030	3,197
Over provision in prior year	(140)	(24)	(140)	(24)
	-----	-----	-----	-----
	118	19	1,865	1,974
	=====	=====	=====	=====

The effective tax rate of the Group for the financial period ended 30 June 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**

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	279,939
<b>Long term borrowings</b>	
Secured	97,966
	-----
	377,905
	=====

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.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****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. (Loss) / Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
		<b>(Restated)</b>		<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net (loss) / profit attributable to Owners of the Company	(1,542)	(2,143)	617	535
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic (loss) / earnings per share (sen)	(1.65)	(2.29)	0.66	0.57
	=====	=====	=====	=====
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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2018</b>	<b>30 .06.2017</b>
		<b>(Restated)</b>		<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Result from operating activities is arrived at after charging:</b>				
Finance cost	2,520	2,652	6,041	5,194
Depreciation of property, plant and equipment	9,590	12,593	21,976	24,900
	_____	_____	_____	_____
<b>Result from operating activities is arrived at after crediting:</b>				
Finance income	1,563	1,227	3,333	2,735
Other operating income	15	14	35	30
Gain on disposal of property, plant and equipment	3	137	2	195
Unrealised foreign exchange gain	1,644	1,552	929	1,199
Gain on derivative	124	2,067	936	9,229
	_____	_____	_____	_____

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