

BLD PLANTATION BHD.(562199-A)

Interim Financial Report

30 June 2019

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 June 2019

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 June 2019

(The figures have not been audited)

	Note	Individual Quarter 30.06.2019 RM'000
Revenue		338,812
Cost of sales		(350,792)
Gross loss		(11,980)
Other operating income		2,403
Selling expenses		(6,189)
Administrative expenses		(4,011)
Finance costs		(2,362)
Loss before taxation		(22,139)
Income tax expenses	18	4,433
Loss for the period, net of tax representing total Comprehensive Income for the period		(17,706)
		=====
Loss for the period attributable to:		
Owners of the Company		(17,580)
Non-controlling interests		(126)
		(17,706)
		=====
Loss per share (sen) attributable to Owners of the Company:	25	
- Basic		(18.80)
- Diluted		N/A
		=====

There is no comparative for the quarter ended 30 June 2019. Due to the change in the financial year end from 31 December to 31 March, the unaudited Condensed Consolidated Statement of Comprehensive Income for the current quarter ended 30 June 2019, being the first quarter of the financial year ending 31 March 2020 is not comparable with that of the first quarter of the previous financial period ended 31 March 2019.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 31 March 2019.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 30.06.2019 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current Assets		
Property, plant and equipment	672,776	662,581
Right-of-use assets	895	-
Deferred tax assets	9,289	6,644
	<u>682,960</u>	<u>669,225</u>
Current Assets		
Inventories	142,342	141,507
Biological assets	11,312	9,518
Receivables	112,947	80,581
Prepaid operating expenses	519	1,372
Tax refundable	11,816	10,935
Derivative financial instruments	831	-
Deposits, cash and bank balances	61,510	158,685
	<u>341,277</u>	<u>402,598</u>
Total assets	<u>1,024,237</u>	<u>1,071,823</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	372,396	390,026
	<u>545,576</u>	<u>563,206</u>
Non-controlling interests	(1,562)	(1,436)
	<u>544,014</u>	<u>561,770</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 31 March 2019.

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(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 30.06.2019 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current liabilities		
Borrowings	112,310	99,549
Lease liabilities	373	-
Deferred tax liabilities	69,351	71,170
	<u>182,034</u>	<u>170,719</u>
Current liabilities		
Payables	101,882	90,376
Borrowings	195,724	248,792
Lease liabilities	583	-
Derivative financial instruments	-	166
	<u>298,189</u>	<u>339,334</u>
Total liabilities	480,223	510,053
Total equity and liabilities	<u>1,024,237</u>	<u>1,071,823</u>
Net assets per share attributable to Owners of the Company (RM)	5.83 =====	6.02 =====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 31 March 2019.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 30 June 2019

(The figures have not been audited)

	Attributable to owners of the Company			Non-controlling Interests	Total Equity
	Share Capital	Retained Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2019 (as previously stated)	173,180	390,026	563,206	(1,436)	561,770
Effect on adoption of MFRS	-	(50)	(50)	-	(50)
At 1 April 2019 (as restated)	173,180	389,976	563,156	(1,436)	561,720
Total comprehensive loss	-	(17,580)	(17,580)	(126)	(17,706)
At 30 June 2019	173,180	372,396	545,576	(1,562)	544,014

There is no comparative for the quarter ended 30 June 2019. Due to the change in the financial year end from 31 December to 31 March, the unaudited Condensed Consolidated Statement of Changes in Equity for the current quarter ended 30 June 2019, being the first quarter of the financial year ending 31 March 2020 is not comparable with that of the first quarter of the previous financial period ended 31 March 2019.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 31 March 2019.

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 June 2019

(The figures have not been audited)

	Cumulative 3 months 30.06.2019 RM'000
Cash flows from operating activities	
Loss before taxation	(22,139)
Adjustments for:	
Depreciation of property, plant and equipment	11,887
Depreciation of right-of-use assets	214
Change in fair value of biological assets	(1,794)
Interest income	(773)
Interest expense	2,348
Interest on lease liabilities	14
Net fair value gain on derivative	(997)
Net unrealised foreign exchange loss	675
Operating loss before changes in working capital	(10,565)
Increase in inventories	(835)
Increase in receivables and other assets	(31,966)
Increase in payables	11,769
Cash used in operations	(31,597)
Income tax paid, net of refund	(896)
Interest received	773
Net cash used in operating activities	(31,720)
Cash flows from investing activities	
Acquisition of property, plant and equipment (net of interest and depreciation capitalised)	(20,963)
Net cash used in investing activities	(20,963)

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(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 June 2019

(The figures have not been audited)

	Cumulative 3 months 30.06.2019 RM'000
Cash flows from financing activities	
Interest paid	(3,467)
Interest paid on lease liabilities	(14)
Proceeds from bank borrowings	353,653
Repayment of bank borrowings	(393,960)
Repayment of lease liabilities	(220)
	<hr/>
Net cash used in financing activities	(44,008)
	<hr/>
Net decrease in cash and cash equivalents	(96,691)
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Effect of foreign exchange rate changes	(485)
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Cash and cash equivalents at the beginning of the year	158,678
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Cash and cash equivalents at the end of the period	61,502
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There is no comparative for the quarter ended 30 June 2019. Due to the change in the financial year end from 31 December to 31 March, the unaudited Condensed Consolidated Statement of Cash Flows for the current quarter ended 30 June 2019, being the first quarter of the financial year ending 31 March 2020 is not comparable with that of the first quarter of the previous financial period ended 31 March 2019.

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 31 March 2019.

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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 financial period ended 31 March 2019.

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 MFRS and IC Interpretations wherever applicable and relevant.

The initial application of the accounting standards, interpretations and amendments that are effective from annual periods beginning on or after 1 January 2019 has no material impact on the Group’s consolidated financial statements except for changes arising from the adoption of MFRS 16: Leases. In accordance with the transition requirements of MFRS 16, the Group elected to apply the modified retrospective approach and no restatement of comparatives is required.

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

- Amendments to MFRS 3 (Definition of Business)
- Amendments to MFRS 10 and MFRS 128 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- Amendments to MFRS 101 and MFRS 108 (Definition of Material)
- MFRS 17 Insurance Contracts

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial period ended 31 March 2019 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.

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Notes to the Financial Information

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 2019.

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 RM1,086 million.

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Notes to the Financial Information

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2019 is as follows:

	RM'000
Approved and contracted for	399
Approved and not contracted for	15,394

	15,793
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM55.4 million than the corresponding period of the preceding year due to lower average selling price of products despite higher sales volume. The Group recorded a loss before tax of about RM22.1 million as compared to the corresponding period of the preceding year's loss before tax of about RM1.4 million mainly due to lower average selling price of products.

16. Comparison with Preceding Quarter's Results

The Group recorded loss before tax of about RM22.1 million in the current quarter as compared to loss before tax of about RM13.05 million of the immediate preceding quarter mainly due to lower average selling price of products.

17. Commentary on prospects

The prospect of the palm oil industry remains uncertain and challenging with deepened negative sentiments against palm oil that has weighed on CPO prices. The Group is of the view that the market outlook in the near term is likely to remain moderate within expectation. Fundamentally, the Group will continue to focus on efficiency enhancement, productivity maximisation along with cost reduction in streamlining its production process. Looking forward, the Group will strive to perform better and stay resilient amid fast evolving business environment that poses progressively greater challenges in the year ahead.

Notes to the Financial Information

18. Income tax expenses

	Individual Quarter 3 months ended 30.06.2019 RM'000
Tax expense for the year:	
Deferred taxation	(4,448)
Current year provision	15

	(4,433)
	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 30 June 2019 was mainly 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	195,724
 Long term borrowings	
Secured	112,310

	308,034
	=====

The above borrowings are denominated in Ringgit Malaysia.

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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

No dividend has been proposed for the current reporting quarter.

25. Loss per share

	Individual Quarter 3 months ended 30.06.2019 RM'000
Net loss attributable to Owners of the Company	(17,580) =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====
Basic loss per share (sen)	(18.80) =====
Diluted loss per share (sen)	N/A =====

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(Company No: 562199-A)

Notes to the Financial Information**26. Comprehensive Income Disclosures**

	Individual Quarter 3 months ended 30.06.2019 RM'000
Result from operating activities is arrived at after charging:	
Finance costs	2,362
Depreciation of property, plant and equipment	11,887
Depreciation of right-of-use assets	214
Unrealised foreign exchange loss	675
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Result from operating activities is arrived at after crediting:	
Finance income	773
Other operating income	22
Change in fair value of biological assets	1,794
Gain on derivative	997
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The Group does not have other material items, other than the items disclosed above, that are recognised in the Statement of Comprehensive Income.

27. Change of financial year end

On 13 February 2019, the Group announced the change of financial year end of the Group from 31 December to 31 March. Therefore, these unaudited Condensed Consolidated Financial Statements is for the 3 months from 1 April 2019 to 30 June 2019 being the first quarter of the financial year ending 31 March 2020.

Due to the change in the financial year end, the performance of the current quarter ended 30 June 2019 is not comparable with the first quarter of the previous financial period ended 31 March 2019.