

BLD PLANTATION BHD.(562199-A)

Interim Financial Report

30 September 2019

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 September 2019

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 September 2019

(The figures have not been audited)

	Note	Individual Quarter 30.09.2019 RM'000	Cumulative Quarter 30.09.2019 RM'000
Revenue		446,359	785,171
Cost of sales		(432,299)	(783,091)
Gross profit		<u>14,060</u>	<u>2,080</u>
Other operating income		5,050	7,453
Selling expenses		(9,318)	(15,507)
Administrative expenses		(4,070)	(8,081)
Finance costs		(2,503)	(4,865)
Profit / (loss) before taxation		<u>3,219</u>	<u>(18,920)</u>
Income tax expenses	18	(1,853)	2,580
Profit / (loss) for the period, net of tax representing total Comprehensive Income for the period		<u>1,366</u>	<u>(16,340)</u>
		=====	=====
Profit / (loss) for the period attributable to:			
Owners of the Company		1,335	(16,245)
Non-controlling interests		31	(95)
		<u>1,366</u>	<u>(16,340)</u>
		=====	=====
Earnings / (loss) per share (sen) attributable to Owners of the Company:	25		
- Basic		1.43	(17.37)
- Diluted		N/A	N/A
		=====	=====

There is no comparative for the quarter ended 30 September 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 September 2019, being the second quarter of the financial year ending 31 March 2020 is not comparable with that of the second 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 30.09.2019 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current Assets		
Property, plant and equipment	680,397	662,581
Right-of-use assets	739	-
Deferred tax assets	9,211	6,644
	<u>690,347</u>	<u>669,225</u>
Current Assets		
Inventories	194,886	141,507
Biological assets	15,293	9,518
Receivables	50,487	80,581
Prepaid operating expenses	435	1,372
Tax refundable	12,246	10,935
Derivative financial instruments	208	-
Deposits, cash and bank balances	171,442	158,685
	<u>444,997</u>	<u>402,598</u>
Total assets	<u>1,135,344</u>	<u>1,071,823</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	373,731	390,026
	<u>546,911</u>	<u>563,206</u>
Non-controlling interests	(1,531)	(1,436)
	<u>545,380</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.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 30.09.2019 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current liabilities		
Borrowings	107,928	99,549
Lease liabilities	372	-
Deferred tax liabilities	71,153	71,170
	<u>179,453</u>	<u>170,719</u>
Current liabilities		
Payables	140,519	90,376
Borrowings	269,563	248,792
Lease liabilities	420	-
Tax payable	9	-
Derivative financial instruments	-	166
	<u>410,511</u>	<u>339,334</u>
Total liabilities	589,964	510,053
Total equity and liabilities	<u>1,135,344</u>	<u>1,071,823</u>
	=====	=====
Net assets per share attributable to Owners of the Company (RM)	5.85	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 September 2019

(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	Total 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	-	(16,245)	(16,245)	(95)	(16,340)
At 30 September 2019	173,180	373,731	546,911	(1,531)	545,380

There is no comparative for the quarter ended 30 September 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 September 2019, being the second quarter of the financial year ending 31 March 2020 is not comparable with that of the second 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.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2019

(The figures have not been audited)

	Cumulative 6 months 30.09.2019 RM'000
Cash flows from operating activities	
Loss before taxation	(18,920)
Adjustments for:	
Depreciation of property, plant and equipment	23,241
Depreciation of right-of-use assets	370
Gain on disposal of property, plant and equipment	(29)
Change in fair value of biological assets	(5,775)
Interest income	(1,549)
Interest expense	4,840
Interest on lease liabilities	25
Net fair value gain on derivative	(374)
Net unrealised foreign exchange gain	(116)
Operating profit before changes in working capital	1,713
Increase in inventories	(53,379)
Decrease in receivables and other assets	31,212
Increase in payables	50,466
Cash generated from operations	30,012
Income tax paid, net of refund	(1,290)
Interest received	1,549
Net cash generated from operating activities	30,271
Cash flows from investing activities	
Acquisition of property, plant and equipment (net of interest and depreciation capitalised)	(38,752)
Proceeds from disposal of property, plant and equipment	29
Net cash used in investing activities	(38,723)

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(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2019

(The figures have not been audited)

	Cumulative 6 months 30.09.2019 RM'000
Cash flows from financing activities	
Interest paid	(7,145)
Interest paid on lease liabilities	(25)
Proceeds from bank borrowings	824,755
Repayment of bank borrowings	(796,344)
Repayment of lease liabilities	(383)
Net cash generated from financing activities	<u>20,858</u>
Net increase in cash and cash equivalents	12,406
Effect of foreign exchange rate changes	(388)
Cash and cash equivalents at the beginning of the year	<u>158,678</u>
Cash and cash equivalents at the end of the period	<u>170,696</u> =====

There is no comparative for the quarter ended 30 September 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 September 2019, being the second quarter of the financial year ending 31 March 2020 is not comparable with that of the second 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)
- Amendments to MFRS 9, MFRS 139 and MFRS 7 (Interest Rate Benchmark Reform)
- 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 September 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 RM1,029 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 September 2019 is as follows:

	RM'000
Approved and contracted for	399
Approved and not contracted for	8,840

	9,239
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM20.6 million than the corresponding period of the preceding year due to lower average selling price of products. The Group recorded a profit before tax of about RM3.2 million as compared to the corresponding period of the preceding year's loss before tax of about RM20.9 million, an improvement mainly due to lower average costs and lower fair value loss on derivative.

Owing to lower average selling price of products, the Group's revenue decreased by about RM76.0 million during the current financial period as compared to the preceding year. Despite the foregoing, the Group reported lower loss before tax of about RM3.4 million for the current financial period as compared to the preceding year mainly due to fair value gain on derivative.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM3.2 million in the current quarter as compared to loss before tax of about RM22.1 million of the immediate preceding quarter which is mainly driven by higher sales volume and lower average costs.

17. Commentary on prospects

The prospect of the palm oil industry continues to be uncertain which is largely dependent on global palm oil prices, albeit slight improvements seen in the CPO prices during the recent quarter. While being cautiously optimistic of the market outlook, the Group has commenced and 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 stay resilient amid fast evolving business environment and expects to achieve relatively improved performance for the current financial year.

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

	Individual Quarter 3 months ended 30.09.2019 RM'000	Cumulative Quarter 6 months ended 30.09.2019 RM'000
Tax expense for the period:		
Deferred taxation	1,880	(2,568)
Current year provision	15	30
Over provision for prior year	(42)	(42)
	-----	-----
	1,853	(2,580)
	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 30 September 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	269,563
 Long term borrowings	
Secured	107,928

	377,491
	=====

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. Earnings / (loss) per share

	Individual Quarter 3 months ended 30.09.2019 RM'000	Cumulative Quarter 6 months ended 30.09.2019 RM'000
Net profit / (loss) attributable to Owners of the Company	1,335 =====	(16,245) =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====
Basic earnings / (loss) per share (sen)	1.43 =====	(17.37) =====
Diluted earnings / (loss) per share (sen)	N/A =====	N/A =====

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

	Individual Quarter 3 months ended 30.09.2019 RM'000	Cumulative Quarter 6 months ended 30.09.2019 RM'000
Result from operating activities is arrived at after charging:		
Finance costs	2,503	4,865
Depreciation of property, plant and equipment	11,354	23,241
Depreciation of right-of-use assets	156	370
Loss on derivative	623	-
Result from operating activities is arrived at after crediting:		
Finance income	776	1,549
Other operating income	23	45
Gain on disposal of property, plant and equipment	29	29
Change in fair value of biological assets	3,981	5,775
Unrealised foreign exchange gain	791	116
Gain on derivative	-	374
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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 6 months from 1 April 2019 to 30 September 2019 being the second 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 September 2019 is not comparable with the second quarter of the previous financial period ended 31 March 2019.