

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

**Interim Financial Report**

31 December 2019

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for the Period Ended 31 December 2019**

| <b>Index</b>   | <b>Page</b> |
|--|-------------|
| 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 - 12      |

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Period Ended 31 December 2019

(The figures have not been audited)

|   | Note      | Individual Quarter<br>31.12.2019<br>RM'000 | Cumulative Quarter<br>31.12.2019<br>RM'000 |
|---|-----------|--|--|
| Revenue   |           | 648,782                                    | 1,433,953                                  |
| Cost of sales   |           | (616,799)                                  | (1,399,890)                                |
| Gross profit  |           | <u>31,983</u>                              | <u>34,063</u>                              |
| Other operating income  |           | 4,836                                      | 12,289                                     |
| Selling expenses  |           | (11,073)                                   | (26,580)                                   |
| Administrative expenses   |           | (3,688)                                    | (11,769)                                   |
| Finance costs   |           | (2,820)                                    | (7,685)                                    |
| Profit before taxation  |           | <u>19,238</u>                              | <u>318</u>                                 |
| Income tax expenses   | <b>18</b> | (5,427)                                    | (2,847)                                    |
| Profit / (loss) for the period, net of tax<br>representing total Comprehensive<br>Income for the period |           | <u>13,811</u>                              | <u>(2,529)</u>                             |
|   |           | =====                                      | =====                                      |
| Profit / (loss) for the period<br>attributable to:  |           |  |  |
| Owners of the Company   |           | 13,549                                     | (2,696)                                    |
| Non-controlling interests   |           | 262  | 167  |
|   |           | <u>13,811</u>                              | <u>(2,529)</u>                             |
|   |           | =====                                      | =====                                      |
| <b>Earnings / (loss) per share (sen)</b>  | <b>25</b> |  |  |
| <b>attributable to Owners of the<br/>Company:</b>   |           |  |  |
| - Basic   |           | 14.49                                      | (2.88)                                     |
| - Diluted   |           | N/A  | N/A  |
|   |           | =====                                      | =====                                      |

There is no comparative for the quarter ended 31 December 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 31 December 2019, being the third quarter of the financial year ending 31 March 2020 is not comparable with that of the third 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)

|   | <b>As At<br/>31.12.2019<br/>(Unaudited)<br/>RM'000</b> | <b>As At<br/>31.03.2019<br/>(Audited)<br/>RM'000</b> |
|---|--|--|
| <b>Non-current Assets</b>                           |  |  |
| Property, plant and equipment                       | 686,590  | 662,581  |
| Right-of-use assets                                 | 568  | -  |
| Deferred tax assets                                 | 4,855  | 6,644  |
|   | <u>692,013</u>   | <u>669,225</u>                                       |
| <b>Current Assets</b>                               |  |  |
| Inventories   | 139,170  | 141,507  |
| Biological assets                                   | 16,133   | 9,518  |
| Receivables   | 97,214   | 80,581   |
| Prepaid operating expenses                          | 204  | 1,372  |
| Tax refundable                                      | 10,024   | 10,935   |
| Derivative financial instruments                    | 819  | -  |
| Deposits, cash and bank balances                    | 119,095  | 158,685  |
|   | <u>382,659</u>   | <u>402,598</u>                                       |
| <b>Total assets</b>                                 | <u>1,074,672</u>                                       | <u>1,071,823</u>                                     |
| <b>EQUITY AND LIABILITIES</b>                       |  |  |
| <b>Equity attributable to owners of the Company</b> |  |  |
| Share capital                                       | 173,180  | 173,180  |
| Reserves  | 387,280  | 390,026  |
|   | <u>560,460</u>   | <u>563,206</u>                                       |
| <b>Non-controlling interests</b>                    | (1,269)  | (1,436)  |
|   | <u>559,191</u>   | <u>561,770</u>                                       |
| <b>Total equity</b>                                 | <u>559,191</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)

|  | <b>As At<br/>31.12.2019<br/>(Unaudited)<br/>RM'000</b> | <b>As At<br/>31.03.2019<br/>(Audited)<br/>RM'000</b> |
|--|--|--|
| <b>Non-current liabilities</b>   |  |  |
| Borrowings   | 107,928  | 99,549   |
| Lease liabilities  | 153  | -  |
| Deferred tax liabilities   | 72,095   | 71,170   |
|  | <u>180,176</u>   | <u>170,719</u>                                       |
| <b>Current liabilities</b>   |  |  |
| Payables   | 122,727  | 90,376   |
| Borrowings   | 212,093  | 248,792  |
| Lease liabilities  | 457  | -  |
| Tax payable  | 28   | -  |
| Derivative financial instruments   | -  | 166  |
|  | <u>335,305</u>   | <u>339,334</u>                                       |
| <b>Total liabilities</b>   | 515,481  | 510,053  |
| <b>Total equity and liabilities</b>  | <u>1,074,672</u>                                       | <u>1,071,823</u>                                     |
|  | =====  | =====  |
| <b>Net assets per share attributable<br/>to Owners of the Company (RM)</b> | 5.99   | 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 31 December 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       |
| <b>At 1 April 2019</b><br>(as previously stated) | 173,180                               | 390,026         | 563,206 | (1,436)                   | 561,770      |
| Effect on adoption of MFRS                       | -                                     | (50)            | (50)    | -                         | (50)         |
| <b>At 1 April 2019</b><br>(as restated)          | 173,180                               | 389,976         | 563,156 | (1,436)                   | 561,720      |
| Total comprehensive loss                         | -                                     | (2,696)         | (2,696) | 167                       | (2,529)      |
| <b>At 31 December 2019</b>                       | 173,180                               | 387,280         | 560,460 | (1,269)                   | 559,191      |

There is no comparative for the quarter ended 31 December 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 31 December 2019, being the third quarter of the financial year ending 31 March 2020 is not comparable with that of the third 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 31 December 2019

(The figures have not been audited)

|  | <b>Cumulative<br/>9 months<br/>31.12.2019<br/>RM'000</b> |
|--|--|
| <b>Cash flows from operating activities</b>  |  |
| Profit before taxation   | 318  |
| Adjustments for:   |  |
| Depreciation of property, plant and equipment  | 36,336   |
| Depreciation of right-of-use assets  | 541  |
| Gain on disposal of property, plant and equipment  | (65)   |
| Change in fair value of biological assets  | (6,615)  |
| Interest income  | (2,668)  |
| Interest expense   | 7,685  |
| Net fair value gain on derivative  | (985)  |
| Net unrealised foreign exchange gain   | (95)   |
|  | <hr/>  |
| Operating profit before changes in working capital   | 34,452   |
| Decrease in inventories  | 2,337  |
| Increase in receivables and other assets   | (16,310)   |
| Increase in payables   | 33,592   |
|  | <hr/>  |
| <b>Cash generated from operations</b>  | 54,071   |
| Income tax paid, net of refund   | 822  |
| Interest received  | 2,668  |
|  | <hr/>  |
| <b>Net cash generated from operating activities</b>  | 57,561   |
|  | <hr/>  |
| <b>Cash flows from investing activities</b>  |  |
| Acquisition of property, plant and equipment<br>(net of interest and depreciation capitalised) | (56,904)   |
| Proceeds from disposal of property, plant and equipment  | 115  |
|  | <hr/>  |
| <b>Net cash used in investing activities</b>   | (56,789)   |
|  | <hr/>  |

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 31 December 2019

(The figures have not been audited)

|   | <b>Cumulative<br/>9 months<br/>31.12.2019<br/>RM'000</b> |
|---|--|
| <b>Cash flows from financing activities</b>                   |  |
| Interest paid   | (11,176)   |
| Proceeds from bank borrowings                                 | 1,258,879  |
| Repayment of bank borrowings                                  | (1,288,071)  |
| Repayment of lease liabilities                                | (565)  |
|   | <hr/>  |
| <b>Net cash used in financing activities</b>                  | (40,933)   |
|   | <hr/>  |
| <b>Net decrease in cash and cash equivalents</b>              | (40,161)   |
|   | <hr/>  |
| <b>Effect of foreign exchange rate changes</b>                | (301)  |
|   | <hr/>  |
| <b>Cash and cash equivalents at the beginning of the year</b> | 158,678  |
|   | <hr/>  |
| <b>Cash and cash equivalents at the end of the period</b>     | 118,216  |
|   | <hr/> <hr/> <hr/>  |

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



## **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 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 a Business)
- Amendments to MFRS 9, MFRS 139 and MFRS 7 (Interest Rate Benchmark Reform)
- 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.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **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 31 December 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.

## **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 31 December 2019 is as follows:

|                                 | <b>RM'000</b> |
|---------------------------------|---------------|
| Approved and contracted for     | 29            |
| Approved and not contracted for | 712           |
|                                 | -----         |
|                                 | 741           |
|                                 | =====         |

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

The Group's revenue for the current quarter was higher by about RM122 million than the corresponding period of the preceding year due to higher average selling price and higher sales volume of products. The Group recorded a profit before tax of about RM19 million as compared to the corresponding period of the preceding year's loss before tax of about RM31 million, mainly due to higher average selling price of products and fair value gain in biological assets.

Revenue rose by about RM46 million for the current financial period on the back of higher quantity of products sold as compared to the preceding year. The Group reported profit before tax of about RM0.3 million for the current financial period as compared to a loss before tax of about RM53 million in the preceding year, mainly due to lower average costs and favourable changes in fair value of biological assets and derivative.

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

The Group recorded profit before tax of about RM19 million in the current quarter as compared to profit before tax of about RM3 million of the immediate preceding quarter which is mainly driven by higher average selling price and higher sales volume of products.

#### **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.

**BLD PLANTATION BHD**

(Company No: 562199-A)

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

|                               | <b>Individual Quarter<br/>3 months ended<br/>31.12.2019<br/>RM'000</b> | <b>Cumulative Quarter<br/>9 months ended<br/>31.12.2019<br/>RM'000</b> |
|-------------------------------|--|--|
| Tax expense for the period:   |  |  |
| Deferred taxation             | 5,298  | 2,730  |
| Current year provision        | 129  | 159  |
| Over provision for prior year | -  | (42)   |
|                               | -----  | -----  |
|                               | 5,427  | 2,847  |
|                               | =====  | =====  |

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 December 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**

|                              | <b>RM'000</b> |
|------------------------------|---------------|
| <b>Short term borrowings</b> |               |
| Secured                      | 212,093       |
| <b>Long term borrowings</b>  |               |
| Secured                      | 107,928       |
|                              | -----         |
|                              | 320,021       |
|                              | =====         |

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**

No dividend has been proposed for the current reporting quarter.

**25. Earnings / (loss) per share**

|  | <b>Individual Quarter<br/>3 months ended<br/>31.12.2019<br/>RM'000</b> | <b>Cumulative Quarter<br/>9 months ended<br/>31.12.2019<br/>RM'000</b> |
|--|--|--|
| Net profit / (loss) attributable to Owners of the Company  | 13,549<br>=====  | (2,696)<br>=====   |
| Weighted average number of ordinary shares in issue ('000) | 93,500<br>=====  | 93,500<br>=====  |
| Basic earnings / (loss) per share (sen)                    | 14.49<br>=====   | (2.88)<br>=====  |
| Diluted earnings / (loss) per share (sen)                  | N/A<br>=====   | N/A<br>=====   |

**BLD PLANTATION BHD**

(Company No: 562199-A)

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

|  | <b>Individual Quarter<br/>3 months ended<br/>31.12.2019<br/>RM'000</b> | <b>Cumulative Quarter<br/>9 months ended<br/>31.12.2019<br/>RM'000</b> |
|--|--|--|
| <b>Result from operating activities is arrived at after charging:</b>  |  |  |
| Finance costs  | 2,820  | 7,685  |
| Depreciation of property, plant and equipment                          | 13,095   | 36,336   |
| Depreciation of right-of-use assets                                    | 171  | 541  |
| Unrealised foreign exchange loss                                       | 21   | -  |
| <b>Result from operating activities is arrived at after crediting:</b> |  |  |
| Finance income   | 1,119  | 2,668  |
| Other operating income   | 23   | 68   |
| Gain on disposal of property, plant and equipment                      | 36   | 65   |
| Change in fair value of biological assets                              | 840  | 6,615  |
| Unrealised foreign exchange gain                                       | -  | 95   |
| Gain on derivative   | 611  | 985  |

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 9 months from 1 April 2019 to 31 December 2019 being the third 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 31 December 2019 is not comparable with the third quarter of the previous financial period ended 31 March 2019.