

BLD PLANTATION BHD.(562199-A)

Interim Financial Report

31 March 2020

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 March 2020

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 March 2020

(The figures have not been audited)

		Individual Quarter 31.03.2020 RM'000	Cumulative Quarter 31.03.2020 RM'000
	Note		
Revenue		493,166	1,927,119
Cost of sales		(457,378)	(1,857,268)
Gross profit		35,788	69,851
Other operating (expenses) / income		(7,636)	4,653
Selling expenses		(12,655)	(39,235)
Administrative expenses		(4,600)	(16,369)
Finance costs		(2,570)	(10,255)
Profit before taxation		8,327	8,645
Income tax expenses	18	(570)	(3,417)
Profit for the period, net of tax representing total Comprehensive Income for the period		7,757	5,228
		=====	=====
Profit for the period attributable to:			
Owners of the Company		7,644	4,948
Non-controlling interests		113	280
		7,757	5,228
		=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25		
- Basic		8.17	5.29
- Diluted		N/A	N/A
		=====	=====

There is no comparative for the quarter ended 31 March 2020. 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 March 2020, being the fourth quarter of the financial year ending 31 March 2020 is not comparable with that of the fourth 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 31.03.2020 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current Assets		
Property, plant and equipment	705,661	662,581
Right-of-use assets	942	-
Deferred tax assets	6,052	6,644
	712,655	669,225
Current Assets		
Inventories	154,299	141,507
Biological assets	13,898	9,518
Receivables	101,169	80,581
Prepaid operating expenses	1,275	1,372
Tax refundable	7,023	10,935
Derivative financial instruments	-	-
Deposits, cash and bank balances	144,005	158,685
	421,669	402,598
Total assets	1,134,324 =====	1,071,823 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	394,924	390,026
	568,104	563,206
Non-controlling interests	(1,156)	(1,436)
Total equity	566,948 =====	561,770 =====

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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Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.03.2020 (Unaudited) RM'000	As At 31.03.2019 (Audited) RM'000
Non-current liabilities		
Borrowings	115,353	99,549
Lease liabilities	581	-
Deferred tax liabilities	73,006	71,170
	188,940	170,719
Current liabilities		
Payables	126,688	90,376
Borrowings	246,668	248,792
Lease liabilities	398	-
Tax payable	78	-
Derivative financial instruments	4,604	166
	378,436	339,334
Total liabilities	567,376	510,053
Total equity and liabilities	1,134,324 =====	1,071,823 =====
Net assets per share attributable to Owners of the Company (RM)	6.07 =====	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 March 2020

(The figures have not been audited)

	Attributable to owners of the Company			Non-	Total
	Share	Retained	Total	controlling	Equity
	Capital	Profit		Interests	
	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 income	-	4,948	4,948	280	5,228
At 31 March 2020	173,180	394,924	568,104	(1,156)	566,948

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

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2020

(The figures have not been audited)

Cumulative
12 months
31.03.2020
RM'000

Cash flows from operating activities

Profit before taxation	8,645
Adjustments for:	
Depreciation of property, plant and equipment	50,057
Depreciation of right-of-use assets	721
Gain on disposal of property, plant and equipment	(67)
Change in fair value of biological assets	(4,380)
Interest income	(3,799)
Interest expense	10,255
Net fair value loss on derivative	4,438
Net unrealised foreign exchange gain	(1,146)
Operating profit before changes in working capital	64,724
Increase in inventories	(12,792)
Increase in receivables and other assets	(21,518)
Increase in payables	35,988
Cash generated from operations	66,402
Income tax paid, net of refund	3,017
Interest received	3,799
Net cash generated from operating activities	73,218

Cash flows from investing activities

Acquisition of property, plant and equipment (net of interest and depreciation capitalised)	(88,690)
Proceeds from disposal of property, plant and equipment	319
Net cash used in investing activities	(88,371)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2020

(The figures have not been audited)

	Cumulative 12 months 31.03.2020 RM'000
Cash flows from financing activities	
Interest paid	(14,954)
Proceeds from bank borrowings	1,710,237
Repayment of bank borrowings	(1,699,330)
Repayment of lease liabilities	(751)
	<hr/>
Net cash used in financing activities	(4,798)
	<hr/>
Net decrease in cash and cash equivalents	(19,951)
	<hr/>
Effect of foreign exchange rate changes	2,498
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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 year	141,225
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There is no comparative for the quarter ended 31 March 2020. 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 March 2020, being the fourth quarter of the financial year ending 31 March 2020 is not comparable with that of the fourth 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.

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 and Reference to the Conceptual Framework)
- 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 16 (Covid-19-Related Rent Concessions)
- Amendments to MFRS 101 (Definition of Material and Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 108 (Definition of Material)
- Amendments to MFRS 116 (Property, Plant and Equipment – Proceeds before Intended Use)
- Amendments to MFRS 137 (Onerous Contracts – Cost of Fulfilling a Contract)
- Annual Improvements to MFRS Standards 2018-2020 relating to MFRS 1, MFRS 9, MFRS 16 and MFRS 141)
- 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.

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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 31 March 2020.

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 31 March 2020 is as follows:

	RM'000
Approved and contracted for	3,961
Approved and not contracted for	45,685

	49,646
	=====

15. Review of Performance

The Group's revenue for the current quarter was higher by about RM63 million than the corresponding period of the preceding year due to higher average selling price of products. Similarly, the Group recorded a profit before tax of about RM8.3 million as compared to the corresponding period of the preceding year's loss before tax of about RM13 million on the back of higher average selling price of products in the current quarter.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM8.3 million in the current quarter as compared to profit before tax of about RM19.2 million of the immediate preceding quarter which is mainly driven by unfavourable changes in fair value of biological assets, derivative and foreign exchange in the current quarter.

17. Commentary on prospects

The outbreak of Covid-19 pandemic has caused severe disruptions to the global supply chain. The implementation of Movement Control Order ("MCO") has affected the estates and mills operational activities of the Group. The uncertainties arising from the Covid-19 pandemic are expected to continue to impact the palm oil demand and prices. Notwithstanding the challenging economic outlook in the near term, the Group remains prudent and focuses on enhancing its operational efficiency. The Group anticipates the overall performance of the Group to be improving gradually upon recovery from the pandemic.

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

	Individual Quarter 3 months ended 31.03.2020 RM'000	Cumulative Quarter 12 months ended 31.03.2020 RM'000
Tax expense for the period:		
Deferred taxation	(286)	2,444
Current year provision	856	1,015
Over provision for prior year	-	(42)
	-----	-----
	570	3,417
	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 March 2020 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	246,668
 Long term borrowings	
Secured	115,353

	362,021
	=====

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 per share

	Individual Quarter 3 months ended 31.03.2020 RM'000	Cumulative Quarter 12 months ended 31.03.2020 RM'000
Profit attributable to Owners of the Company	7,644 =====	4,948 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====
Basic earnings per share (sen)	8.17 =====	5.29 =====
Diluted earnings 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 31.03.2020 RM'000	Cumulative Quarter 12 months ended 31.03.2020 RM'000
Result from operating activities is arrived at after charging:		
Finance costs	2,570	10,255
Depreciation of property, plant and equipment	13,721	50,057
Depreciation of right-of-use assets	180	721
Change in fair value of biological assets	2,235	-
Loss on derivative	5,423	4,438
Result from operating activities is arrived at after crediting:		
Finance income	1,131	3,799
Other operating income	24	92
Gain on disposal of property, plant and equipment	2	67
Change in fair value of biological assets	-	4,380
Unrealised foreign exchange gain	1,051	1,146
	<hr/>	<hr/>

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 12 months from 1 April 2019 to 31 March 2020 being the fourth 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 March 2020 is not comparable with the fourth quarter of the previous financial period ended 31 March 2019.