

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 December 2020

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 December 2020

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 December 2020

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue		603,557	648,782	1,517,611	1,433,953
Cost of sales		(555,391)	(616,799)	(1,413,591)	(1,399,890)
Gross profit		48,166	31,983	104,020	34,063
Other operating income		468	4,836	11,152	12,289
Selling expenses		(8,838)	(11,073)	(31,152)	(26,580)
Administrative expenses		(4,547)	(3,688)	(12,292)	(11,769)
Finance costs		(1,924)	(2,820)	(6,385)	(7,685)
Profit before taxation		33,325	19,238	65,343	318
Income tax expenses	18	(8,318)	(5,427)	(16,052)	(2,847)
Profit/(loss) for the period, net of tax representing total Comprehensive Income for the period		25,007	13,811	49,291	(2,529)
Profit/(loss) for the period attributable to:					
Owners of the Company		24,565	13,549	48,458	(2,696)
Non-controlling interests		442	262	833	167
		25,007	13,811	49,291	(2,529)
Earnings/(loss) per share (sen) attributable to Owners of the Company:	25				
- Basic		26.27	14.49	51.82	(2.88)
- 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 March 2020 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.12.2020 RM'000	As At 31.03.2020 RM'000
Non-current Assets		
Property, plant and equipment	586,285	581,131
Right-of-use assets	123,763	125,458
Deferred tax assets	1,928	6,063
	<u>711,976</u>	<u>712,652</u>
Current Assets		
Inventories	49,937	154,312
Biological assets	14,429	13,898
Receivables	131,655	101,159
Prepaid operating expenses	444	1,275
Tax refundable	7,292	7,024
Deposits, cash and bank balances	209,949	144,005
Derivative financial instruments	3,004	-
	<u>416,710</u>	<u>421,673</u>
Total assets	1,128,686 =====	1,134,325 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	443,479	395,021
	<u>616,659</u>	<u>568,201</u>
Non-controlling interests	(341)	(1,174)
	<u>616,318</u>	<u>567,027</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.12.2020 RM'000	As At 31.03.2020 RM'000
Non-current liabilities		
Borrowings	102,546	115,353
Lease liabilities	812	581
Deferred tax liabilities	83,416	72,897
	<u>186,774</u>	<u>188,831</u>
Current liabilities		
Payables	111,483	126,719
Borrowings	212,308	246,668
Lease liabilities	969	398
Tax payable	834	78
Derivative financial instruments	-	4,604
	<u>325,594</u>	<u>378,467</u>
Total liabilities	512,368	567,298
Total equity and liabilities	<u>1,128,686</u>	<u>1,134,325</u>
Net assets per share attributable to Owners of the Company (RM)	6.59	6.08

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes.

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Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 December 2020

(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 2020	173,180	395,021	568,201	(1,174)	567,027
Total comprehensive income	-	48,458	48,458	833	49,291
At 31 December 2020	173,180	443,479	616,659	(341)	616,318

	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
Initial application of MFRS 16	-	(50)	(50)	-	(50)
At 1 April 2019 (as restated)	173,180	389,976	563,156	(1,436)	561,720
Total comprehensive loss	-	(2,696)	(2,696)	167	(2,529)
At 31 December 2019	173,180	387,280	560,460	(1,269)	559,191

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2020

(The figures have not been audited)

	Cumulative 9 months 31.12.2020 RM'000	Cumulative 9 months 31.12.2019 RM'000
Cash flows from operating activities		
Profit before taxation	65,343	318
Adjustments for:		
Depreciation of property, plant and equipment	35,522	36,336
Depreciation of right-of-use assets	3,035	541
Gain on disposal of property, plant and equipment	(3,956)	(65)
Change in fair value of biological assets	(531)	(6,615)
Interest income	(2,104)	(2,668)
Interest expense	6,312	7,652
Interest on lease liabilities	73	33
Net fair value gain on derivative	(7,608)	(985)
Net unrealised foreign exchange loss/(gain)	2,849	(95)
Operating profit before changes in working capital	98,935	34,452
Decrease in inventories	104,375	2,337
Increase in receivables and other assets	(30,426)	(16,310)
(Decrease) / Increase in payables	(15,236)	33,592
Cash generated from operations	157,648	54,071
Income tax paid, net of refund	(910)	822
Interest received	2,104	2,668
Net cash generated from operating activities	158,842	57,561
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest and depreciation capitalised)	(39,587)	(56,904)
Proceeds from disposal of property, plant and equipment	5,062	115
Net cash used in investing activities	(34,525)	(56,789)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2020

(The figures have not been audited)

	Cumulative 9 months 31.12.2020 RM'000	Cumulative 9 months 31.12.2019 RM'000
Cash flows from financing activities		
Interest paid	(8,483)	(11,143)
Interest paid on lease liabilities	(73)	(33)
Proceeds from bank borrowings	1,046,963	1,258,879
Repayment of bank borrowings	(1,091,350)	(1,288,071)
Repayment of lease liabilities	(562)	(565)
	<hr/>	<hr/>
Net cash used in financing activities	(53,505)	(40,933)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	70,812	(40,161)
Effect of foreign exchange rate changes	(2,088)	(301)
Cash and cash equivalents at the beginning of the year	141,225	158,678
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	209,949	118,216
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The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes.

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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 year ended 31 March 2020.

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 2020 has no material impact on the Group’s consolidated financial statements.

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

- Amendments to MFRS 3 (Reference to the Conceptual Framework)
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform – Phase 2)
- 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 (Classification of Liabilities as Current or Non-current)
- 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 year ended 31 March 2020 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 31 December 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 RM929 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 December 2020 is as follows:

	RM'000
Approved and contracted for	10,663
Approved and not contracted for	16,657

	27,320
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM45 million than the corresponding period of the preceding year due to lower sales volume of products. Notwithstanding that, the Group recorded a profit before tax of about RM33.3 million as compared to the corresponding period of the preceding year's profit before tax of about RM19.2 million on the back of higher average selling price of products in the current quarter.

With improvements in the average selling price of products, the Group's revenue increased by about RM84 million during the current financial period as compared to the preceding year. Furthermore, the Group reported profit before tax of about RM65.3 million for the current financial period as compared to the preceding year's profit before tax of approximately RM0.3 million mainly due to higher average selling price of products.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM33.3 million in the current quarter as compared to profit before tax of about RM25.7 million of the immediate preceding quarter mainly due to higher average selling price of products.

17. Commentary on prospects

With the implementation of Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") have been imposed by the Malaysian government to curb the spread of Covid-19, it is anticipated to further pose uncertainties on the group's operations and performance in the near term. Furthermore, other uncertain external economic conditions are likely to cause volatility in global markets. Notwithstanding the challenging economic outlook in the near term, the Group continues to stay vigilant and place its priority on productivity improvement and cost reduction in light of the ongoing economic volatility and uncertainty.

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	7,131	5,298	14,654	2,730
Current year provision	1,133	129	1,344	159
Under/(Over) provision for prior year	54	-	54	(42)
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	8,318	5,427	16,052	2,847
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 December 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	212,308
Long term borrowings	
Secured	102,546

	314,854
	=====

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		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to Owners of the Company	24,565 =====	13,549 =====	48,458 =====	(2,696) =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	93,500 =====
Basic earnings/(loss) per share (sen)	26.27 =====	14.49 =====	51.82 =====	(2.88) =====
Diluted earnings/(loss) per share (sen)	N/A =====	N/A =====	N/A =====	N/A =====

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Result from operating activities is arrived at after charging:				
Finance costs	1,924	2,820	6,385	7,685
Depreciation of property, plant and equipment	11,499	13,095	35,522	36,336
Depreciation of right-of-use assets	1,004	171	3,035	541
Change in fair value of biological assets	4,278	-	-	-
Unrealised foreign exchange loss	3,139	21	2,849	-
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Result from operating activities is arrived at after crediting:				
Finance income	740	1,119	2,104	2,668
Other operating income	27	23	78	68
Gain on disposal of property, plant and equipment	36	36	3,956	65
Change in fair value of biological assets	-	840	531	6,615
Unrealised foreign exchange gain	-	-	-	95
Gain on derivative	2,753	611	7,608	985
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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.