

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
30 September 2021

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 September 2021

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 September 2021

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM'000	RM'000	RM'000	RM'000
Revenue		621,422	517,536	1,161,910	914,054
Cost of sales		(562,754)	(480,584)	(1,050,691)	(858,200)
Gross profit		58,668	36,952	111,219	55,854
Other operating income		5,659	6,928	4,577	10,684
Selling expenses		(21,984)	(11,562)	(44,501)	(22,314)
Administrative expenses		(3,676)	(4,211)	(7,269)	(7,745)
Finance costs		(1,592)	(2,341)	(3,307)	(4,461)
Profit before taxation		37,075	25,766	60,719	32,018
Income tax expenses	18	(8,090)	(6,020)	(14,932)	(7,734)
Profit for the period, net of tax representing total Comprehensive Income for the period		28,985	19,746	45,787	24,284
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		28,273	19,478	44,485	23,893
Non-controlling interests		712	268	1,302	391
		28,985	19,746	45,787	24,284
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		30.24	20.83	47.58	25.55
- 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 2021 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 30.09.2021 RM'000	As At 31.03.2021 RM'000
Non-current Assets		
Property, plant and equipment	589,223	585,200
Right-of-use assets	120,480	121,760
	<u>709,703</u>	<u>706,960</u>
Current Assets		
Inventories	210,858	134,084
Biological assets	24,235	21,746
Receivables	80,697	86,493
Prepaid operating expenses	684	686
Tax refundable	6,404	8,284
Deposits, cash and bank balances	280,246	270,550
	<u>603,124</u>	<u>521,843</u>
Total assets	<u>1,312,827</u> =====	<u>1,228,803</u> =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	504,790	460,305
	<u>677,970</u>	<u>633,485</u>
Non-controlling interests	1,373	71
	<u>679,343</u>	<u>633,556</u>
Total equity	<u>679,343</u>	<u>633,556</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 2021 and the accompanying explanatory notes.

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Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 30.09.2021 RM'000	As At 31.03.2021 RM'000
Non-current liabilities		
Borrowings	106,851	104,510
Lease liabilities	799	824
Deferred tax liabilities	98,809	87,519
	<u>206,459</u>	<u>192,853</u>
Current liabilities		
Payables	172,055	118,447
Borrowings	251,392	279,294
Lease liabilities	1,175	785
Tax payable	1,130	85
Derivative financial instruments	1,273	3,783
	<u>427,025</u>	<u>402,394</u>
Total liabilities	633,484	595,247
Total equity and liabilities	<u>1,312,827</u>	<u>1,228,803</u>
Net assets per share attributable to Owners of the Company (RM)	7.25	6.78

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 30 September 2021

(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 2021	173,180	460,305	633,485	71	633,556
Total comprehensive income	-	44,485	44,485	1,302	45,787
At 30 September 2021	173,180	504,790	677,970	1,373	679,343

	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 2020	173,180	395,021	568,201	(1,174)	567,027
Total comprehensive income	-	23,893	23,893	391	24,284
At 30 September 2020	173,180	418,914	592,094	(783)	591,311

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 2021 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2021

(The figures have not been audited)

	Cumulative 6 months 30.09.2021 RM'000	Cumulative 6 months 30.09.2020 RM'000
Cash flows from operating activities		
Profit before taxation	60,719	32,018
Adjustments for:		
Depreciation of property, plant and equipment	21,270	24,023
Depreciation of right-of-use assets	2,023	2,031
Gain on disposal of property, plant and equipment	(418)	(3,920)
Change in fair value of biological assets	(2,489)	(4,809)
Interest income	(1,641)	(1,364)
Interest expense	3,257	4,413
Interest on lease liabilities	50	48
Net change in fair value on derivative	(2,510)	(4,855)
Net change in unrealised foreign exchange	359	(290)
Operating profit before changes in working capital	80,620	47,295
(Increase)/Decrease in inventories	(76,774)	16,325
Decrease/(Increase) in receivables and other assets	5,973	(14,586)
Increase in payables	53,608	10,249
Cash generated from operations	63,427	59,283
Income tax paid, net of refund	(717)	(478)
Interest received	1,641	1,364
Net cash generated from operating activities	64,351	60,169
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest and depreciation capitalised)	(24,098)	(22,840)
Proceeds from disposal of property, plant and equipment	570	4,936
Net cash used in investing activities	(23,528)	(17,904)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2021

(The figures have not been audited)

	Cumulative 6 months 30.09.2021 RM'000	Cumulative 6 months 30.09.2020 RM'000
Cash flows from financing activities		
Interest paid	(4,604)	(5,932)
Interest paid on lease liabilities	(50)	(48)
Proceeds from bank borrowings	1,201,194	633,992
Repayment of bank borrowings	(1,226,779)	(618,426)
Repayment of lease liabilities	(380)	(382)
	<hr/>	<hr/>
Net cash (used in)/ generated from financing activities	(30,619)	9,204
	<hr/>	<hr/>
Net increase in cash and cash equivalents	10,204	51,469
Effect of foreign exchange rate changes	(532)	(338)
Cash and cash equivalents at the beginning of the year	270,550	141,225
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	280,222	192,356
	<hr/> <hr/>	<hr/> <hr/>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021.

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 April 2021 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 10 and MFRS 128 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- Amendments to MFRS 101 (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101 (Disclosure of Accounting Policies)
- Amendments to MFRS 108 (Definition of Accounting Estimates)
- Amendments to MFRS 112 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- 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 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 2021 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 30 September 2021.

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 30 September 2021 is as follows:

	RM'000
Approved and contracted for	11,576
Approved and not contracted for	23,648

	35,224
	=====

15. Review of Performance

The Group's revenue for the current quarter was higher by about RM104 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 RM37.0 million as compared to the corresponding period of the preceding year's profit before tax of about RM25.7 million on the back of higher average selling price of products in the current quarter.

Arising from improvements in the average selling price of products, the Group's revenue increased by about RM248 million during the current financial period as compared to the preceding year. Furthermore, the Group reported profit before tax of about RM60.7 million for the current financial period as compared to the preceding year's profit before tax of approximately RM32.0 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 RM37.0 million in the current quarter as compared to profit before tax of about RM23.6 million of the immediate preceding quarter mainly due to higher sales volume as well as favourable changes in the fair value of biological assets in the current quarter.

17. Commentary on prospects

Over the past year, the outbreak of Covid-19 pandemic has caused severe disruptions to the global supply chain and decline in domestic consumption, which have consequently affected the operational activities of the Group despite travel restrictions have been imposed by the Malaysian government to curb the spread of Covid-19. 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 continues to place its priority on productivity improvement and enhancing operational efficiency 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		6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	6,146	5,818	11,290	7,523
Current year provision	1,944	202	3,642	211
	-----	-----	-----	-----
	8,090	6,020	14,932	7,734
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 30 September 2021 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	251,392
Long term borrowings	
Secured	106,851

	358,243
	=====

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		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	28,273 =====	19,478 =====	44,485 =====	23,893 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	93,500 =====
Basic earnings per share (sen)	30.24 =====	20.83 =====	47.58 =====	25.55 =====
Diluted earnings 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		6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Result from operating activities is arrived at after charging:				
Finance costs	1,592	2,341	3,307	4,461
Depreciation of property, plant and equipment	10,653	11,866	21,270	24,023
Depreciation of right-of-use assets	1,011	1,025	2,023	2,031
Unrealised foreign exchange loss	90	-	359	-
	_____	_____	_____	_____
Result from operating activities is arrived at after crediting:				
Finance income	819	604	1,641	1,364
Other operating income	30	27	55	51
Gain on disposal of property, plant and equipment	61	3,918	418	3,920
Change in fair value of biological assets	5,658	982	2,489	4,809
Unrealised foreign exchange gain	-	1,616	-	290
Gain on derivative	119	288	2,510	4,855
	_____	_____	_____	_____

The Group does not have other material items, other than the items disclosed above, that are recognised in the Statement of Comprehensive Income.