

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
30 September 2022

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 September 2022

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 September 2022

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
		RM'000	RM'000	RM'000	RM'000
Revenue		580,924	621,422	1,277,284	1,161,910
Cost of sales		(531,276)	(562,754)	(1,162,083)	(1,050,691)
Gross profit		49,648	58,668	115,201	111,219
Other operating expenses / income		(8,186)	5,659	(16,657)	4,577
Selling expenses		(30,068)	(21,984)	(62,297)	(44,501)
Administrative expenses		(4,390)	(3,676)	(8,153)	(7,269)
Finance costs		(2,128)	(1,592)	(4,431)	(3,307)
Profit before taxation		4,876	37,075	23,663	60,719
Income tax expenses	18	(1,516)	(8,090)	(6,381)	(14,932)
Profit for the period, net of tax representing total Comprehensive Income for the period		3,360	28,985	17,282	45,787
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		3,074	28,273	15,923	44,485
Non-controlling interests		286	712	1,359	1,302
		3,360	28,985	17,282	45,787
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		3.29	30.24	17.03	47.58
- 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 2022 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 30.09.2022 RM'000	As At 31.03.2022 RM'000
Non-current Assets		
Property, plant and equipment	587,289	594,009
Right-of-use assets	121,516	123,657
	708,805	717,666
Current Assets		
Inventories	209,327	171,554
Biological assets	27,629	36,683
Receivables	142,425	117,949
Prepaid operating expenses	541	1,093
Tax refundable	6,228	11,478
Deposits, cash and bank balances	221,925	300,614
	608,075	639,371
Total assets	1,316,880 =====	1,357,037 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	546,529	535,281
	719,709	708,461
Non-controlling interests	3,567	2,208
Total equity	723,276 =====	710,669 =====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 30.09.2022 RM'000	As At 31.03.2022 RM'000
Non-current liabilities		
Borrowings	89,248	91,366
Lease liabilities	535	947
Deferred tax liabilities	102,541	107,209
	192,324	199,522
Current liabilities		
Payables	157,706	137,864
Borrowings	238,561	308,040
Lease liabilities	836	896
Tax payable	1,125	-
Derivative financial instruments	3,052	46
	401,280	446,846
Total liabilities	593,604	646,368
	-----	-----
Total equity and liabilities	1,316,880	1,357,037
	-----	-----
Net assets per share attributable to Owners of the Company (RM)	7.70	7.58
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 2022

(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 2022	173,180	535,281	708,461	2,208	710,669
Total comprehensive income	-	15,923	15,923	1,359	17,282
Transaction with owners					
Dividend paid to owners of Company	-	(4,675)	(4,675)	-	(4,675)
At 30 September 2022	173,180	546,529	719,709	3,567	723,276

	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

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 2022 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2022

(The figures have not been audited)

	Cumulative 6 months 30.09.2022 RM'000	Cumulative 6 months 30.09.2021 RM'000
Cash flows from operating activities		
Profit before taxation	23,663	60,719
Adjustments for:		
Depreciation of property, plant and equipment	24,975	21,270
Depreciation of right-of-use assets	2,141	2,023
Gain on disposal of property, plant and equipment	-	(418)
Change in fair value of biological assets	9,054	(2,489)
Interest income	(2,285)	(1,641)
Interest expense	4,392	3,257
Interest on lease liabilities	39	50
Net change in fair value on derivative	3,006	(2,510)
Net change in unrealised foreign exchange	(3,657)	359
Operating profit before changes in working capital	61,328	80,620
Changes in inventories	(37,773)	(76,774)
Changes in receivables and other assets	(21,359)	5,973
Changes in payables	15,167	53,608
Cash generated from operations	17,363	63,427
Income tax paid, net of refund	(4,674)	(717)
Interest received	2,285	1,641
Net cash generated from operating activities	14,974	64,351
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(17,735)	(24,098)
Proceeds from disposal of property, plant and equipment	-	570
Net cash used in investing activities	(17,735)	(23,528)

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(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 September 2022

(The figures have not been audited)

	Cumulative 6 months 30.09.2022 RM'000	Cumulative 6 months 30.09.2021 RM'000
Cash flows from financing activities		
Interest paid	(4,912)	(4,604)
Interest paid on lease liabilities	(39)	(50)
Proceeds from bank borrowings	1,254,252	1,201,194
Repayment of bank borrowings	(1,328,156)	(1,226,779)
Repayment of lease liabilities	(472)	(380)
	<hr/>	<hr/>
Net cash used in financing activities	(79,327)	(30,619)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(82,088)	10,204
Effect of foreign exchange rate changes	1,092	(532)
Cash and cash equivalents at the beginning of the period	300,587	270,550
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	219,591	280,222
	=====	=====

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes.

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(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 year ended 31 March 2022.

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 2022 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 10 and MFRS 128 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- Amendments to MFRS 16 (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 17 (Initial Application of MFRS 17 and MFRS 9 – Comparative Information)
- Amendments to MFRS 112 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- 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 2022 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 2022.

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 RM820 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 2022 is as follows:

	RM'000
Approved and contracted for	5,369
Approved and not contracted for	9,297

	14,666
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM40.5 million than the corresponding period of the preceding year which was mainly attributable to lower sales volume. The Group recorded a profit before tax of about RM4.8 million as compared to the corresponding period of the preceding year's profit before tax of about RM37.0 million which was principally due to lower sales volume, higher costs, unfavourable changes in fair value of biological assets and derivative during the current quarter.

In a similar manner, the Group's revenue decreased by about RM115 million during the current financial period as compared to the preceding year arising from lower sales volume. Furthermore, the Group reported profit before tax of about RM23.6 million for the current financial period as compared to the preceding year's profit before tax of approximately RM60.7 million mainly due to lower sales volume, higher costs and combined effects from unfavourable changes in fair value of biological assets, foreign exchange and derivative.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM4.8 million in the current quarter as compared to profit before tax of about RM18.7 million of the immediate preceding quarter. This was principally attributed to the effect of lower average selling price of products during the current quarter, accompanied by unfavourable changes in fair value of biological assets and derivative.

17. Commentary on prospects

As of the current reporting quarter, Malaysian palm oil price has softened since its peak in May 2022 due to the sudden surge in inventories in both Malaysia and Indonesia, as both countries are in the high crop season. On top of the seasonally higher output in the months ahead, concerns over global economic slowdown and interest rate hikes are likely to contribute to volatility in the palm oil price. Furthermore, inflationary pressures on the cost of operation arising from the continuous geopolitical uncertainties has further posed challenges to the oil palm industry.

In view of the above, the Group will focus on the recent development and determinants that would impact the market volatility. The Group is poised to deal with potential challenges that may affect the performance of the Group by formulating strategies and aligning them with our business goals.

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Deferred taxation	(4,926)	6,146	(4,668)	11,290
Current year provision	6,477	1,944	11,084	3,642
Overprovision	(35)	-	(35)	-
	-----	-----	-----	-----
	1,516	8,090	6,381	14,932
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 30 September 2022 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	238,561
Long term borrowings	
Secured	89,248

	327,809
	=====

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

A final single-tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2022 was approved by the shareholders during the 20th Annual General Meeting held on 7 September 2022 and was paid on 13 October 2022. The payment was made to the shareholders whose names appeared in the Company's Record of Depositors on 22 September 2022.

25. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	3,074	28,273	15,923	44,485
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	3.29	30.24	17.03	47.58
	=====	=====	=====	=====
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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Result from operating activities is arrived at after charging:				
Finance costs	2,128	1,592	4,431	3,307
Depreciation of property, plant and equipment	12,398	10,653	24,975	21,270
Depreciation of right-of-use assets	1,228	1,011	2,141	2,023
Unrealised foreign exchange loss	-	90	-	359
Change in fair value of biological assets	6,718	-	9,054	-
Loss on derivative	2,605	-	3,006	-
	_____	_____	_____	_____
Result from operating activities is arrived at after crediting:				
Finance income	1,223	819	2,285	1,641
Other operating income	8	30	59	55
Gain on disposal of property, plant and equipment	-	61	-	418
Change in fair value of biological assets	-	5,658	-	2,489
Unrealised foreign exchange gain	2,541	-	3,657	-
Gain on derivative	-	119	-	2,510
	_____	_____	_____	_____

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