

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 December 2022

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 December 2022

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 December 2022

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2022	31.12.2021	31.12.2022	31.2.2021
		RM'000	RM'000	RM'000	RM'000
Revenue		645,741	643,458	1,923,025	1,805,368
Cost of sales		(601,108)	(570,343)	(1,763,191)	(1,621,034)
Gross profit		44,633	73,115	159,834	184,334
Other operating (expenses) / income		(9,087)	(3,798)	(25,744)	779
Selling expenses		(24,516)	(26,527)	(86,813)	(71,028)
Administrative expenses		(4,830)	(4,178)	(12,983)	(11,447)
Finance costs		(2,297)	(1,497)	(6,728)	(4,804)
Profit before taxation		3,903	37,115	27,566	97,834
Income tax expenses	18	(1,498)	(10,683)	(7,879)	(25,615)
Profit for the period, net of tax representing total Comprehensive Income for the period		2,405	26,432	19,687	72,219
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		2,141	25,632	18,064	70,117
Non-controlling interests		264	800	1,623	2,102
		2,405	26,432	19,687	72,219
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		2.29	27.41	19.32	74.99
- 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 31.12.2022 RM'000	As At 31.03.2022 RM'000
Non-current Assets		
Property, plant and equipment	583,112	594,009
Right-of-use assets	120,488	123,657
Deferred tax assets	2,076	-
	<u>705,676</u>	<u>717,666</u>
Current Assets		
Inventories	156,965	171,554
Biological assets	21,651	36,683
Receivables	155,354	117,949
Prepaid operating expenses	440	1,093
Tax refundable	10,648	11,478
Deposits, cash and bank balances	254,514	300,614
Derivative financial instruments	514	-
	<u>600,086</u>	<u>639,371</u>
Total assets	1,305,762 =====	1,357,037 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	548,670	535,281
	<u>721,850</u>	<u>708,461</u>
Non-controlling interests	2,946	2,208
	<u>724,796</u>	<u>710,669</u>
Total equity	724,796	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 31.12.2022 RM'000	As At 31.03.2022 RM'000
Non-current liabilities		
Borrowings	66,448	91,366
Lease liabilities	538	947
Deferred tax liabilities	109,234	107,209
	<u>176,220</u>	<u>199,522</u>
Current liabilities		
Payables	111,160	137,864
Borrowings	291,810	308,040
Lease liabilities	638	896
Tax payable	1,138	-
Derivative financial instruments	-	46
	<u>404,746</u>	<u>446,846</u>
Total liabilities	580,966	646,368
Total equity and liabilities	<u>1,305,762</u>	<u>1,357,037</u>
Net assets per share attributable to Owners of the Company (RM)	7.72	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.

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Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 December 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	-	18,064	18,064	1,623	19,687
Transaction with owners					
Dividend paid to owners of the Company	-	(4,675)	(4,675)	-	(4,675)
Dividend paid to non-controlling interests	-	-	-	(885)	(885)
At 31 December 2022	<u>173,180</u>	<u>548,670</u>	<u>721,850</u>	<u>2,946</u>	<u>724,796</u>

	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	-	70,117	70,117	2,102	72,219
At 31 December 2021	<u>173,180</u>	<u>530,422</u>	<u>703,602</u>	<u>2,173</u>	<u>705,775</u>

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 31 December 2022

(The figures have not been audited)

	Cumulative 9 months 31.12.2022 RM'000	Cumulative 9 months 31.12.2021 RM'000
Cash flows from operating activities		
Profit before taxation	27,566	97,834
Adjustments for:		
Depreciation of property, plant and equipment	37,718	33,268
Depreciation of right-of-use assets	3,169	3,051
Gain on disposal of property, plant and equipment	(24)	(510)
Change in fair value of biological assets	15,032	3,283
Interest income	(3,443)	(2,484)
Interest expense	6,675	4,729
Interest on lease liabilities	53	75
Net change in fair value on derivative	(560)	(3,761)
Net change in unrealised foreign exchange	2,971	71
Operating profit before changes in working capital	89,157	135,556
Changes in inventories	14,589	(159,509)
Changes in receivables and other assets	(36,916)	75,041
Changes in payables	(26,704)	47,286
Cash generated from operations	40,126	98,374
Income tax paid, net of refund	(5,962)	(1,130)
Interest received	3,443	2,484
Net cash generated from operating activities	37,607	99,728
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(25,880)	(36,826)
Proceeds from disposal of property, plant and equipment	25	682
Net cash used in investing activities	(25,855)	(36,144)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2022

(The figures have not been audited)

	Cumulative 9 months 31.12.2022 RM'000	Cumulative 9 months 31.12.2021 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(4,675)	-
Dividend paid to non-controlling interests	(885)	-
Interest paid	(7,617)	(6,785)
Interest paid on lease liabilities	(53)	(75)
Proceeds from bank borrowings	1,870,286	1,917,408
Repayment of bank borrowings	(1,913,551)	(1,893,839)
Repayment of lease liabilities	(667)	(587)
	<hr/>	<hr/>
Net cash (used in) / generated from financing activities	(57,162)	16,122
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(45,410)	79,706
Effect of foreign exchange rate changes	(2,807)	(71)
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	252,370	350,185
	=====	=====

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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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 101 (Non-current Liabilities with Covenants)
- 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 31 December 2022.

8. Dividend paid

The Company had paid final dividend amounting to RM4.675 million in respect of the financial year ended 31 March 2022 during the reporting 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 31 December 2022 is as follows:

	RM'000
Approved and contracted for	5,028
Approved and not contracted for	4,831

	9,859
	=====

15. Review of Performance

The Group's revenue for the current quarter was higher by about RM2.3 million than the corresponding period of the preceding year which was mainly attributable to higher sales volume. The Group recorded a profit before tax of about RM3.9 million as compared to the corresponding period of the preceding year's profit before tax of about RM37.1 million which was principally due to higher costs and unfavourable changes in foreign exchange during the current quarter.

The Group's revenue increased by about RM117.6 million during the current financial period as compared to the preceding year arising from higher average selling price of products. Furthermore, the Group reported profit before tax of about RM27.5 million for the current financial period as compared to the preceding year's profit before tax of approximately RM97.8 million mainly due to 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 RM3.9 million in the current quarter as compared to profit before tax of about RM4.8 million of the immediate preceding quarter. This was principally attributed to the effect of unfavourable changes in foreign exchange whilst offset by favourable changes in derivative and fair value of biological assets.

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		9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Deferred taxation	4,617	4,814	(51)	16,104
Current year provision	(3,119)	5,871	7,965	9,513
Overprovision	-	(2)	(35)	(2)
	-----	-----	-----	-----
	1,498	10,683	7,879	25,615
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 December 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	291,810
Long term borrowings	
Secured	66,448

	358,258
	=====

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		9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	2,141	25,632	18,064	70,117
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	2.29	27.41	19.32	74.99
	=====	=====	=====	=====
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**

Result from operating activities is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	12,743	11,998	37,718	33,268
Depreciation of right-of-use assets	1,028	1,028	3,169	3,051
Finance costs	2,297	1,497	6,728	4,804
Finance income	(1,158)	(843)	(3,443)	(2,484)
Other operating income	(29)	(29)	(88)	(84)
Gain on disposal of property, plant and equipment	(24)	(92)	(24)	(510)
Change in fair value of biological assets	5,978	5,772	15,032	3,283
Net change in unrealised foreign exchange	6,628	(288)	2,971	71
Net change in fair value on derivative	(3,566)	(1,251)	(560)	(3,761)
	_____	_____	_____	_____

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