

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 March 2023

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Year Ended 31 March 2023

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2023

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		545,281	704,375	2,468,306	2,509,743
Cost of sales		(500,204)	(667,485)	(2,263,395)	(2,288,519)
Gross profit		45,077	36,890	204,911	221,224
Other operating (expenses) / income		(2,891)	18,892	(28,635)	19,671
Selling expenses		(17,163)	(23,988)	(103,976)	(95,016)
Administrative expenses		(6,891)	(15,624)	(19,874)	(27,071)
Finance costs		(2,077)	(1,402)	(8,805)	(6,206)
Profit before taxation		16,055	14,768	43,621	112,602
Income tax expenses	18	(4,369)	(7,069)	(12,248)	(32,684)
Profit for the year, net of tax representing total Comprehensive Income for the year		11,686	7,699	31,373	79,918
		=====	=====	=====	=====
Profit for the year attributable to:					
Owners of the Company		11,944	7,664	30,008	77,781
Non-controlling interests		(258)	35	1,365	2,137
		11,686	7,699	31,373	79,918
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		12.77	8.20	32.09	83.19
- 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.

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(Company No: 562199-A)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.03.2023 RM'000	As At 31.03.2022 RM'000
Non-current Assets		
Property, plant and equipment	588,803	594,009
Right-of-use assets	119,432	123,657
	<u>708,235</u>	<u>717,666</u>
Current Assets		
Inventories	111,883	171,554
Biological assets	20,434	36,683
Receivables	37,386	117,949
Prepaid operating expenses	1,454	1,093
Tax refundable	10,644	11,478
Deposits, cash and bank balances	346,771	300,614
Derivative financial instruments	327	-
	<u>528,899</u>	<u>639,371</u>
Total assets	<u>1,237,134</u>	<u>1,357,037</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	560,614	535,281
	<u>733,794</u>	<u>708,461</u>
Non-controlling interests	2,688	2,208
	<u>736,482</u>	<u>710,669</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 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 31.03.2023 RM'000	As At 31.03.2022 RM'000
Non-current liabilities		
Borrowings	68,061	91,366
Lease liabilities	435	947
Deferred tax liabilities	109,981	107,209
	<u>178,477</u>	<u>199,522</u>
Current liabilities		
Payables	105,314	137,864
Borrowings	216,169	308,040
Lease liabilities	513	896
Tax payable	179	-
Derivative financial instruments	-	46
	<u>322,175</u>	<u>446,846</u>
Total liabilities	500,652	646,368
Total equity and liabilities	<u>1,237,134</u>	<u>1,357,037</u>
Net assets per share attributable to Owners of the Company (RM)	7.85	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 Year Ended 31 March 2023

(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	-	30,008	30,008	1,365	31,373
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 March 2023	173,180	560,614	733,794	2,688	736,482

	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	-	77,781	77,781	2,137	79,918
Transaction with owners					
Dividend paid to owners of the Company	-	(2,805)	(2,805)	-	(2,805)
At 31 March 2022	173,180	535,281	708,461	2,208	710,669

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 Year Ended 31 March 2023

(The figures have not been audited)

	Cumulative 12 months 31.03.2023 RM'000	Cumulative 12 months 31.03.2022 RM'000
Cash flows from operating activities		
Profit before taxation	43,621	112,602
Adjustments for:		
Depreciation of property, plant and equipment	50,656	44,712
Depreciation of right-of-use assets	4,226	4,111
Gain on disposal of property, plant and equipment	(54)	(503)
Loss on disposal of right-of-use assets	-	1
Change in fair value of biological assets	16,249	(14,937)
Interest income	(4,753)	(3,462)
Interest expense	8,740	6,107
Interest on lease liabilities	65	99
Net change in fair value on derivative	(373)	(3,737)
Net change in unrealised foreign exchange	404	91
Operating profit before changes in working capital	118,781	145,084
Changes in inventories	59,671	(37,470)
Changes in receivables and other current assets	80,164	(31,947)
Changes in payables	(32,550)	19,416
Cash generated from operations	226,066	95,083
Income tax paid, net of refund	(8,463)	(16,273)
Interest received	4,753	3,462
Net cash generated from operating activities	222,356	82,272
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(43,900)	(50,852)
Acquisition of right-of-use assets	-	(4,971)
Proceeds from disposal of property, plant and equipment	68	687
Net cash used in investing activities	(43,832)	(55,136)

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Condensed Consolidated Statement of Cash Flows

For the Year Ended 31 March 2023

(The figures have not been audited)

	Cumulative 12 months 31.03.2023 RM'000	Cumulative 12 months 31.03.2022 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(4,675)	(2,805)
Dividend paid to non-controlling interests	(885)	-
Interest paid	(10,304)	(8,960)
Interest paid on lease liabilities	(65)	(99)
Proceeds from bank borrowings	2,372,470	2,567,952
Repayment of bank borrowings	(2,487,629)	(2,552,377)
Repayment of lease liabilities	(896)	(803)
	<hr/>	<hr/>
Net cash (used in) / generated from financing activities	(131,984)	2,908
	<hr/>	<hr/>
Net increase in cash and cash equivalents	46,540	30,044
Effect of foreign exchange rate changes	(366)	(7)
Cash and cash equivalents at the beginning of the year	300,587	270,550
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	346,761	300,587
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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 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 year ended 31 March 2023.

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 RM801 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 2023 is as follows:

	RM'000
Approved and contracted for	13,502
Approved and not contracted for	15,636

	29,138
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM159 million than the corresponding period of the preceding year which was mainly attributable to lower average selling price of products. The Group recorded a profit before tax of about RM16.0 million as compared to the corresponding period of the preceding year's profit before tax of about RM14.7 million which was principally due to lower costs whilst mitigated by unfavourable changes in fair value of biological assets during the current quarter.

The Group's revenue decreased by about RM41.4 million during the current financial year as compared to the preceding year arising from lower average selling price of products. Furthermore, the Group reported profit before tax of about RM43.6 million for the current financial year as compared to the preceding year's profit before tax of approximately RM112.6 million mainly due to lower average selling price of products and unfavourable changes in fair value of biological assets and foreign exchange.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM16.0 million in the current quarter as compared to profit before tax of about RM3.9 million of the immediate preceding quarter. This was principally attributed to favourable changes in fair value of biological assets and lower average costs during the current quarter.

17. Commentary on prospects

As of the current reporting quarter, Malaysian palm oil price has softened since its peak in May 2022. Present 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 are expected to further pose challenges to the oil palm industry. In spite of the foregoing, labour shortages previously experienced by the oil palm industry are slowly being alleviated as new recruitments are seen on the rise in the sector.

In view of the above, the Group will continue to 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		12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Deferred taxation	2,823	3,586	2,772	19,690
Current year provision	1,546	3,483	9,511	12,996
Overprovision	-	-	(35)	(2)
	-----	-----	-----	-----
	4,369	7,069	12,248	32,684
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial year ended 31 March 2023 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 year.

20. Quoted securities

There were no purchases or sales of quoted securities during the current financial year.

21. Borrowings and debt securities

	RM'000
Short term borrowings	
Secured	216,169
Long term borrowings	
Secured	68,061

	284,230
	=====

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		12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	11,944 =====	7,664 =====	30,008 =====	77,781 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	93,500 =====
Basic earnings per share (sen)	12.77 =====	8.20 =====	32.09 =====	83.19 =====
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		12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	12,938	11,444	50,656	44,712
Depreciation of right-of-use assets	1,057	1,060	4,226	4,111
Finance costs	2,077	1,402	8,805	6,206
Finance income	(1,310)	(978)	(4,753)	(3,462)
Other operating income	(34)	(29)	(122)	(113)
(Gain) / Loss on disposal of property, plant and equipment	(30)	7	(54)	(503)
Loss on disposal of right-of-use assets	-	1	-	1
Change in fair value of biological assets	1,217	(18,220)	16,249	(14,937)
Net change in unrealised foreign exchange	(2,567)	20	404	91
Net change in fair value on derivative	187	24	(373)	(3,737)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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