

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
30 June 2023

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 30 June 2023

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 30 June 2023

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		384,833	696,360	384,833	696,360
Cost of sales		(365,192)	(630,807)	(365,192)	(630,807)
Gross profit		19,641	65,553	19,641	65,553
Other operating income / (expenses)		9,170	(8,471)	9,170	(8,471)
Selling expenses		(19,710)	(32,229)	(19,710)	(32,229)
Administrative expenses		(4,646)	(3,763)	(4,646)	(3,763)
Finance costs		(2,262)	(2,303)	(2,262)	(2,303)
Profit before taxation		2,193	18,787	2,193	18,787
Income tax expenses	18	(1,470)	(4,865)	(1,470)	(4,865)
Profit for the period, net of tax representing total Comprehensive Income for the period		723	13,922	723	13,922
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		670	12,849	670	12,849
Non-controlling interests		53	1,073	53	1,073
		723	13,922	723	13,922
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		0.72	13.74	0.72	13.74
- 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 2023 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 30.06.2023 RM'000	As At 31.03.2023 RM'000
Non-current Assets		
Property, plant and equipment	587,593	588,803
Right-of-use assets	119,723	119,431
	<u>707,316</u>	<u>708,234</u>
Current Assets		
Inventories	187,406	112,384
Biological assets	28,346	20,434
Receivables	68,439	37,373
Prepaid operating expenses	495	1,453
Tax refundable	11,024	10,692
Deposits, cash and bank balances	242,635	346,771
Derivative financial instruments	-	327
	<u>538,345</u>	<u>529,434</u>
Total assets	<u>1,245,661</u> =====	<u>1,237,668</u> =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	561,556	560,886
	<u>734,736</u>	<u>734,066</u>
Non-controlling interests	2,741	2,688
	<u>737,477</u>	<u>736,754</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 2023 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 30.06.2023 RM'000	As At 31.03.2023 RM'000
Non-current liabilities		
Borrowings	68,061	68,061
Lease liabilities	1,328	435
Deferred tax liabilities	110,005	110,084
	<u>179,394</u>	<u>178,580</u>
Current liabilities		
Payables	111,312	105,473
Borrowings	216,321	216,169
Lease liabilities	744	513
Tax payable	10	179
Derivative financial instruments	403	-
	<u>328,790</u>	<u>322,334</u>
Total liabilities	508,184	500,914
Total equity and liabilities	<u>1,245,661</u>	<u>1,237,668</u>
	=====	=====
Net assets per share attributable to Owners of the Company (RM)	7.86	7.85
	=====	=====

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes.

BLD PLANTATION BHD

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Condensed Consolidated Statement of Changes in Equity

For the Period Ended 30 June 2023

(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 2023	173,180	560,886	734,066	2,688	736,754
Total comprehensive income	-	670	670	53	723
At 30 June 2023	173,180	561,556	734,736	2,741	737,477

	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 2022	173,180	535,281	708,461	2,208	710,669
Total comprehensive income	-	12,849	12,849	1,073	13,922
At 30 June 2022	173,180	548,130	721,310	3,281	724,591

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 2023 and the accompanying explanatory notes.

BLD PLANTATION BHD

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 June 2023

(The figures have not been audited)

	Cumulative 3 months 30.06.2023 RM'000	Cumulative 3 months 30.06.2022 RM'000
Cash flows from operating activities		
Profit before taxation	2,193	18,787
Adjustments for:		
Depreciation of property, plant and equipment	12,296	12,577
Depreciation of right-of-use assets	1,085	913
Gain on disposal of property, plant and equipment	(18)	-
Change in fair value of biological assets	(7,912)	2,336
Interest income	(1,524)	(1,062)
Interest expense	2,243	2,283
Interest on lease liabilities	19	20
Net change in fair value on derivative	730	401
Net change in unrealised foreign exchange	(725)	(1,116)
Operating profit before changes in working capital	8,387	35,139
Changes in inventories	(75,022)	8,995
Changes in receivables and other assets	(29,976)	23,664
Changes in payables	5,838	9,245
Cash (used in) / generated from operations	(90,773)	77,043
Income tax paid, net of refund	(2,051)	(3,488)
Interest received	1,524	1,062
Net cash (used in) / generated from operating activities	(91,300)	74,617
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(11,086)	(8,605)
Proceeds from disposal of property, plant and equipment	18	-
Net cash used in investing activities	(11,068)	(8,605)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 June 2023

(The figures have not been audited)

	Cumulative 3 months 30.06.2023 RM'000	Cumulative 3 months 30.06.2022 RM'000
Cash flows from financing activities		
Interest paid	(2,243)	(2,472)
Interest paid on lease liabilities	(19)	(20)
Proceeds from bank borrowings	460,828	646,659
Repayment of bank borrowings	(460,666)	(671,828)
Repayment of lease liabilities	(252)	(220)
	<hr/>	<hr/>
Net cash used in financing activities	(2,352)	(27,881)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(104,720)	38,131
Effect of foreign exchange rate changes	595	1,127
Cash and cash equivalents at the beginning of the year	346,760	300,587
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	242,635	339,845
	=====	=====

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2023 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 2023.

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 2023 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 101 (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 and MFRS 7 (Supplier Finance Arrangements)

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 March 2023 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 June 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 30 June 2023 is as follows:

	RM'000
Approved and contracted for	20,459
Approved and not contracted for	7,666

	28,125
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM311 million than the corresponding period of the preceding year principally due to lower average selling price of products. The Group recorded a profit before tax of about RM2.2 million as compared to the corresponding period of the preceding year's profit before tax of about RM18.7 million due to decrease in average selling price of products, whilst mitigated by favourable changes in fair value of biological assets during the current quarter.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM2.2 million in the current quarter as compared to profit before tax of about RM16.4 million of the immediate preceding quarter. The decrease was mainly attributable to lower average selling price of products and lower sales volume in the current quarter. This was however offset by gains in fair value of biological assets and foreign exchange.

17. Commentary on prospects

The palm oil market witnessed a weakening performance relative to the record-high CPO prices marked in the first half of 2022, underpinned by slower production, continuing geopolitical tensions and subdued demand for energy and food that contributed to the decrease in palm oil exports. Demand has been constrained by cautious buying due to looming global recessionary fears and rise in inflation. In addition, narrow palm oil discounts over competing edible oils further exerted downward pressure on CPO prices.

While the industry enters into its seasonal peak production in the second half of the year, CPO prices may experience a marginal softening trend, in anticipation of higher availability of other major oils and the easing of Indonesian palm oil exports in the recent months. On the weather front, ongoing concerns of El-Nino phenomenon could potentially heighten the CPO market volatility with the expectation of yield cut, given that the weather trend prevails until early months of 2024. CPO prices could stay elevated in the short term on positive sentiments, partially supported by the present weak Ringgit that helps to boost exports.

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Notes to the Financial Information**17. Commentary on prospects (cont'd)**

The Group is committed to enhance its operational efficiencies and optimise production processes to mitigate the impact of inflationary pressure on costs. By closely monitoring the development of market conditions, the Group maintains a prudent approach to cost management and focuses on minimising its exposure to potential risks that could affect its performance.

18. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Current year provision	1,550	4,607	1,550	4,607
Deferred taxation	(80)	258	(80)	258
	-----	-----	-----	-----
	1,470	4,865	1,470	4,865
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 30 June 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 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	68,061
Long term borrowings	
Secured	216,321

	284,382
	=====

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 first and final single-tier dividend of 3 sen per ordinary share in respect of the financial year ended 31 March 2023 is proposed and subject to approval by the shareholders at the forthcoming 21st Annual General Meeting, and if approved, will be payable on 26 October 2023 to depositors whose names appear in the Company's Record of Depositors on 3 October 2023.

25. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	670 =====	12,849 =====	670 =====	12,849 =====
Weighted average number of ordinary shares in issue ('000)	93,500 =====	93,500 =====	93,500 =====	93,500 =====
Basic earnings per share (sen)	0.72 =====	13.74 =====	0.72 =====	13.74 =====
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		3 months ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	12,296	12,577	12,296	12,577
Depreciation of right-of-use assets	1,085	913	1,085	913
Finance costs	2,262	2,303	2,262	2,303
Finance income	(1,524)	(1,062)	(1,524)	(1,062)
Other operating income	(36)	(51)	(36)	(51)
Gain on disposal of property, plant and equipment	(18)	-	(18)	-
Change in fair value of biological assets	(7,912)	2,336	(7,912)	2,336
Net change in unrealised foreign exchange	(725)	(1,116)	(725)	(1,116)
Net change in fair value on derivative	730	401	730	401
	<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.