

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 December 2023

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 December 2023

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 December 2023

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		466,663	645,741	1,441,841	1,923,025
Cost of sales		(415,192)	(601,108)	(1,315,022)	(1,763,191)
Gross profit		51,471	44,633	126,819	159,834
Other operating (expenses) / income		(2,165)	(9,087)	6,993	(25,744)
Selling expenses		(22,200)	(24,516)	(76,096)	(86,813)
Administrative expenses		(5,880)	(4,830)	(15,843)	(12,983)
Finance costs		(2,040)	(2,297)	(6,869)	(6,728)
Profit before taxation		19,186	3,903	35,004	27,566
Income tax expenses	18	(3,874)	(1,498)	(11,649)	(7,879)
Profit for the period, net of tax representing total Comprehensive Income for the period		15,312	2,405	23,355	19,687
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		15,440	2,141	23,211	18,064
Non-controlling interests		(128)	264	144	1,623
		15,312	2,405	23,355	19,687
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		16.51	2.29	24.82	19.32
- 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

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Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As At 31.12.2023 RM'000	As At 31.03.2023 RM'000
Non-current Assets		
Property, plant and equipment	589,155	588,803
Right-of-use assets	117,497	119,431
	<u>706,652</u>	<u>708,234</u>
Current Assets		
Inventories	104,021	112,384
Biological assets	24,124	20,434
Receivables	184,472	37,373
Prepaid operating expenses	544	1,453
Tax refundable	479	10,692
Deposits, cash and bank balances	188,628	346,771
Derivative financial instruments	2,336	327
	<u>504,604</u>	<u>529,434</u>
Total assets	<u>1,211,256</u> =====	<u>1,237,668</u> =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	581,292	560,886
	<u>754,472</u>	<u>734,066</u>
Non-controlling interests	2,390	2,688
	<u>756,862</u>	<u>736,754</u>
Total equity	<u>756,862</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 31.12.2023 RM'000	As At 31.03.2023 RM'000
Non-current liabilities		
Borrowings	43,700	68,061
Lease liabilities	1,083	435
Deferred tax liabilities	115,086	110,084
	159,869	178,580
Current liabilities		
Payables	102,884	105,473
Borrowings	188,709	216,169
Lease liabilities	581	513
Tax payable	2,351	179
	294,525	322,334
Total liabilities	454,394	500,914
Total equity and liabilities	1,211,256	1,237,668
	=====	=====
Net assets per share attributable to Owners of the Company (RM)	8.07	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 31 December 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 2023	173,180	560,886	734,066	2,688	736,754
Total comprehensive income	-	23,211	23,211	144	23,355
Transaction with owners					
Dividend paid to owners of the Company	-	(2,805)	(2,805)	-	(2,805)
Dividend paid to non-controlling interests	-	-	-	(442)	(442)
At 31 December 2023	173,180	581,292	754,472	2,390	756,862

	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	173,180	548,670	721,850	2,946	724,796

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 31 December 2023

(The figures have not been audited)

	Cumulative 9 months 31.12.2023 RM'000	Cumulative 9 months 31.12.2022 RM'000
Cash flows from operating activities		
Profit before taxation	35,004	27,566
Adjustments for:		
Depreciation of property, plant and equipment	37,543	37,718
Depreciation of right-of-use assets	3,171	3,169
Gain on disposal of property, plant and equipment	(71)	(24)
Gain on disposal of right-of-use assets	(2,243)	-
Change in fair value of biological assets	(3,690)	15,032
Interest income	(4,758)	(3,443)
Interest expense	6,808	6,675
Interest on lease liabilities	61	53
Net change in fair value on derivative	(2,009)	(560)
Net change in unrealised foreign exchange	1,803	2,971
Operating profit before changes in working capital	71,619	89,157
Changes in inventories	8,363	14,589
Changes in receivables and other assets	(147,753)	(36,916)
Changes in payables	(2,590)	(26,704)
Cash (used in) / generated from operations	(70,361)	40,126
Income tax paid, net of refund	5,738	(5,962)
Interest received	4,758	3,443
Net cash (used in) / generated from operating activities	(59,865)	37,607
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(37,896)	(25,880)
Proceeds from disposal of property, plant and equipment	72	25
Proceeds from disposal of right-of-use assets	2,383	-
Net cash used in investing activities	(35,441)	(25,855)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 December 2023

(The figures have not been audited)

	Cumulative 9 months 31.12.2023 RM'000	Cumulative 9 months 31.12.2022 RM'000
Cash flows from financing activities		
Dividend paid to owners of the Company	(2,805)	(4,675)
Dividend paid to non-controlling interests	(442)	(885)
Interest paid	(6,808)	(7,617)
Interest paid on lease liabilities	(61)	(53)
Proceeds from bank borrowings	1,407,929	1,870,286
Repayment of bank borrowings	(1,459,739)	(1,913,551)
Repayment of lease liabilities	(661)	(667)
	<hr/>	<hr/>
Net cash used in financing activities	(62,587)	(57,162)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(157,893)	(45,410)
Effect of foreign exchange rate changes	(239)	(2,807)
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	188,628	252,370
	=====	=====

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)
- Amendments to MFRS 121 (Lack of Exchangeability)

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.

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.

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Notes to the Financial Information

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 2023.

8. Dividend paid

The Company had paid final dividend amounting to RM2.805 million in respect of the financial year ended 31 March 2023 during the reporting quarter.

9. Segmental information

No segment analysis is prepared as the Group 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

A wholly-owned subsidiary of the Company, Kirana Palm Oil Refinery Sdn. Bhd., had on 16 January 2024 entered into separate Sale and Purchase Agreements with Syarikat Sebangun Sdn. Bhd. for the acquisition of the following two properties for purchase consideration of RM7 million and RM17 million respectively:

a) Property 1 - Land held under Lot 3059, Block 26, Kemena Land District located at Jalan Kidurong, Bintulu, Sarawak; and

b) Property 2 - Land held under Lot 4087, Block 26, Kemena Land District located at Jalan Kidurong, Bintulu, Sarawak.

The Proposed Acquisition is a related party transaction pursuant to Paragraph 10.08 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Other than the above acquisition which is still pending completion, there is no other material event subsequent to this reporting quarter as at the date of this announcement.

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Notes to the Financial Information

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.

14. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2023 is as follows:

	RM'000
Approved and contracted for	12,139
Approved and not contracted for	2,061

	14,200
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM179 million than the corresponding quarter of the preceding year mainly due to lower sales volume. The Group recorded a profit before tax of about RM19.2 million as compared to the corresponding quarter of the preceding year's profit before tax of about RM3.9 million which was due to combined effects of lower average costs as well as favourable changes in fair value of biological assets.

The Group's revenue decreased by about RM481 million during the current financial period as compared to the preceding year which was attributable due to lower sales volume and lower average selling price of products. Notwithstanding that, the Group reported profit before tax of about RM35.0 million for the current financial period as compared to the preceding year's profit before tax of approximately RM27.5 million mainly arising from favourable changes in fair value of biological assets.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM19.2 million in the current quarter as compared to profit before tax of about RM13.6 million of the immediate preceding quarter. This was primarily attributed to lower average costs and favourable changes in derivative during the current quarter.

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Notes to the Financial Information

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. 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.

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	9 months ended	9 months ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Current year provision	2,989	(3,119)	6,911	7,965
Deferred taxation	885	4,617	5,002	(51)
Overprovision	-	-	(264)	(35)
	-----	-----	-----	-----
	3,874	1,498	11,649	7,879
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 December 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.

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Notes to the Financial Information**21. Borrowings and debt securities**

	RM'000
Short term borrowings	
Secured	188,709
Long term borrowings	
Secured	43,700

	232,409
	=====

The above borrowings are denominated in Ringgit Malaysia.

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	15,440	2,141	23,211	18,064
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
	=====	=====	=====	=====
Basic earnings per share (sen)	16.51	2.29	24.82	19.32
	=====	=====	=====	=====
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		9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	12,442	12,743	37,543	37,718
Depreciation of right-of-use assets	1,018	1,028	3,171	3,169
Finance costs	2,040	2,297	6,869	6,728
Finance income	(1,666)	(1,158)	(4,758)	(3,443)
Other operating income	(33)	(29)	(103)	(88)
Gain on disposal of property, plant and equipment	(1)	(24)	(71)	(24)
Gain on disposal of right-of-use assets	-	-	(2,243)	-
Change in fair value of biological assets	3,393	5,978	(3,690)	15,032
Net change in unrealised foreign exchange	2,408	6,628	1,803	2,971
Net change in fair value on derivative	(3,227)	(3,566)	(2,009)	(560)
	_____	_____	_____	_____

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