

BLD PLANTATION BHD.(562199-A)

Interim Financial Report
31 March 2024

BLD PLANTATION BHD

(Company No: 562199-A)

Interim Financial Report for the Period Ended 31 March 2024

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Statement of Comprehensive Income

For the Period Ended 31 March 2024

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		RM'000	RM'000	RM'000	RM'000
Revenue		267,443	545,281	1,709,284	2,468,306
Cost of sales		(242,244)	(499,875)	(1,557,266)	(2,263,066)
Gross profit		25,199	45,406	152,018	205,240
Other operating (expenses) / income		(453)	(2,892)	6,540	(28,636)
Selling expenses		(10,776)	(17,163)	(86,872)	(103,976)
Administrative expenses		(5,096)	(6,891)	(20,939)	(19,874)
Finance costs		(1,604)	(2,077)	(8,473)	(8,805)
Profit before taxation		7,270	16,383	42,274	43,949
Income tax expenses	18	(2,348)	(4,425)	(13,997)	(12,304)
Profit for the period, net of tax representing total Comprehensive Income for the period		4,922	11,958	28,277	31,645
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the Company		4,892	12,216	28,103	30,280
Non-controlling interests		30	(258)	174	1,365
		4,922	11,958	28,277	31,645
		=====	=====	=====	=====
Earnings per share (sen) attributable to Owners of the Company:	25				
- Basic		5.23	13.06	30.05	32.38
- 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 31.03.2024 RM'000	As At 31.03.2023 RM'000
Non-current Assets		
Property, plant and equipment	591,466	588,803
Right-of-use assets	116,511	119,431
	707,977	708,234
Current Assets		
Inventories	192,064	112,384
Biological assets	23,928	20,434
Receivables	30,461	37,373
Prepaid operating expenses	1,314	1,453
Tax refundable	777	10,692
Deposits, cash and bank balances	118,361	346,771
Derivative financial instruments	-	327
	366,905	529,434
Total assets	1,074,882 =====	1,237,668 =====
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	173,180	173,180
Reserves	586,184	560,886
	759,364	734,066
Non-controlling interests	2,420	2,688
Total equity	761,784 =====	736,754 =====

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 31.03.2024 RM'000	As At 31.03.2023 RM'000
Non-current liabilities		
Borrowings	41,900	68,061
Lease liabilities	766	435
Deferred tax liabilities	115,555	110,084
	<u>158,221</u>	<u>178,580</u>
Current liabilities		
Payables	85,966	105,473
Borrowings	68,127	216,169
Lease liabilities	749	513
Tax payable	20	179
Derivative financial instruments	15	-
	<u>154,877</u>	<u>322,334</u>
Total liabilities	313,098	500,914
Total equity and liabilities	<u>1,074,882</u>	<u>1,237,668</u>
Net assets per share attributable to Owners of the Company (RM)	8.12	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

(Company No: 562199-A)

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 March 2024

(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	-	28,103	28,103	174	28,277
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 March 2024	173,180	586,184	759,364	2,420	761,784

	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	-	30,280	30,280	1,365	31,645
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	560,886	734,066	2,688	736,754

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

(Company No: 562199-A)

Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2024

(The figures have not been audited)

	Cumulative 12 months 31.03.2024 RM'000	Cumulative 12 months 31.03.2023 RM'000
Cash flows from operating activities		
Profit before taxation	42,274	43,949
Adjustments for:		
Depreciation of property, plant and equipment	53,633	50,656
Depreciation of right-of-use assets	4,229	4,226
Gain on disposal of property, plant and equipment	(70)	(54)
Gain on disposal of right-of-use assets	(2,243)	-
Change in fair value of biological assets	(3,494)	16,249
Interest income	(6,034)	(4,753)
Interest expense	8,393	8,740
Interest on lease liabilities	80	65
Net change in fair value on derivative	342	(373)
Net change in unrealised foreign exchange	269	404
Operating profit before changes in working capital	97,379	119,109
Changes in inventories	(79,680)	59,170
Changes in receivables and other assets	7,066	80,178
Changes in payables	(19,507)	(32,391)
Cash generated from operations	5,258	226,066
Income tax paid, net of refund	1,230	(8,463)
Interest received	6,034	4,753
Net cash generated from operating activities	12,522	222,356
Cash flows from investing activities		
Acquisition of property, plant and equipment (net of interest capitalised)	(56,297)	(43,900)
Proceeds from disposal of property, plant and equipment	71	68
Proceeds from disposal of right-of-use assets	2,383	-
Net cash used in investing activities	(53,843)	(43,832)

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Condensed Consolidated Statement of Cash Flows

For the Period Ended 31 March 2024

(The figures have not been audited)

	Cumulative 12 months 31.03.2024 RM'000	Cumulative 12 months 31.03.2023 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	(8,393)	(10,304)
Interest paid on lease liabilities	(80)	(65)
Proceeds from bank borrowings	1,580,899	2,372,469
Repayment of bank borrowings	(1,755,091)	(2,487,629)
Repayment of lease liabilities	(881)	(896)
	<hr/>	<hr/>
Net cash used in financing activities	(186,793)	(131,985)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(228,114)	46,539
Effect of foreign exchange rate changes	(285)	(366)
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 year	118,361	346,760
	=====	=====

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 March 2024.

8. Dividend paid

There was no dividend paid in the current 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.

The above acquisition is still pending completion 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.

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Notes to the Financial Information

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 March 2024 is as follows:

	RM'000
Approved and contracted for	8,851
Approved and not contracted for	16,095

	24,946
	=====

15. Review of Performance

The Group's revenue for the current quarter was lower by about RM278 million than the corresponding quarter of the preceding year mainly due to lower sales volume. The Group recorded a profit before tax of about RM7.3 million as compared to the corresponding quarter of the preceding year's profit before tax of about RM16.4 million which was mainly due to decrease in sales volume during the current quarter as well as unfavourable changes in derivative.

The Group's revenue decreased by about RM759 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. Similarly, the Group reported profit before tax of about RM42.3 million for the current financial period as compared to the preceding year's profit before tax of approximately RM43.9 million due to combined effects of lower sales volume and lower average selling price of products.

16. Comparison with Preceding Quarter's Results

The Group recorded profit before tax of about RM7.3 million in the current quarter as compared to profit before tax of about RM19.2 million of the immediate preceding quarter. This was primarily attributed to lower sales volume during the current quarter as well as unfavourable changes in derivative.

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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	12 months ended	12 months ended
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:				
Current year provision	1,879	1,498	8,790	9,463
Deferred taxation	469	2,927	5,471	2,876
Overprovision	-	-	(264)	(35)
	-----	-----	-----	-----
	2,348	4,425	13,997	12,304
	=====	=====	=====	=====

The difference between the effective tax rate and statutory tax rate for the financial period ended 31 March 2024 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	68,127
Long term borrowings	
Secured	41,900

	110,027
	=====

The above borrowings are denominated in Ringgit Malaysia.

22. Changes in material litigation

The Miri High Court Judge delivered its decision on 8 March 2024 and awarded BLD Resources Sdn. Bhd (“BLDR”), a wholly owned subsidiary of the Company in respect of the Miri High Court Suit Case, the following: -

- (i) Damages in the sum of RM71,090,323.00 from year 2005 until year 2021;
- (ii) Further sum of RM5,468,486.38 per year from 2022 until such time the Plaintiffs have vacated and surrendered the land, namely Lot 91 Sawai Land District;
- (iii) Interest on (i) and (ii) at the rate of 5% per annum from the date of the Order of the Federal Court dated 25 November 2021 until full and final settlement;
- (iv) Exemplary damages at the rate of 5% of the amount awarded under (i); and
- (v) Costs of RM20,000.00 and allocatur fee of RM800.00 to be paid to BLDR.

Subsequently, on 8 April 2024, BLDR received a Notice of Appeal dated 4 April 2024 filed by the Plaintiffs against the decision of the Miri High Court Judge. This Appeal is currently pending further directions from the Court of Appeal.

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.

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Notes to the Financial Information**25. Earnings per share**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to Owners of the Company	4,892	12,216	28,103	30,280
Weighted average number of ordinary shares in issue ('000)	93,500	93,500	93,500	93,500
Basic earnings per share (sen)	5.23	13.06	30.05	32.38
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

26. Comprehensive Income Disclosures

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	16,090	12,938	53,633	50,656
Depreciation of right-of-use assets	1,058	1,057	4,229	4,226
Finance costs	1,604	2,077	8,473	8,805
Finance income	(1,276)	(1,310)	(6,034)	(4,753)
Other operating income	(30)	(34)	(133)	(122)
Loss / (Gain) on disposal of property, plant and equipment	1	(30)	(70)	(54)
Gain on disposal of right-of-use assets	-	-	(2,243)	-
Change in fair value of biological assets	196	1,217	(3,494)	16,249
Net change in unrealised foreign exchange	(1,534)	(2,567)	269	404
Net change in fair value on derivative	2,351	187	342	(373)

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