



# **BLD PLANTATION BHD.**

[Registration No.: 200101026441 (562199-A)]



# 2022

## ANNUAL REPORT

# OUR VISION

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To be a successful, innovative and responsible corporation, having a leading role in the agricultural industry producing quality products and services.

# OUR MISSION

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To sustain growth through efficient services and prudent cost competitive application of resources exceeding the expectation of our customers and shareholders.



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# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's vision is to be a successful, innovative and responsible corporation, having a leading role in the agricultural industry producing quality products and services. The Group consistently strives to sustain growth through efficient services and prudent cost competitive application of resources exceeding the expectation of our customers and shareholders.

Adopting good agricultural practices and enhancing operational excellence are fundamental strategies of the Group to achieve high profitability and create values for our shareholders and also stakeholders. The Group is constantly mindful of the importance in optimising resources, competencies and skills to accelerate stable growth and gain competitive edge in the global market.

## FINANCIAL PERFORMANCE

Delivering a remarkable year in 2021, the Group recorded a revenue and profit before tax of about RM2.50 billion and RM112 million respectively for the financial year under review, which was mainly due to higher average selling price of products.

Based on the weighted average number of ordinary shares during the year, the Group recorded net assets per share of RM7.57 as compared to RM6.77 in 2021 while earnings per share of 83.18 sen against 69.82 sen in year 2021.

## OPERATION REVIEW

The matured areas of approximately 31,420 hectares accounts for about 80% of the Group's total planted area. Under the year of review, replanting activities haven been carried out for about 900 hectares in the matured areas with palm age above 26 years old at Sawai Land District, Sarawak, Malaysia.

The Group produced about 103,100 metric tonnes of crude palm oil as compared to about 112,200 metric tonnes in 2021. The palm oil mills located at Miri and Sibu have a processing capacity of 60 metric tonnes and 90 metric tonnes of fresh fruit bunches per hour respectively. The two palm oil mills of the Group were operating at about their installed capacity during the financial year under review.

The volume of palm oil products sold was about 640,800 metric tonnes as compared to about 654,000 metric tonnes in 2021, which were mainly for export in the financial year under review.

## DIVIDEND

The Board of Directors has recommended a first and final single tier dividend of five (5) sen per ordinary share, in respect of the financial year under review which is subject to the shareholders' approval at the Company's forthcoming annual general meeting.

Be assured that your Board remains committed to consistently increase the overall value of our Company for the benefit of its stakeholders by achieving a balance between providing reasonable returns to shareholders whilst conserving funds for new investment opportunities critical to long term growth.

### INDUSTRY TREND AND DEVELOPMENT

The year 2021 was the second year the Malaysian oil palm industry experienced operating in unprecedented pandemic period. Nevertheless, the price of CPO had staged a remarkable performance for 2021, with the average price surging by 64.1% to RM4,407.00/tonne, its highest in the history of the palm oil industry, from RM2,685.50/tonne in 2020. The record higher prices had boosted total export revenue to reach the highest level of RM108.52 billion despite lower exports.

The total oil palm planted area was recorded at 5.74 million hectares in 2021, a decrease of 2.2% as against 5.87 million hectares in the previous year. In 2021, CPO production declined by 5.4%, to 18.12 million tonnes as against 19.14 million tonnes recorded in 2020. The decline was due to lower fresh fruit bunches (FFB) processed, down by 5.8% arising from lower FFB yield which decreased by 7.5% to 15.47 tonnes/hectare in 2021 as compared to 16.73 tonnes/hectare achieved in 2020.

India again maintained its position as the largest Malaysian palm oil export market in 2021 for the eighth year since 2014, with 3.60 million tonnes or 23.1% of total Malaysian palm oil exports. This was followed by China at 1.87 million tonnes (12.0%) and the EU 1.64 million tonnes (10.5%). Malaysian palm oil exports to India surged by 31.3% to 3.60 million tonnes in 2021 from 2.75 million tonnes in 2020 attributed to the significant lower palm oil uptake from Indonesia by 23.8% to 3.65 million tonnes in 2021 from 4.79 million tonnes in 2020 in view of higher export tax on Indonesian CPO.

In 2021, the prices of all oil palm products were traded higher. CPO price was traded higher by 64.1% or RM1,721.50/tonne to RM4,407.00/tonne as compared to RM2,685.50/tonne in 2020. Total Malaysian exports of palm oil and other palm-based products in 2021 amounted to 24.28 million tonnes, lower by 9.2% from 26.73 million tonnes exported in 2020.

(Source: Malaysian Palm Oil Board's website at <http://www.mpob.gov.my>)

### CORPORATE SOCIAL RESPONSIBILITY

The Group is mindful of the importance of contributing to the society in promoting good corporate citizenship in line with our vision. As part of our CSR initiative in education, scholarships or financial assistance is awarded to students as well as staffs. The implementation of these CSR programmes are aimed at instilling continuous learning and enhancement of knowledge.



### PROSPECTS

The palm oil industry delivered a strong performance in 2021 while enjoying remunerative price for the palm oil. The bullish momentum sent the CPO price to its historical high above RM8,000 per MT in early March 2022, backed by tightening in global production and increasing demand from major consuming countries.

With the sudden surge in inventories, following the uplifting of export ban by Indonesian counterpart, CPO price has fallen steeply from its recent peak. On top of the seasonally higher output in the months ahead, weaker-than-expected economic growth coupled with concerns over elevated global inflationary risks are likely to contribute to further consolidation of CPO prices in second half of 2022. Notwithstanding the highly volatile market conditions, expected easing of labour shortage and normalising of export sales volume would be supportive of CPO prices in the near future.

In view of the above, the Group will focus closely 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.

### ACKNOWLEDGEMENT

The Board of Directors records our appreciations to the Management team and each individual at all levels in the Group for their commitment and teamwork. We all look forward to the continued success of the Group.

Our heartfelt thanks to all our valued customers, shareholders, business partners, financiers, consultants, government authorities and other stakeholders for their partnership, strong support and continued confidence in the Group.





## BLD Plantation Bhd.

[Registration No.: 200101026441 (562199-A)]



### BOARD OF DIRECTORS

**Dato Henry Lau Lee Kong**  
*Executive Chairman*

**Haji Wan Abdillah bin Wan Hamid**  
*Executive Director*

**Datu Haji Sarudu bin Haji Hoklai**  
*Independent Non-Executive Director*

**Datuk Haji Hamden bin Haji Ahmad**  
*Independent Non-Executive Director*

**Adeline Lau Kor See**  
*Non-Independent Non-Executive Director*  
*(Appointed as Director w.e.f. 2 March 2022)*

**YB Robert Lau Hui Yew**  
*Non-Executive Director*  
*(Retired as Director w.e.f. 29 December 2021)*

### STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad**  
**- Main Market**

### STOCK CODE

**5069**

### STOCK NAME

**BLDPLNT**

### COMPANY SECRETARIES

**Alvin Lau Lee Jen**  
*(MIA 13153)*  
*(SSM Practicing Certificate No.: 201908001140)*

**Adeline Lau Kor See**  
*(MAICSA 7076994)*  
*(SSM Practicing Certificate No.: 202108000226)*

### REGISTERED OFFICE

**Level 6, Crown Towers**  
**88, Jalan Pending**  
**93450 Kuching, Sarawak**  
**Malaysia**

**Tel : +6082 – 335 311**

**Fax : +6082 – 348 311**

### AUDITORS

**PKF PLT (LLP0030836-LCA & AF0911)**  
**Chartered Accountants**  
**(Formerly known as PKF)**

### SHARE REGISTRAR

**Boardroom Share Registrars Sdn. Bhd.**

**11<sup>th</sup> Floor, Menara Symphony**  
**No. 5, Jalan Prof. Khoo Kay Kim**  
**Seksyen 13**  
**46200 Petaling Jaya**  
**Selangor Darul Ehsan**  
**Malaysia**

**Tel: +603 – 7890 4700**

**Fax: +603 – 7890 4670**

### PRINCIPAL BANKERS

**Affin Bank Berhad**  
**AmBank (M) Berhad**  
**Bank of China (Malaysia) Berhad**  
**Hong Leong Bank Berhad**  
**Malayan Banking Berhad**  
**RHB Bank Berhad**  
**United Overseas Bank (Malaysia) Berhad**



### ● **DATO HENRY LAU LEE KONG**

**Executive Chairman**

**(70, Male, Malaysian)** ●

**Dato Henry Lau Lee Kong** was first appointed to the Board on 2 May 2003 as Executive Director. He assumed the position of Executive Chairman since 15 March 2006.

A graduate with Bachelor of Engineering from the University of Adelaide, Australia, he is also a member of the Association of Professional Engineers, Scientists and Managers Australia.

Dato Henry Lau is primarily responsible for overseeing the overall Management of the Group and the formulation and implementation of the Group's business strategies, policies, directions and development of future expansion plans.

He is an entrepreneur with vast experience in the plantation, timber and property development industries. Currently, he is the Managing Director of KTS Group of Companies apart from sitting on the boards of several other companies. He was conferred the Panglima Setia Bintang Sarawak (PSBS) on 11 September 2004 by Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak Tun Datuk Patinggi Abang Haji Muhammad Salahuddin.

He is a major shareholder of BLD Plantation Bhd. ("the Company"). He is the father of Ms. Adeline Lau Kor See, a Non-Independent Non-Executive Director of the Company. He is the brother to Temenggong Dato Lau Lee Ming and Mr. Lau Lee Kiong, both are major shareholders of the Company.

He is the Chairman of the Risk Management Committee and the Remuneration Committee of the Company.

### **HAJI WAN ABDILLAH BIN WAN HAMID** ●

**Executive Director**

● **(68, Male, Malaysian)**

**Haji Wan Abdillah bin Wan Hamid** is an Executive Director of the Company since 2 May 2003. He attended a Diploma in Accountancy at Mara Institute of Technology (UiTM) in Year 1973. He is a member of the Institute of Approved Company Secretaries (IACS).

Prior to joining the Company, he was a Government Officer for about 19 years. He is actively involved in formulating corporate policies and responsible to oversee the daily operations of the Group. He holds directorship in several public limited companies.

He is a major shareholder of the Company. He has no family relationship with any Director of the Company. He is the brother to Haji Wan Mohd. Shebli bin Wan Hamid, a major shareholder of the Company.

He is a member of the Risk Management Committee of the Company.

### ● **DATU HAJI SARUDU BIN HAJI HOKLAI**

**Independent Non-Executive Director**

**(67, Male, Malaysian)** ●

**Datu Haji Sarudu bin Haji Hoklai** was appointed as an Independent Non-Executive Director of the Company on 27 February 2019.

He holds a Bachelor of Arts (Hons) in Social Science and Humanities from Universiti Kebangsaan Malaysia and a Corporate Master of Business Administration (CMBA) from the University of Ohio, US.

Datu Haji Sarudu served with the government for about 39 years and held several positions including Private Secretary to the Chief Minister of Sarawak, District Officer of Bintulu, Mukah and Belaga, and Resident of Samarahan and Mukah divisions. Prior to his appointment as the Director of Human Resources Management Unit under the Chief Minister's department, he served as the Permanent Secretary of Ministry of Tourism and Urban Development from 2006 to 2007. In 2009, he was awarded with Darjah Jasa Bakti Sarawak (DJBS) for his exemplary services to the State of Sarawak. Subsequently, he served as the General Manager of Sarawak Timber Industry Development Corporation from January 2010 to April 2018.

He has no family relationship with any Director and major shareholder of the Company.

He is the Chairman of the Audit Committee and Nominating Committee of the Company. He is also a member of the Remuneration Committee of the Company.

## DIRECTORS' PROFILE (CONTD.)

### ● **DATUK HAJI HAMDEN BIN HAJI AHMAD**

**Independent Non-Executive Director**

**(74, Male, Malaysian)** ●

**Datuk Haji Hamden bin Haji Ahmad** was appointed as an Independent Non-Executive Director of the Company on 4 February 2004. He resigned on 3 July 2007 from the Company and was re-appointed as an Independent Non-Executive Director on 3 September 2007. He is a Chartered Accountant by profession and is a member of Malaysian Institute of Accountants (MIA), and a Fellow of the Association of Chartered Certified Accountants (FCCA).

Starting his career with Sarawak Land Development Board as Chief Accountant from Year 1978 to Year 1982, he set up his own accounting firm in Year 1983. Datuk Haji Hamden served as an Assistant Minister in the Sarawak Cabinet from Year 2004 to Year 2009. He was conferred the Panglima Gemilang Bintang Kenyalang (PGBK) on 24 October 2009 by Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak Tun Datuk Patinggi Abang Haji Muhammad Salahuddin.

He has no family relationship with any Director and major shareholder of the Company.

He is a member of the Audit Committee and the Nominating Committee of the Company.

### **ADELINE LAU KOR SEE** ●

**Non-Independent Non-Executive Director**

● **(42, Female, Malaysian)**

**Adeline Lau Kor See** was appointed to the Board as a Non-Independent Non- Executive Director on 2 March 2022.

A graduate with Bachelor of Mechanical Engineering from the University of Western Australia, she is also an associate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She was appointed as the secretary of the Company on 16 June 2022.

Adeline Lau has around 15 years of experience in the palm oil industry. She also serves on the Boards of several private limited companies throughout a wide range of industries ranging from tree plantation and food manufacturing, to food and beverage services and corporate training.

She is the eldest daughter of Dato Henry Lau Lee Kong.

She is a member of the Audit Committee, the Nominating Committee and the Remuneration Committee.

*Note: None of the Directors have any conflict of interest with the Company nor committed any conviction for any offence (other than traffic offence, if any) within the past five (5) years.*



## KEY SENIOR MANAGEMENT'S PROFILE

### ● **HAJI WAN ABDILLAH BIN WAN HAMID**

**Executive Director**  
**(68, Male, Malaysian)** ●

*Please refer to the Directors' Profile.*

### **SENG CHEAK CHAI** ●

**Financial Controller**  
● **(64, Male, Malaysian)**

**Mr. Seng Cheak Chai** was appointed as the Financial Controller of the Group on 1 July 2004. He is a Chartered Accountant registered with Malaysia Institute of Accountants. He was the accountant of the Group for 12 years before assuming his current position.

### ● **DR. WILSON HII WEI SENG**

**Operations Manager (Refinery)**  
**(47, Male, Malaysian)** ●

**Dr. Wilson Hii** joined the Group in 2012 as Operations Manager in the Group's refinery division. He holds a Bachelor of Science in Mechanical Engineering in 1998, a Master of Science in Mechanical Engineering (Energy Thermo Fluid) in 2002 and a Doctor of Philosophy in Mechanical Engineering (Energy Thermo Fluid) from Michigan Technological University, U.S. in 2005.

*Note: Save as disclosed, none of the above Key Senior Management have any directorship in public companies and listed issuers, any family relationship with any director and/ or major shareholder of the Company, any conflict of interests with the Company nor have been convicted of any offence (other than traffic offence, if any) within the past five (5) years.*

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 20<sup>th</sup> Annual General Meeting of BLD Plantation Bhd. (“BLDP” or “the Company”) will be held at KTS Garden, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Wednesday, 7 September 2022 at 11.00 a.m. to transact the following businesses:

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of Directors’ fees for the financial year ending 31 March 2023. **Resolution 1**
3. To approve the payment of Directors’ remuneration and benefits (excluding Directors’ fees) for the financial year ending 31 March 2023. **Resolution 2**
4. To declare and approve the payment of a first and final single tier dividend of five (5) sen per ordinary share in respect of the financial year ended 31 March 2022. **Resolution 3**
5. To re-elect the following Directors who retire pursuant to Clause 89 of the Company’s Constitution:
  - (i) Dato Henry Lau Lee Kong **Resolution 4**
  - (ii) Tuan Haji Wan Abdillah bin Wan Hamid **Resolution 5**
  - (iii) Datu Haji Sarudu bin Haji Hoklai **Resolution 6**
  - (iv) Datuk Haji Hamden bin Haji Ahmad **Resolution 7**
6. To re-elect the Director, Ms. Adeline Lau Kor See who retires pursuant to Clause 96 of the Company’s Constitution. **Resolution 8**
7. To re-appoint PKF PLT (formerly known as PKF) as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Resolution 9**

### Special Business

8. To consider and, if thought fit, pass the following resolution as ordinary resolution:
  - **Continuation in office as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance** **Resolution 10**

“**THAT** subject to passing of Resolution No. 7, approval be and is hereby given to Datuk Haji Hamden bin Haji Ahmad, who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

9. To consider and, if thought fit, pass the following resolution as ordinary resolution:

• **Authority for Directors to issue shares pursuant to Section 76 of the Companies Act 2016** *Resolution 11*

“**THAT** pursuant to Section 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby authorised to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being **AND THAT** the Directors be and are also authorised to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.”

10. To consider and, if thought fit, pass the following resolution as ordinary resolution:

• **Proposed renewal of authority for the Company to purchase its own shares** *Resolution 12*

“**THAT** subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized to purchase such number of ordinary shares in the Company as may be determined by the Board of Directors (“Board”) from time to time on Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted and listed on Bursa Securities as at the time of purchase(s) and an amount not exceeding the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of purchase(s) **AND THAT** such shares purchased are to be retained as treasury shares and distributed as dividend and/or resold on the market of Bursa Securities, or subsequently may be cancelled;

**AND THAT** authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities



## NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities and to do all such things as the Directors may deem fit and expedient in the best interest of the Company;

**FURTHER THAT** the authority conferred by this resolution will be effective immediately and shall continue to be in force until:-

- (a) the conclusion of the annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or
- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by shareholders in a general meeting,

whichever occurs first.”

11. To consider and, if thought fit, pass the following resolution as ordinary resolution:

- **Proposed renewal of shareholder mandates for recurrent related party transactions of a revenue or trading nature (“Shareholder Mandate”)**

“**THAT** subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries (“BLDP Group”) to obtain Shareholder Mandate and to give effect to the specified recurrent related party transactions of a revenue or trading nature (“RRPTs”) with the specific classes of the related parties as set out in Part A, Section 3(b) (pages 2 to 17) of the Circular to Shareholders dated 28 July 2022 (“Circular”) under the following categories:

- (i) Category A Mandate
- (ii) Category B Mandate
- (iii) Category C Mandate

**Resolution 13**  
**Resolution 14**  
**Resolution 15**

Provided always that the RRPTs are necessary for the BLDP Group’s day-to-day operations and subject further to the following:

- (a) the RRPTs are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and



## NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

- (b) disclosure is made in the annual report a breakdown of the aggregate value of the RRPTs conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09 (1) of the Main Market Listing Requirements, and amongst others, based on the following information:

- the type of the RRPT made; and
- the names of the related parties involved in each type of the RRPT made and their relationship with the Company.

**AND THAT** such approval will continue to be in force until:

- (a) the conclusion of the next annual general meeting (“AGM”) of the Company, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandate.”

12. To transact any other business which due notice have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** a first and final single tier dividend of five (5) sen per ordinary share, in respect of the financial year ended 31 March 2022, if approved at the 20<sup>th</sup> Annual General Meeting, will be payable on 13 October 2022 to depositors whose names appear in the Record of Depositors on 22 September 2022.

A depositor shall qualify for entitlement only in respect of:

- (a) securities transferred to the depositor’s securities account before 4.30 p.m. on 22 September 2022 in respect of transfers; and
- (b) securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

# NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

## BY ORDER OF THE BOARD OF DIRECTORS

Alvin Lau Lee Jen (MIA 13153) (SSM Practicing Certificate No.: 201908001140)

Adeline Lau Kor See (MAICSA 7076994) (SSM Practicing Certificate No.: 202108000226)

Company Secretaries

Kuching, Sarawak

28 July 2022

### Notes:

1. A proxy may but need not be a member of the Company.
2. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting and each proxy appointed shall represent a minimum of 100 shares. Where the member appoints more than one (1) proxy to attend, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of Subsection 25A(1) of SICDA.
5. To be valid, the Form of Proxy duly completed must be deposited at the registered office of the Company at Level 6, Crown Towers, 88, Jalan Pending, 93450 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
6. A depositor whose name appears in the Record of Depositors as at 1 September 2022 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.

### Explanatory Notes:

1. This Agenda item is meant for discussion only, as the provision of Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not be put forward for voting.
2. Proposed Resolution No. 10

The Nominating Committee and the Board of Directors have assessed the independence of Datuk Haji Hamden bin Haji Ahmad who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the justifications and recommendations as set out on pages 18 to 19 of the Annual Report 2022.



## NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

### 3. Proposed Resolution No. 11

The Board of Directors continues to consider strategic opportunities to broaden the earnings potential of the Company and this may involve equity deals which may require the Company to issue new shares.

The Proposed Resolution No.11, if passed, will provide flexibility to the Directors to undertake any possible fund raising activities, including but not limited to further placing of shares for the funding of the Company's future investments projects, working capital and/or acquisitions, by issuance of shares at any time up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.

This is the renewal of the mandate obtained at the last annual general meeting held on 29 December 2021 ("AGM 2021"). The Company did not utilise the mandate that was approved at the AGM 2021.

### 4. Proposed Resolution No. 12

The Proposed Resolution 12, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the total number of issued shares of the Company by utilising the funds allocated out of the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to Part B of the Statement / Circular to Shareholders dated 28 July 2022 for more details.

### 5. Proposed Resolution No. 13, 14 and 15

The Proposed Resolution No. 13, 14 and 15, if passed, will authorise the Company and each of its subsidiaries to enter RRPTs with the mandated related parties as identified in Part A, Section 3(b) (pages 2 to 17) of the Circular to Shareholders dated 28 July 2022 ("Circular"), which are necessary for the BLDP Group's day-to-day operations, provided that such RRPTs are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPTs occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of the BLDP Group or adversely affecting the business opportunities available to the BLDP Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement serves to provide a summary of the Group's corporate governance practices with reference to the three (3) Principles as outlined in the Malaysian Code on Corporate Governance ("the Code" or "MCCG"). The Board ensures that good corporate governance is observed, aligning with its ultimate objective of long-term value creation for its stakeholders. The Board would put forth its best effort in ensuring adoption of the said principles and corporate governance practices are implemented in substance to achieve the intended outcome and building strong corporate governance culture within the Group in accordance with the Guidance of MCCG.

## **A. Board Leadership and Effectiveness**

### **Board Responsibilities**

The Board has a sound framework in place which clearly defines functions reserved for the Board and those delegated to the Management. The Board reviews and approves management's proposal on strategic plan developments. The management is responsible to govern the day-to-day activities of the Group and reports to the Board in a timely manner.

The function of the Board is to exercise oversight of the management as well as to review, adopt and monitor the overall strategic plans of the Group, while protecting the interests of the Group and creating values for its stakeholders.

The Board has delegated specific responsibilities to the following Board Committees:

- 1) Audit Committee
- 2) Nominating Committee
- 3) Remuneration Committee

In line with good governance practices, the Board has formalised the Group's Anti-Bribery and Corruption Policy and Whistleblowing Policy to enhance transparency and accountability. The Board Charter, terms of reference of the Board Committees, and the corporate governance policies are accessible through the Group's corporate website, [www.bldpb.com.my](http://www.bldpb.com.my).

The Directors demonstrated strong commitment with allocation of sufficient time and reasonable effort in performing their duties effectively. During the financial year under review, the Board held six (6) meetings and the attendance of each Director is as follows:-

Directors	No. of Meetings Attended
Dato Henry Lau Lee Kong	6
Haji Wan Abdillah bin Wan Hamid	6
Datu Haji Sarudu bin Haji Hoklai	6
Datuk Haji Hamden bin Haji Ahmad	6
Adeline Lau Kor See <sup>(1)</sup>	N/A
YB Robert Lau Hui Yew <sup>(2)</sup>	5

Notes:

(1) Appointed as Non-Independent Non-Executive Director w.e.f. 2 March 2022

(2) Retired as Non-Executive Director w.e.f. 29 December 2021



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTD.)

The Nominating Committee was formed on 10 May 2013 and currently comprises the following members:-

Name	Position	Directorship
Datu Haji Sarudu bin Haji Hoklai	Chairman	Independent Non-Executive Director
Datuk Haji Hamden bin Haji Ahmad	Member	Independent Non-Executive Director
Adeline Lau Kor See <sup>(1)</sup>	Member	Non-Independent Non-Executive Director
YB Robert Lau Hui Yew <sup>(2)</sup>	Member	Non-Executive Director

The assessment undertaken by the Nominating Committee before making recommendations to the Board is based on general consensus of the committee members upon considering various criteria having regard to the required mix of skills, knowledge, expertise, experience, professionalism, integrity and other qualities including core competencies expected from the Directors.

The Board emphasises that the suitability of board candidates is dependent on each individual's competency and such other criteria used for assessment of individual board candidate, irrespective of gender.

### **Summary of Activities of the Nominating Committee**

During the financial year under review, the Nominating Committee carried out the following activities:-

- (a) performed assessment of directors, upon the directors' re-admission to the Board and review the individual director's time commitment and ability to fulfil their responsibilities;
- (b) reviewed the required mix of skills, knowledge, expertise, experience, professionalism, integrity and other qualities including core competencies which Non-Executive Directors should bring to the Board; and
- (c) assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director, including Independent Non-Executive Directors.

### **Board Composition**

The Board is structured by a well-balanced composition made up from a total of five (5) Directors: two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The profiles of the respective Directors are presented on pages 7 to 8 of this Annual Report.

The Directors of the Company are persons of high calibre and professionals in their own right with diverse backgrounds, skills, expertise and experience in various fields such as law, public service, accounting and financial as well as those with long extensive experience in the industry which the Company is involved in which enable them to bring insightful depth, maturity and diversity to the leadership and management of the business.

Notes:

(1) Appointed as member of the Nominating Committee w.e.f. 2 March 2022

(2) Retired as Non-Executive Director w.e.f. 29 December 2021

## CORPORATE GOVERNANCE OVERVIEW STATEMENT *(CONTD.)*

The Board strongly believes that continuous training is important to aid in the discharge of their fiduciary duties. As such, the Directors are encouraged to attend training programmes and seminars to broaden their perspectives and to keep them abreast with regulatory and corporate governance developments. For the financial year under review, all the Directors have, collectively or individually, attended the following training programmes / conferences / workshops:-

- Key Provisions and Compliance Requirements Under Companies Act 2016
- Webinar Series: Reading, Understanding and Analysing of Financial Statements for Better Decision Making
- Webinar Series: Risk Management

In ensuring a balanced board composition, the Board has undertaken annual assessment on the Board's effectiveness by reviewing the performance of individual Directors taking into account the commitment in performing their duties. The Nominating Committee reviewed the diversity of the Board to ensure it can provide desired mix of skills, knowledge, expertise, experience, professionalism, integrity and other qualities including core competencies expected from the Directors.

The Board reviews and assesses the independence of the Board periodically. The Board recommends the retention of Datuk Haji Hamden bin Haji Ahmad as Independent Non-Executive Director which is to be tabled for shareholders' approval at the forthcoming Annual General Meeting. Notwithstanding the long tenure in office, the Board assures that the Independent Director has exercised independence and objective judgement in decision making, as such his independence is not impaired in any way.

Pursuant to the MCCG, the Board has noted the following considerations during the review and assessment of his independence:-

- Datuk Haji Hamden bin Haji Ahmad fulfils the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements;
- During his tenure of office, Datuk Haji Hamden bin Haji Ahmad has not developed, established or maintained any significant relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Group other than the normal engagements and interactions in his professional capacity;
- During his tenure in office, Datuk Haji Hamden bin Haji Ahmad has not engaged in any transactions with nor provided any goods and services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of the Practice Note 13 of the Main Market Listing Requirements;
- During his tenure in office as Independent Non-Executive Director of the Company, Datuk Haji Hamden bin Haji Ahmad receives only Director's remuneration paid within the industry norm and the acceptable market rates.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT *(CONTD.)*

In view of the above, the Board strongly recommends the retention of the Independent Director to continue in office which is to be tabled as an Ordinary Resolution for shareholders' approval at the Annual General Meeting.

### Remuneration

The Remuneration Committee was established on 11 December 2003 and currently comprises the following members:-

Name	Position	Directorship
Dato Henry Lau Lee Kong	Chairman	Executive Chairman
Datu Haji Sarudu bin Haji Hoklai	Member	Independent Non-Executive Director
Adeline Lau Kor See <sup>(1)</sup>	Member	Non-Independent Non-Executive Director
YB Robert Lau Hui Yew <sup>(2)</sup>	Member	Non-Executive Director

The duties of the Remuneration Committee are as follows:-

- (a) To review and recommend to the Board the remuneration of the Executive and Non-Executive Directors;
- (b) To assist the Board in ensuring that the remuneration of the Board reflects the Board's responsibilities, expertise and complexity of the Company's activities.

The Board as a whole determines the remuneration of all the Directors, and each Director concerned abstains from the Board's decisions in respect of his own remuneration. The Directors' fees are to be approved by shareholders at Annual General Meeting based on the Board's recommendations.

Well-structured directors' remuneration package that links clearly to strategic objectives of the Group can contribute to long-term growth of the business. Remuneration decisions are made through a transparent and independent process that aims to attract and retain the right talent in the Board and senior management. Stakeholders are able to make assessment on their remuneration, which is commensurate with individual performance and responsibilities in addition to appropriately reflecting the Company's strategies and performance.

#### Notes:

- (1) Appointed as member of the Remuneration Committee w.e.f. 2 March 2022
- (2) Retired as Non-Executive Director w.e.f. 29 December 2021



## CORPORATE GOVERNANCE OVERVIEW STATEMENT *(CONTD.)*

The remuneration of Directors for the financial year ended 31 March 2022 are as follows :-

Group/ Company

Remuneration Range	Number of directors
Below RM50,000	2
RM50,001 to RM100,000	6
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM350,001 to RM400,000	3
RM500,001 to RM550,000	1
RM1,900,001 to RM1,950,000	1
Total	17

The remuneration of the top five (5) senior management for the financial year ended 31 March 2022 are as follows :-

Group/ Company

Remuneration Range	Number of persons
RM300,001 to RM350,000	1
RM350,001 to RM400,000	4
Total	5

### **B. Effective Audit and Risk Management**

#### **Audit Committee**

The Chairman of Audit Committee is an Independent Director whose roles and duties are distinct from the Board Chairman. The Audit Committee is responsible in overseeing internal audit function, integrity in reporting and regulatory compliance. The members of Audit Committee are financially literate and equipped with appropriate level of knowledge, skills and experience in related fields. The Audit Committee provides reasonable assurance and accountability to the Board and shareholders by ensuring the financial information is accurate and reliable.

Further information on the Audit Committee is available in the Audit Committee Report as set out on pages 23 to 27 of this Annual Report.

#### **Risk Management and Internal Control Framework**

Effective risk oversight and management of risk is fundamental to effective corporate governance. It is the responsibility of the Board in ensuring the Group's risk management and internal control systems are operating effectively. The Board has periodic discussions on identifying, assessing, monitoring and mitigating risks which can impact management's processes and functions. The Board recognises the importance of aligning risks with strategic objectives of the business as sound internal control function helps counter threats and takes advantage of the opportunities to create values. Informed decisions are made based on an acceptable risk level in the implementation of necessary controls to integrate effective governance structures and processes across all operations.

To further strengthen the effectiveness of governance, risk management and internal control framework, the Audit Committee places strong emphasis in ensuring that the personnel responsible for internal audit have the necessary competency, experience and resources with sufficient authority to discharge their functions effectively. The internal audit function reports directly to the Audit Committee, hence the Audit Committee is expected to provide reasonable assurance on the objectivity and independence of internal auditors when performing their duties.

The Statement on Risk Management and Internal Control providing the overview of the internal audit function within the Group is set out on pages 28 to 30 of this Annual Report.

### **C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

#### **Communication with Stakeholders**

Effective, transparent and regular engagement with stakeholders is essential in balancing between meeting stakeholders' expectations and pursuing of Group's strategic objectives given the increased scrutiny of stakeholders regarding governance. Information which is made available to stakeholders in a timely manner can foster greater transparency, integrity and accountability in promoting proper governance.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT *(CONTD.)*

The Board promotes effective communication and proactive engagements with its stakeholders through timely release of the Company's annual report, quarterly financial results, corporate proposals and other required announcements. Announcements made through Bursa LINK are available at the Company's website at [www.bldpb.com.my](http://www.bldpb.com.my) and Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### **Conduct of General Meetings**

Notice to shareholders is served at least 28 days prior to the general meetings. This allows shareholders to have sufficient time to make informed decisions in exercising their voting rights. Shareholders are encouraged to participate and raise relevant questions on the agenda of the general meetings. All directors shall be present at the general meetings and take the opportunity to engage with shareholders by providing meaningful response to questions addressed by the shareholders.

Further information on the Group's corporate governance and how the Group implements the practices pursuant to the MCCG is available in the Corporate Governance Report which is published on the Group's corporate website, [www.bldpb.com.my](http://www.bldpb.com.my).



## AUDIT COMMITTEE REPORT

The Audit Committee was constituted on 13 June 2003 and currently comprises the following members :-

<u>Name</u>	<u>Position</u>	<u>Directorship</u>
Datu Haji Sarudu bin Haji Hoklai	Chairman	Independent Non-Executive Director
Datuk Haji Hamden bin Haji Ahmad*	Member	Independent Non-Executive Director
Adeline Lau Kor See <sup>(1)</sup>	Member	Non-Independent Non-Executive Director
YB Robert Lau Hui Yew <sup>(2)</sup>	Member	Non-Executive Director

\* Datuk Haji Hamden bin Haji Ahmad is a member of the Malaysian Institute of Accountants.

### ATTENDANCE OF MEETING

For the financial year under review, six (6) meetings were held and the attendance of each member is as follows :-

<b>Directors</b>	<b>No. of Meetings Attended</b>
Datu Haji Sarudu bin Haji Hoklai	6
Datuk Haji Hamden bin Haji Ahmad	6
Adeline Lau Kor See <sup>(1)</sup>	N/A
YB Robert Lau Hui Yew <sup>(2)</sup>	5

### TERMS OF REFERENCE

#### 1. Objective

The Audit Committee ("Committee") will give assurance to the Company's shareholders that compliance with specified financial standards and disclosure policies developed and administered by Bursa Malaysia Securities Berhad ("Bursa Securities") are being adhered to. In addition, the Committee will assure that certain standard of corporate responsibility, integrity, and accountability to the Company's shareholders are being inculcated in the duties and responsibilities of the Board of Directors of the Company.

#### 2. Composition

- 2.1 The Committee shall be appointed by the Board of Directors ("Board") from amongst its members and shall consist of not less than three (3) members, all of whom must be non-executive directors, with a majority of them being independent directors.

Notes:

(1) Appointed as member of the Audit Committee w.e.f. 2 March 2022

(2) Retired as Non-Executive Director w.e.f. 29 December 2021

### 2.2 At least one (1) member of the Committee :-

- (i) must be a member of the Malaysian Institute of Accountants (MIA); or
- (ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and :
  - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

### 2.3 No alternate director shall be appointed as a member of the Committee.

### 2.4 The Chairman of the Committee shall be an independent director elected by the members of the Committee.

### 2.5 The Board, shall within three (3) months of vacancy in the Committee resulting in reduction of the number of members to below three (3), appoint such number of new member(s) as may be required to make up the minimum number of three members.

## 3. Meetings

### 3.1 The Committee shall meet as and when need arises provided that it shall meet at least four (4) times a year.

### 3.2 The Chairman of the Committee shall also convene a meeting of the Committee if requested to do so by any members of the Committee, the Management, the person(s) carrying out the internal audit function or activity or external auditors to consider any matter within the scope and duties of the Committee.

### 3.3 A quorum shall be two (2) members and a majority of members present must be independent directors.

### 3.4 Other Directors and employees attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.

### 3.5 The Committee shall meet with the external auditors, the person(s) carrying out the internal audit function or activity or both, without the presence of other Directors and employees of the Company, whenever deemed necessary.

### 3.6 The Company Secretary shall be the secretary of the Committee.

### 3.7 Minutes of each meeting shall be kept and distributed to each member of the Committee.

#### 4. Committees Members' Resolution in Writing

A resolution in writing, signed or assented to by all of the committee members then entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committees duly convened.

#### 5. Authority

The Committee is authorised by the Board and at the cost of the Company to :-

- (a) investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) obtain independent professional or other advice, and to secure the attendance of external advisers with relevant experience and expertise; if deemed necessary;
- (f) convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

#### 6. Functions and Duties

The functions and duties of the Committee shall be as follows and the same are to be reported to the Board :-

- (a) To review with the external auditors the audit plan, the audit report, major findings and management's response thereof;
- (b) To review with the person(s) carrying out the internal audit function or activity the audit plan, the audit report, major findings and management's response thereof;
- (c) To review the assistance given by the Group's employees to the external auditors and person(s) carrying out the internal audit function or activity;
- (d) To review the effectiveness of internal control systems;
- (e) To review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
- (f) To evaluate the performance of the external auditors and person(s) carrying out the internal audit function or activity;



- (g) To recommend the appointment/re-appointment, resignation and dismissal of the external auditors and person(s) carrying out the internal audit function or activity;
- (h) To review the quarterly and annual financial statements of the Company and the Group for recommendation to the Board for approval, focusing particularly on :-
  - (i) changes in or implementation of major accounting policies changes
  - (ii) significant and unusual events
  - (iii) compliance with accounting standards and other legal requirements
  - (iv) the going concern assumption
- (i) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (j) To review the Statement on Risk Management and Internal Control prior to approval by the Board;
- (k) To consider other topics as defined by the Board.

### 7. Reporting

- 7.1 The Committee shall report to the Board from time to time its recommendations for consideration and implementation by the Board, and the actual decision shall be the responsibility of the Board thereafter.
- 7.2 Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Committee must promptly report such matter to Bursa Securities.

### 8. Review of the Committee

The term of office and performance of the Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

### SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the financial year under review, the Audit Committee carried out the following activities :-

- (a) reviewed the audited financial statements prior to submission to the Board for approval.
- (b) reviewed the quarterly unaudited financial results before recommending the same for approval by the Board.

- (c) reviewed the audit plans, audit report, major findings and management's response thereof.
- (d) independent meeting with the person(s) carrying out the internal audit function or activity and external auditors without the presence of other Directors and employees except the Company Secretary.
- (e) evaluated the effectiveness of the external auditors and recommend to the Board on their appointment and remuneration.
- (f) reviewed the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work.
- (g) reviewed the related party transactions entered into by the Company and its subsidiaries.
- (h) reviewed the effectiveness of internal control systems.
- (i) reviewed the assistance given by the Group's employees to the person(s) carrying out the internal audit function or activity and external auditors.
- (j) reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for annual report disclosure prior to approval by the Board.
- (k) familiarisation tour by the committee members to the estates and palm oil mills of the Group.

### INTERNAL AUDIT FUNCTION

During the financial year under review, the Group's internal audit function was undertaken by an external party, the in-house internal audit unit and risk management unit. The audit function covered risk based audits and reviews. The cost incurred for the internal audit function of the Group in respect of the financial year ended 31 March 2022 was about RM194,000.

### SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

During the financial year under review, the internal audit activities covered the following areas :-

- (a) Develop a risk based internal audit plan.
- (b) Evaluate the adequacy and effectiveness of the internal control systems for the high and moderate risk areas associated with the major processes.
- (c) Identify areas for improvement in process efficiency and to recommend measures for improvement thereon.
- (d) Evaluate the status of implementation of the agreed action plans for previously highlighted audit findings associated with the major processes.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD RESPONSIBILITY

The Board acknowledges effective governance, risk management and internal control processes form the principal foundation for the success and sustainability of a company. The Board is responsible for the Group's system of risk management and internal controls which includes the establishment of an appropriate control environment and review of its adequacy and effectiveness.

The system of risk management and internal control of the Group is designed and structured through a combination of preventive, detective and corrective measures which provide reasonable assurance but not absolute against material misstatements or loss.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Risk Management Committee comprising representatives from the Board and the Management was established to assist the Board in overseeing the principal areas of risk of the Group.

The Board has carried out an ongoing process of identifying, evaluating and monitoring the significant risks faced by the Group in its achievement of objectives and strategies.

The principal risks are identified as follows:

### Covid-19 Pandemic Risk

The unprecedented global outbreak of Covid-19 pandemic has severely disrupted the economic activities that resulted in a global economic slowdown. The Group ensures that necessary measures and procedures are put in place by adhering to the National Security Council (MKN) directives and standard operating procedures (SOPs) issued by the Sarawak State Government. The Group monitors and continues to observe the situation closely by assessing risk areas to prevent any disruptions to its operations.

### Financial Risks

The Group is exposed to various financial risks, namely interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group has its financial management objectives and policies in place to monitor and manage these financial risks as set out in Note 29 to the Financial Statements on pages 133 to 138.

### Operational Risks

Owing to the labour intensive nature of the plantation industry, shortage of labour supply continues to spark concern among the palm oil producers in Malaysia. Particularly, border closures due to the pandemic had led to acute labour shortage and caused harvest losses in the palm oil sector. To reduce over-dependence on foreign workers, the Group has implemented mechanization as an alternative in improving efficiency and productivity whilst maintaining cost of production. In addressing the labour shortage issue in long term, the Group has introduced schemes to encourage new employees to join the workforce and retain skilled workers.

Furthermore, adverse weather conditions such as El Nino and La Nina phenomenon can affect the crop production of the Group and may hinder its plantation operations. In an effort to mitigate such risk, the Group ensures good water management systems are in place and good agriculture practices are implemented in order to enhance production yields.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTD.)

### Commodity Price Risks

Fluctuation in commodity prices that is associated with changes in world demand and supply for edible oils has a substantial impact on the Group's profitability. The Group keeps itself abreast with the latest developments in the palm oil industry and the changes in political, economic and regulatory conditions. The Group has taken measures to minimise the risk arising from the price volatility of palm oil products particularly the prices of fresh fruit bunches (FFB), Crude Palm Oil (CPO) and Palm Kernel (PK) through regular monitoring of the edible oils market.

### Compliance Risks

The Group ensures compliance of MSPO standards, labour law and other applicable regulations in meeting requirements and expectations of our stakeholders. With the constant rising of industry standards, the Group focuses on integration of the sustainability practices in its business strategy to support stable growth and development of the Group.

### Sustainability Risks

Sustainability has become an integral aspect of the operations in oil palm plantation, palm oil mills and refinery. The Group has a sustainability governance structure in place, which the Sustainability Management Committee's function is to oversee the Group's sustainability commitments in managing its social, environmental and economic risks. The Group's sustainability efforts are highlighted in the Sustainability Statements on pages 31 to 48.

## ANTI-BRIBERY AND CORRUPTION

The Group adopts a zero-tolerance approach against all forms of bribery and corruption in respect of the business and affairs of the Group. In line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group formalised its commitments to uphold integrity and accountability in all business dealings by putting in place its Anti-Bribery and Corruption Policy and Whistleblowing Policy that were approved by the Board on 28 February 2020. The Group has conducted briefing sessions or trainings to provide awareness among employees in relation to anti-bribery and corruption. These policies are accessible through the Group's website, [www.bldpb.com.my](http://www.bldpb.com.my).

## INTERNAL AUDIT FUNCTION

During the financial year under review, the Group's internal audit function was undertaken by the in-house internal audit unit, risk management unit and an external party. The audit function covered risk based audit and reviews.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTD.)

## OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's system of internal controls include:-

- An organisational structure that clearly defines lines of accountability and reporting.
- Regular visits by the Executive Directors to the Group's estates, palm oil mills, refinery and kernel crushing plants to monitor the state of affairs. During the visits, managers of the respective operations report on the progress and performance.
- Budgeting process involves the preparation of budgets by the Group's business units which are then submitted for review and approval by the Board. The actual performance is regularly compared and assessed against the approved budgets and any material variances are investigated.
- Reporting mechanism whereby Executive Directors receive monthly performance and plantation statistics.
- Structured process to which the Board applies in dealing with material internal control aspects of any significant problems disclosed in the annual report and financial statements.
- Clearly documented internal policies and procedures set out in a series of manuals have been implemented. These manuals are regularly reviewed and upgraded from time to time.

Based on the review undertaken on the adequacy and effectiveness of the risk management and internal control of the Group for the financial year under review, the Board is of the view that the existing risk management and internal control system in place is adequate and effective in achieving the Group's business objectives.

The Board will continuously review the adequacy and integrity of the Group's system of internal controls from time to time. The Board has received assurance from the Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the scope set out in Audit and Assurance Practice Guide 3 ("AAPG3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants.

AAPG3 does not required the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is made in accordance with the resolution of the Board of Directors dated 25 July 2022.

## INTRODUCTION

BLD Plantation Bhd. Group of Companies (“BLDP”) recognises that long-term success of its business is supported by embedding sustainable practices into its business strategies. Sustainability continues to play an essential role in our operations of business. BLDP is driven to make greater commitments in sustainability through incorporation of sustainability practices into its daily operations. Therefore, we are constantly mindful of the impacts of its operations to the economy, environment and society. BLDP takes strong interest in balancing sustainability and profitability by creating value while serving public interests without exploiting the environment.

## SCOPE

The scope of this Sustainability Statement (“Statement”) covers the environmental, social and economic performance across BLDP’s oil palm estates, palm oil mills, refinery and kernel crushing plant operations. This Statement mainly focuses on the activities and issues that are material to BLDP’s operations for the financial year ended 31 March 2022.

### SUSTAINABILITY HIGHLIGHT FOR THE FINANCIAL YEAR ENDED 31.03.2022

- 100% Plantations, Mills, Refinery and Kernel Crushing Plant with MSPO certified.
- 0% Fatalities.
- 100% Compliance with Applicable Laws and Regulations.
- Monitor and Update Sustainability Dashboard.

## SUSTAINABILITY GOVERNANCE MANAGEMENT STRUCTURE



The roles of each team in the Sustainability Governance Structure are as follows:

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Approves and monitors overall strategies, direction of BLDP and agenda for implementation of sustainability strategies.</li> <li>• Assesses the sustainability performance of BLDP’s operations.</li> </ul>
<b>Group Sustainability Management Committee (“GSMC”)</b>	<ul style="list-style-type: none"> <li>• Evaluates overall sustainability risks and opportunities, and develops the sustainability strategies with agenda for implementation and submits to the Board for approval.</li> <li>• Monitors sustainability implementation to ensure compliance from all departments at operational level.</li> <li>• Resolves critical or major sustainability issues that may impact BLDP.</li> <li>• Periodically reviews the progress of sustainability implementation and reports to the Board.</li> <li>• Reports to the Board of any unresolved critical sustainability issues.</li> </ul>



# SUSTAINABILITY STATEMENT (CONTD.)

<b>Plantation Division Sustainability Committee</b>	<ul style="list-style-type: none"> <li>• Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in all plantations.</li> <li>• Ensuring resources and procedures are in place to achieve its sustainability commitments and targets.</li> <li>• Continuously improves the management system to meet Malaysian Sustainable Palm Oil Standard (“MSPO”).</li> <li>• Periodically reports to GSMC on the progress of sustainability implementation in plantation.</li> <li>• Reports to GSMC of any critical or major sustainability issues in plantation.</li> </ul>
<b>Processing Division Sustainability Committee</b>	<ul style="list-style-type: none"> <li>• Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in mills, refinery and kernel crushing plant.</li> <li>• Ensuring resources and procedures are in place to achieve its sustainability commitments and targets.</li> <li>• Continuously improves the management system to meet MSPO.</li> <li>• Periodically reports to GSMC on the progress of sustainability implementation in mills, refinery and kernel crushing plant.</li> <li>• Reports to GSMC of any critical or major sustainability issues in mills, refinery and kernel crushing plant.</li> </ul>

## SUSTAINABLE PALM OIL POLICY

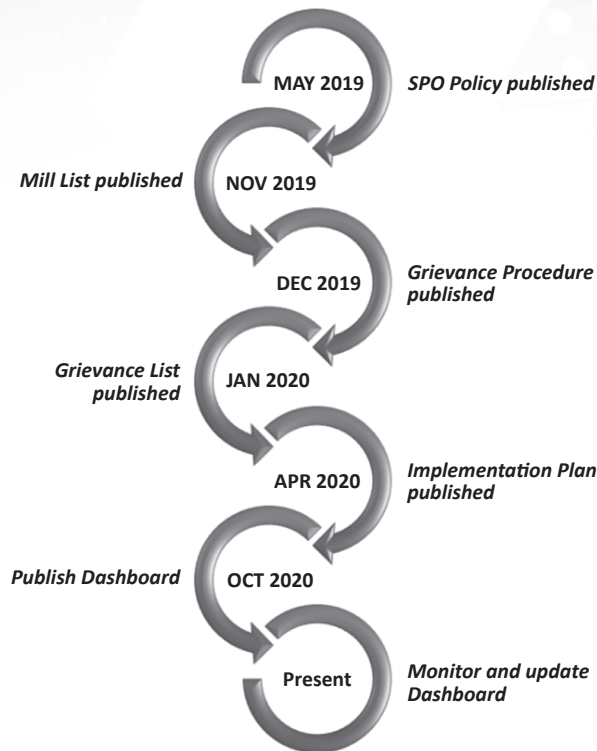
Sustainability journey began with the implementation of sustainable palm oil policy. BLDP developed and published a comprehensive Sustainable Palm Oil Policy (“SPO Policy”) on 1 May 2019. Our SPO Policy consists of four critical areas as follows:

- **Environment & Biodiversity** – No deforestation, no new development on peat and protection of HCV areas;
- **Human Rights & Workers’ Management** – Prevention of all forms of forced and bonded labours, ethical recruitment, child protection, respect of diversity, prevention of harassment and violence, occupational health & safety management, human resource management best practices;
- **Respect indigenous and local communities’ rights;**
- **Develop complaints and grievance management procedure.**



BLDP has developed a sustainability implementation plan towards our commitment in formalising SPO Policy. BLDP has successfully launched its Sustainability Dashboard in Year 2020 as a platform to inform stakeholders on BLDP’s sustainability movements which is published on [www.bldpb.com.my](http://www.bldpb.com.my).

The infographic below shows a recap of our commitment journey:



### GOOD GOVERNANCE PRACTICE

Good governance practice is strongly embedded into BLDP Code of Business Conduct and Ethics, Anti-Bribery and Corruption Policy, and Whistleblowing Policy. These principles are implemented to ensure the adoption of governance practice promotes high level of ethics and integrity within BLDP.

- **Code of Business Conduct and Ethics**

Code of Business Conduct and Ethics lays out BLDP's principles, core value and the ethical expectation towards BLDP's employees and third parties. The purpose of the code is to develop and maintain a standard of conduct that is acceptable to BLDP and its stakeholders, thus establishing healthy business relationships in the long term.

- **Anti-Bribery and Corruption Policy**

BLDP has adopted a zero-tolerance approach against all forms of bribery and corruption. This policy is guided by the Guidelines on Adequate Procedure issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

- **Whistleblowing Policy**

BLDP is committed to upholding integrity, accountability and transparency in the conduct of its business functions by embracing good corporate governance practices. The Whistleblowing Policy is formulated to allow BLDP Group's employees, stakeholders or members of the public to disclose any suspected or actual improper conduct that is observed within the Group.



# SUSTAINABILITY STATEMENT (CONTD.)

## TARGETS AND ACHIEVEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Target	Status of Target	Material Sustainability Matters
Implementation of Sustainable Palm Oil Policy	Achieved	All
No Child Labour	Achieved	Human and Workers' Rights
No Forced Labour	Achieved	Human and Workers' Rights
No Work-Related Fatalities	Achieved	Safety and Health
Auxiliary Polices for security of own operations and nearby communities	Achieved	Social and Workers' Welfares
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 9001	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 14001	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 22000	Achieved	Certification
Kirana Kernel Crushing Plant - GMP+	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - GMP for Food	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HACCP	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HALAL	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - KOSHER	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MESTI	Achieved	Certification
BLD Igan Palm Oil Mill - MSPO Part 4	Achieved	Certification
BLD Sawai Palm Oil Mill - MSPO Part 4	Achieved	Certification
BLD Sawai Estates - MSPO Part 3	Achieved	Certification
BLD Lambir Estates - MSPO Part 3	Achieved	Certification
Niamas Estates - MSPO Part 3	Achieved	Certification
BLD Kabang Estates - MSPO Part 3	Achieved	Certification
Grand Mutual Sawai Estates – MSPO Part 3	Achieved	Certification
Grand Mutual Lassa Estates – MSPO Part 3	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MSPO SCCS	Achieved	Certification
BLD Igan Palm Oil Mill – MSPO SCCS	Achieved	Certification
BLD Sawai Palm Oil Mill – MSPO SCCS	Achieved	Certification
Monitor and Update Sustainability Dashboard	Achieved	All



## TARGETS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2023

Target	Material Sustainability Matters
Construction of Biogas Plant in BLD Igan Palm Oil Mill	Environmental Protection
Construction of Polishing Plant in BLD Igan Palm Oil Mill	Environmental Protection
Develop Forest Conservation and Protection Project	Environmental & Biodiversity Protection

## STAKEHOLDERS ENGAGEMENT

Stakeholder engagement is an ongoing process that BLDP has continuously strive to better understand and identify the needs of its key stakeholders to ensure those needs are met. BLDP recognises the importance of our stakeholders towards supporting and ensuring our success in commercial and sustainability endeavours. BLDP also acknowledges that each stakeholder has a unique perspective on how our operations impact them and each of them is equally valuable to us.

In facilitating a transparent approach in the engagement with relevant stakeholders, the GSMC with the support from the Board, is responsible in assessing and identifying the sustainability matters by prioritising them according to the impact and importance not only to our businesses, but also to our key stakeholders. The GSMC undertakes review on materiality assessment, monitors sustainability performance and discloses material sustainability matters in order to ensure proper sustainability management is in place.

The key stakeholder groups of BLDP include shareholders, customers, employees, local communities, government authorities, suppliers and contractors, and non-governmental organisations (“NGOs”). BLDP continues to monitor stakeholders’ concerns and engage with the stakeholders to address material matters when necessary.

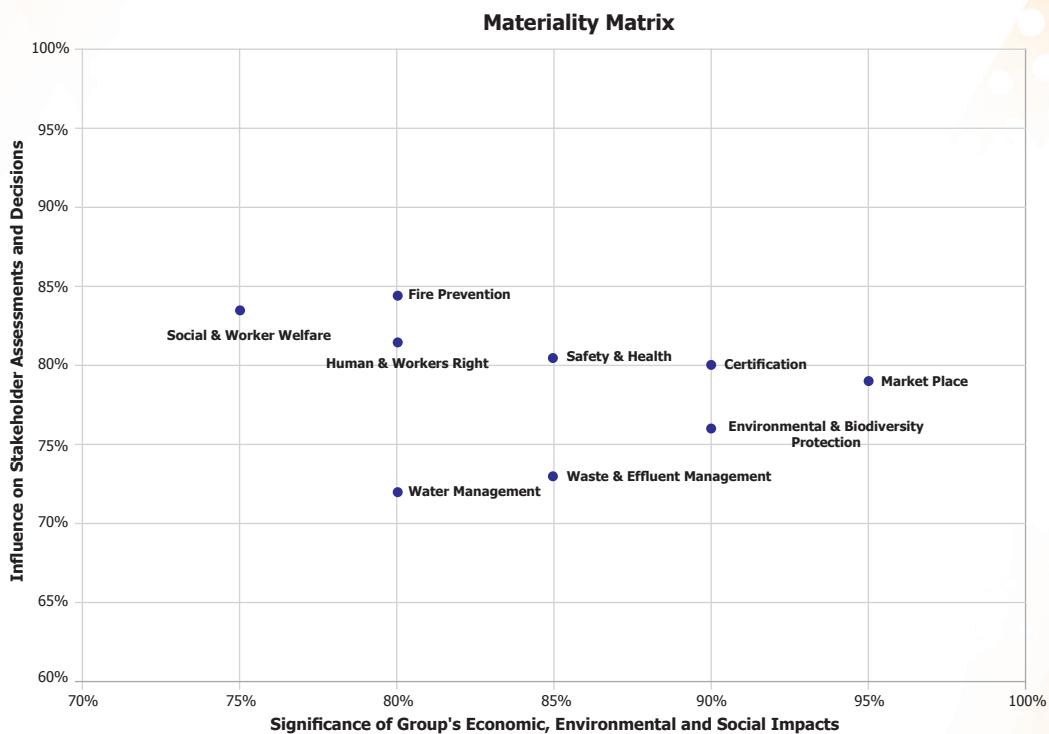
Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
Shareholders	Annual General Meetings	Annually	<ul style="list-style-type: none"> <li>Company performance and development</li> <li>Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Market Place</li> </ul>
	Annual Reports	Annually		
	Company Website	As necessary		
Customers	Site visits	As necessary	<ul style="list-style-type: none"> <li>Product quality, pricing and delivery</li> <li>Sustainability related matters</li> </ul>	<ul style="list-style-type: none"> <li>Market Place</li> <li>Certification</li> <li>Safety and Health</li> <li>Environmental and Biodiversity Protection</li> </ul>
	Customer Surveys & Feedbacks	As necessary		
	Electronic Communication	As necessary		
	Meetings	As necessary		

## SUSTAINABILITY STATEMENT (CONTD.)

Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
<b>Employees</b>	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> <li>• Employees' welfare</li> <li>• Employees' safety and health</li> <li>• Employees' working conditions and harassment</li> </ul>	<ul style="list-style-type: none"> <li>• Human and Workers' Rights</li> <li>• Safety and Health</li> <li>• Certification</li> <li>• Social and Workers' Welfare</li> <li>• Environmental and Biodiversity Protection</li> <li>• Fire Prevention</li> <li>• Waste and Effluent Management</li> <li>• Water Management</li> </ul>
	Safety and Health Committee Meetings	Quarterly		
	Women Welfare Committee Meetings	Quarterly/ Annually		
	Memos/Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings	As necessary		
<b>Communities</b>	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> <li>• Communities development</li> <li>• Job opportunities</li> <li>• Awareness on safety and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Certification</li> <li>• Social and Workers' Welfare</li> <li>• Safety and Health</li> <li>• Environmental and Biodiversity Protection</li> <li>• Fire Prevention</li> </ul>
	Community Engagement	As necessary		
	Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings/Trainings	As necessary		
<b>Government Authorities</b>	Site visits / On-site inspections	Periodically	<ul style="list-style-type: none"> <li>• Compliance with the legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Health</li> <li>• Environmental and Biodiversity Protection</li> <li>• Certification</li> <li>• Fire Prevention</li> <li>• Waste and Effluent Management</li> </ul>
	Stakeholders' Meetings	Annually		
	Dialogue sessions	As necessary		
	Electronic Communication	As necessary		
<b>Suppliers &amp; Contractors</b>	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> <li>• Products quality, pricing and delivery</li> <li>• Sustainability related matters</li> <li>• Compliance with the legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Market Place</li> <li>• Certification</li> <li>• Safety and Health</li> <li>• Environmental and Biodiversity Protection</li> <li>• Waste and Effluent Management</li> </ul>
	Site visits	As necessary		
	Meetings/Dialogues	As necessary		
	Trainings/Briefings	As necessary		
	Electronic Communication	As necessary		
<b>NGOs</b>	Engagement Meetings	As necessary	<ul style="list-style-type: none"> <li>• Sustainability related matters</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Health</li> <li>• Human and Workers' Rights</li> <li>• Environmental and Biodiversity Protection</li> <li>• Certification</li> </ul>
	Electronic Communication	As necessary		
	Company Website	As necessary		

## MATERIALITY MATRIX

BLDP considers and prioritises the significance of environmental, economic and social aspects, impacts, risks and opportunities that are fundamental to the success and sustainable growth of BLDP. These material sustainability matters have been identified as crucial to our business and stakeholders. BLDP reassesses the material sustainability matters and prioritises them according to the influence on stakeholders' assessments and decisions against the significance of BLDP's economic, environmental and social impacts. Since there are no significant changes to our business model or operating boundaries, the material sustainability matters remain relevant and appropriate adjustments of their priority are made after the materiality evaluation. The Materiality Matrix is shown below:



Summary of Materiality Matters linked to United Nation Sustainable Development Goals:

Pillars	Significant Materiality Matters	Link to UN SDG & GRI Standards
<b>Economic</b>	1. Market Place 2. Certification	<div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>
<b>Environment</b>	3. Environmental & Biodiversity Protection 4. Waste and Effluent Management 5. Water Management	<div> <div>6 CLEAN WATER AND SANITATION</div> <div>13 CLIMATE ACTION</div> <div>15 LIFE ON LAND</div> </div> <div> <b>GRI Standards Disclosure</b>            303: Water and Effluents   306: Effluents and Waste            304: Biodiversity         </div>
<b>Social</b>	6. Safety and Health 7. Fire Prevention 8. Human and Workers' Rights 9. Social and Workers' Welfare	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>10 REDUCED INEQUALITIES</div> </div> <div> <b>GRI Standards Disclosure</b>            403: Occupational Health &amp; Safety   408: Child Labour            405: Diversity &amp; Equal Opportunity   409: Forced or Compulsory Labour         </div>



### **Market Place**

As for March 2022, it has been 2 years since the palm oil industry operates in Covid-19 pandemic period. Since pandemic period, the CPO production was lower which has caused the decrease in the country's capacity to export palm oil despite the stable demand from importing countries. This lower production was due to the temporary suspension of foreign labour intake to contain the risk of Covid-19 infection. However, the CPO prices increased in November 2021 are generally contributed by the higher soybean oil price in global vegetable oils markets, amid the disruption of labour supply in oil palm plantation and low domestic stock of palm oil.

BLDP brings direct and indirect economic impacts to the regional economic growth and development. In our procurement practices, BLDP engages in local sourcing for quality products and services to support our local suppliers. Long-term business relationship with our suppliers has been established over the years, hence minimises the potential risk of supply chain disruption caused by shortage of supply. In Processing Division, the BLDP mills that are strategically located in the vicinity of many surrounding estates, accepts consistent Oil Palm Fresh Fruit Bunches ("FFB") supply not only from our own estates but also from nearby estates and smallholders. Owing to the strategic location of the mills, suppliers of FFB from the nearby estates and smallholders could save up on transportation costs and ensure best quality of FFB in freshness when delivered to the palm oil mills.

BLDP has engaged in the Native Customary Rights ("NCR") Land Development Scheme that was initiated by the State Government of Sarawak in Year 1997. The joint venture has provided BLDP to allocate its financial resources and technological expertise to develop idle and under-utilised NCR land for commercial oil palm plantation. This has successfully created job opportunities to the indigenous community and their standards of living have been improved in tandem with the development of infrastructure facilities and amenities in the rural areas.

Our priority remains geared towards the twin objectives of increasing both yields and labour productivity. Through enhancing internal efficiencies and continuously rebuilding internal organisational strengths by accelerating the implementation of mechanisation in our oil palm estates, we envisage that our continuing efforts are bearing fruits. In line with BLDP's commitment to produce palm oil in a sustainable manner through continuous improvement in our operations, all oil palm estates, palm oil mills, refinery and kernel crushing plant are MSPO certified. In consideration of the economic downturn since the outbreak of Covid-19 pandemic, BLDP put forth the efforts in retaining employees and sustaining the employees' benefits are believed to have positive impact in the local and regional economies during this period.

While BLDP continues to focus on improving yields from its oil palms, the Board is mindful of external factors beyond BLDP's control that can impact profits-potential turbulence in the global economy such as weaker ringgit, rising interest rates and fluctuating of palm oil prices. During this financial year, BLDP has performed well in the compliance with the management of complaints of improper conduct or allegations of corruption involving management, employees and workers; as well as fines pertaining to non-compliance and breach of environmental and social laws and regulations.

### **Certification**

Certification is of great importance in providing our customers' confidence in our products. It also enhances credibility and trust to BLDP's customers relating to its products. BLDP is fully committed to actively work towards obtaining relevant certification to utilise the quality standards in our production processes. Implementation of recognised system allows BLDP to make continuous improvement and keep align with the standard requirement.

#### ► Sustainability Certification

BLDP has obtained MSPO certifications for all palm oil mills and oil palm estates in Year 2019 to build a more traceable, transparent and sustainable palm oil supply chain. Besides that, all palm oil mills, refinery and kernel crushing plant had been certified under MSPO Supply Chain Certification Standard ("SCCS") in December 2019. Nominated staff from oil palm estates, palm oil mills, refinery and kernel crushing plant who had attended the MSPO and MSPO SCCS Lead Auditor Courses organised by the Certification Bodies are qualified to conduct internal auditor trainings at their respective work stations. BLDP endeavours to produce good quality oil palm products with sustainable practices.

#### ► Food Safety, Feed Safety, Environmental and Quality Management System Certification

The kernel crushing plant of BLDP has been certified under GMP+ Feed Safety Assurance System for the production of Palm Kernel Expeller since Year 2009. Since Year 2011, the refinery and kernel crushing plant have also been certified for ISO9001:2015 (Quality Management System), ISO14001:2015 (Environmental Management System), ISO22000:2005 (Food Safety Management System), MS1514:2009 (Good Manufacturing Practice for Food), MS1480:2007 (Food Safety according to HACCP System), HALAL, KOSHER and MESTI Certification.

In Year 2020, the palm oil refinery and kernel crushing plant of BLDP had upgraded the ISO22000:2005 (Food Safety Management System) to the new ISO22000:2018 standard as well as upgrading of MS1480:2007 (Food Safety according to HACCP system) to the new MS1480:2019 standard to meet the market needs of food safety.

BLDP views certification as an opportunity to further improve internal process and gain competitive marketing advantages. BLDP's Sustainability Department continuously monitors and conducts assessments to ensure the operations of the Group are maintaining and complying with relevant certification requirements which include MSPO, MSPO SCCS and ISO standards.

#### ► Trainings

BLDP places strong emphasis on staff development through proper trainings to enhance their knowledge and skill to enable them to perform their assigned tasks more effectively and efficiently. Training allows employees to address their weaknesses by improving their skills and knowledge which can benefit both individual and organisation as a whole. These trainings include Best Agriculture & Management Practices, Safety and Health, Environmental and Sustainability. Training schedules are prepared for our employees annually in the respective oil palm estates, palm oil mills, refinery and kernel crushing plant to ensure that various trainings are being carried out on a regular basis throughout the year, which promotes leadership succession in driving the organisation towards its goals.



## SUSTAINABILITY STATEMENT (CONTD.)

Various in-house trainings that focus on specialised field are conducted to better meet the training requirements of the staffs. In identifying skill gaps and developing job competencies, staffs are given the opportunities to attend relevant training programs, seminars or conferences to equip themselves with necessary skills, expertise and knowledge to ensure a consistent and accurate assessment of talent. Staffs from oil palm estates, palm oil mills, refinery and kernel crushing plant have attended trainings relevant to their job scope to enhance their understanding of their responsibilities as well as to boost workplace engagement.

In consideration of the Covid-19 pandemic, awareness and briefing regarding the unprecedented Covid-19 pandemic were also conducted by head of department to ensure all employees adhere to the most current regulations and Standard Operating Procedure (SOP) issued by the Ministry of Health (MOH) and the State Government of Sarawak. All employees have to practice social distancing, wear face mask, wash hand regularly and other necessary procedures to fight the pandemic. BLDP has closely monitored updates from the National Security Council (MKN) and Sarawak Disaster Management Committee (SDMC) and disseminated latest update via memo to various operation sites. BLDP has complied with the Procedure for Prevention of Covid-19 at Workplace which was published by the Department of Occupational Safety and Health and Ministry of Human Resource Malaysia. Hence, most of the trainings and courses are conducted remotely within the period.

### **Environmental & Biodiversity Protection**

BLDP is committed to comply with all applicable environmental laws and regulations. Natural Resources and Environment Board conducted several site inspections to our oil palm estates. In addition, Department of Environment conducted several site visits to our palm oil mills, refinery and kernel crushing plant. Sample of industrial effluent are collected to determine whether the quality of our palm oil mills' final discharge complies with the requirements. To date, all relevant reports have shown compliance with the applicable environmental requirements.

BLDP acknowledges the importance of protecting natural environment to ensure sustainability. BLDP is guided by relevant regulations on protection of the biodiversity of wildlife sanctuaries within our concessions. BLDP has conducted several biodiversity assessments to assess Rare, Threatened or Endangered ("RTE") biodiversity and Ecosystem for our oil palm estates in accordance with the International Union on Conservation of Nature and Natural Resources (IUCN) Red List, Appendix 1 of Convention on International Trade in Endangered Species (CITES) and protection status assessed according to Wildlife Protection Ordinance 1998 (WLPO).

BLDP is promoting the conservation and development of biodiversity through several actions including prohibiting all illegal activities such as hunting, poaching, encroachment, and burning. Auxiliary Polices and estate teams have been patrolling periodically. BLDP has conducted biodiversity monitoring of habitat and RTE ecosystems at unplanted areas to provide feedback and information for improving management decision to ensure long term conservation of flora and fauna in the oil palm estates and its surrounding.

Environmental monitoring impact assessments are carried out at all oil palm plantations, palm oil mills, refinery and kernel crushing plant quarterly and submitted to relevant government agencies such as NREB and DOE. These monitoring assessments includes ambient air quality, stack emission, water quality, ambient noise level measurement, genset's noise and dark smoke observation.



### ► Greenhouse Gas

Greenhouse gas emission from oil palm operation makes up majority of carbon dioxide (CO<sub>2</sub>) and small amounts of methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). These gases cause global warming which are released during the operation of oil palm plantation, combustion of fossil fuel, and release of palm oil mill waste into POME. To reduce the emission of greenhouse gas in oil palm sector, the operation site is complied with MSPO standards which stated the need of using GHG calculator to reduce GHG emission. BLDP is aware of the adverse environmental impact of burning. Therefore, BLDP strives for implementation of zero open burning in all our oil palm estates, palm oil mills, refinery and kernel crushing plant to minimise and reduce greenhouse gas ("GHG") emission. Continuous monitoring of GHG emission throughout operations is required. In terms of technology involvement, BLDP adopts solar technology as another source of electricity and Biogas Plant in palm oil mill.

### **Waste and Effluent Management**

Growing of oil palm and processing of palm oil may produce a certain amount of organic wastes. BLDP takes proactive actions in managing its waste to avoid polluting the environment. BLDP has set a dedicated waste management plan to manage the waste generated from all oil palm estates, palm oil mills, refinery and kernel crushing plant in an effective manner. BLDP strives to minimise waste generation through reducing, reusing and recycling of materials in its operating activities whenever feasible.

BLDP monitors its management practices in handling of wastes at our sites by minimising waste generation and proper segregation, storage, transport and disposal of scheduled waste and domestic waste in adherence to standards set by Department of Environment ("DOE") and local municipal councils. All scheduled wastes are handled in accordance with the Environmental Quality (Scheduled Wastes) Regulation 2005 requirements. Designated competent person for all operation sites is responsible in periodically submitting of reports through DOE online reporting system (Electronic Scheduled Waste Information System). Regular monitoring of waste and effluent treatment plant is an approach to improve and optimise the waste management processes as well as minimise the environmental pollution.

Palm Oil Mill Effluent (POME) are properly treated and monitored by designated competent person to ensure full compliance with the Environmental Quality (Industrial Effluent) Regulations 2009 requirements before allowing to be discharged into the waterways. Effluent discharge water quality samplings at palm oil refinery are conducted monthly at effluent final discharge point and send to external accredited laboratory for analysis. DOE will come for regular site inspection and collect effluent sample at final discharge point for analysis. To date, BLDP managed to achieve 100% compliance with the above regulations.

Other measure taken by one of BLDP's palm oil mill for monitoring of effluent water discharge is by constructing a Polishing Plant. Polishing process is a tertiary treatment system by applying high-stream filtration which reduces total suspended solid and biochemical oxygen demand (BOD) from wastewater of secondary effluent treatment. The outcome of the process is to improve the quality of effluent and hence becomes compatible with required legal standards.

## **Water Management**

Water is a crucial resource required for oil palms cultivation during dry season, processing of oil palm fruits and palm oil refining. Our water management is focused on the optimisation of water usage and reduction of water wastage.

BLDP recognises that maintaining good water quality is vital for safeguarding the health of our employees as well as of the local communities. Measures that have been taken include setting up water treatment plant to process and supply clean water safe for human consumption. Testing of water quality is also carried out at least once a year to ensure that it is safe for drinking and other daily usage.

Furthermore, water management plays an important role in peat soil management and mitigate the impact of drought and flooding. BLDP has taken some measures such as proper maintenance of riparian zone along waterways where spraying and manuring activities are strictly prohibited and strict prohibition of discharging chemical waste, solid waste and used lubricant into the waterway.

Proper water management is essential to prevent irreversible peat drying by ensuring sufficient soil moisture. BLDP has taken measure to maintain or restore water level as close to the natural references condition as possible by installation of weir at appropriate locations as well as to carry out drainage and other activities only when required and avoid unnecessary deterioration in the quality and quantity of ground and surface water. Other measures taken for monitoring of water table are as follows:

- Installation of water level gauge beside the stop-off or weir in the collection drains and daily changes in the water level are monitored.
- Field piezometers are installed for monitoring of the groundwater table.
- Subsidence poles are installed for monitoring of peat subsidence.

Environment monitoring report (EMR) is carried out at palm oil plantation quarterly by NREB approved consultant. Environmental monitoring includes water quality, other environmental parameters with respect to the Terms and Conditions of Approval from NREB, and fertilisers and agrochemicals applications. For water quality monitoring, the water samples are collected from all water sampling points and were sent to an accredited laboratory for analysis.

## **Human and Workers' Rights**

BLDP ensures that the dignity and rights of our workers are respected in line with legal regulations and the United Nations' guiding principles on human rights taking into consideration of the significance in local and international social setting. Our commitments are as follows:

- Provide equal opportunities in employment and no discrimination to employees regardless of race, gender and religion.
- Provide, for all employees, a safe environment free from discrimination and violence on any ground, and form of harassment at work.
- Ensure employees are paid based on legal requirement on minimum wage.
- Prohibit child labour and forced labour within our organisation.
- Resolve all complaints and grievances of employees through a standard procedure.
- Ensure workers' availability of their own passports.
- Practice Human Resource Management Best Practices by continuing to attract, motivate and retain talented employees at all levels by providing training, job security and opportunities to grow within the organisation.



### **Social and Workers' Welfare**

BLDP constantly strives to improve the health and well-being of our employees by creating a conducive working environment for all our employees. In addition, BLDP also provides quality quarters, playgrounds, recreational, provisional outlet/canteens and medical facilities for our staffs. BLDP emphasises on establishing a corporate culture that encourage work-life balance of our employees, showing appreciation to staff and valuing their supports. We encourage employees to participate in teambuilding activities and engage with others through the recreational activities such as Family Day, Sport Carnival and Staff Gathering Dinner.

#### ► Talent Development Programme

BLDP also recognises the value of human capital and has been initiating support for training and talent development programmes as below:

#### Young People Development Programme ("YPDP")

In Year 2012, BLDP launched the YDPD for Plantation Management as an initiative to help post-secondary school students who passed their SPM or STPM by providing them the opportunity in paving a better career path in Plantation Management at young age. The main objective of the YPDP is to recruit SPM and STPM school leavers as trainees in BLDP and will be given opportunity to pursue a higher education with part-time study. Currently, Diploma or Degree courses offered to the students are conducted through online learning under scholarship programme.

#### Employee Enhancement Programme

BLDP provides sponsorship to encourage employees to undertake academic courses in order to enhance their skills and knowledge, and allow them to achieve better performance at work. Currently, the Diploma or Degree courses offered to employees are conducted through online study under scholarship.

#### ► Donation to Local Communities, Education Sectors and Government Bodies

As a socially responsible company, BLDP makes regular contribution to the charity and donation to local communities, schools, foundations, associations and government bodies. BLDP continues to support local communities when need arises, especially during the Covid-19 pandemic period, BLDP has provided some assistance by distribution of face masks to nearby longhouses.

#### ► Establishment of Auxiliary Police Unit

On 25 May 2015, BLDP was awarded with the approval certificate by the Crime Prevention and Community Security Department to set up Auxiliary Police unit. In present, a total of 88 Auxiliary Police ("AP") had been recruited and completed their basic Police training at Pusat Latihan Police ("PULAPOL"). They were assigned to designated estates, mills, refinery and kernel crushing plant in Miri, Sibul and Bintulu regions. The function of AP is to safeguard BLDP's properties as well as protect the safety of local communities. Our AP performs static guard duty at check points and conducts daily security patrol at the premises, quarters, estates, mills, refinery and kernel crushing plant and vicinity to ensure a safe and secure environment. Currently, BLDP has appointed another batch of security team which consist of 11 AP trainees who are currently undergoing their training at PULAPOL. In order to strengthen the security in the workplace, BLDP is progressively recruiting more calibre AP candidates to attend the basic Police training at PULAPOL to meet the requirement for having sufficient numbers of AP in each operation.



### ► Grievances Procedure

BLDP has implemented a transparent Complaint and Grievances Procedure in all operation units. Trained and designated staffs are assigned to handle any complaints or grievances received in accordance with the procedure. Briefings are conducted to all staffs and stakeholders during stakeholder meetings or one-to-one briefings.

### ► Women Welfare Committee

Women Welfare Committee has been established to encourage female employees to raise their concerns or problems encountered at workplace, to protect themselves against sexual harassment and violence. Quarterly or annual activities are organised by the committee to enhance the relationship among the female employees. The committee has contributed to promoting awareness of women's rights or welfare within the organisation and has been receiving positive response from the female workers.

### **Occupational Safety and Health**

Raising environment, health and safety (EHS) awareness among BLDP's employees is crucial to reduce workplace accidents and exposure of harmful situation and substances. BLDP is committed in providing a safe and healthy working environment for all the employees through the following approaches:

#### ► Safety and Health Policy

Safety and Health Policy has been formalised as a written commitment from Top Management to safeguard the safety and health of all employees at work.

#### ► Management Measures to combat Covid-19

BLDP is mindful of its role in combating the Covid-19 pandemic and has prioritised the well-being of the employees. Through the Public-Private Partnership Covid-19 Immunisation Programme (PIKAS), BLDP had taken the necessary action to ensure all employees received their vaccination. In adherence to most current regulations and Standard Operating Procedure (SOP) issued by the Ministry of Health (MOH) and the State Government of Sarawak, BLDP has enforced a strict procedures at workplace including social distancing, wearing mask, applying hand sanitisers and movement control.

Safety and health committee in each location has been conducting briefings to the employees on matters related to Covid-19 from time to time. BLDP also provided face masks, hand sanitisers and temperature scanners for employees.

#### ► Chemical Health Risks Assessment ("CHRA")

Competent Assessor registered with Director General of Occupational Safety and Health is appointed to carry out CHRA for all our operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify health risks arising from the use of hazardous chemical at workplace and to recommend control measures to mitigate the severity of the effects from the hazardous chemical used. CHRA will be conducted once every five (5) years by competent assessor in accordance with Occupational Safety and Health Act (Use and Standard of Exposure Chemical Hazardous to Health Regulation 2000).

### ► Personal Chemical Exposure Monitoring

Identification and quantification of airborne contaminants through monitoring is an essential component of health and safety program at a hazardous workplace. Airborne contaminants can present a significant threat to worker's health and safety. Based on CHRA recommendation, competent Hygiene Technician 1 registered with DOSH is appointed to conduct Employee Personal Exposure Monitoring for staffs handling hazardous chemicals to monitor their degree of exposure once a year. The said staff will be required to go for medical surveillance once a year to ensure their good health and promote well-being in maintaining a safe workplace.

### ► Hazards Identification, Risks Assessment and Risks Control ("HIRARC")

HIRARC has been conducted on all operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify all hazards related to work activities. Risk assessments are conducted to prioritise the identified risks and control measures to be implemented to mitigate the risks. HIRARC is reviewed whenever there are any changes in process, work activities, new equipment, findings from any incident or near miss accident and findings from workplace inspection reported by the safety committee member. Since the occurrence of Covid-19 pandemic, HIRARC regarding biological hazard such as Covid-19 had been conducted and updated to identify emerging risks by evaluating potential adverse consequences. All control measures had been put in place to address the identified risk.

### ► Noise Exposure Monitoring

According to Occupational Safety and Health (Noise Exposure) Regulations 2019, BLDP has appointed Noise Competent Person registered with DOSH to conduct Area Noise Mapping and Employee Noise Exposure Monitoring to ascertain whether any employee is exposed to noise level above Permissible Exposure Limit of 85dB(A) at palm oil mills, refinery and kernel crushing plant. BLDP has provided Personal Hearing Protection ("PHP") and training to its staff to ensure proper usage and care of PHP.

Measuring noise levels and workers' noise exposures is essential for safety workplace. Noise mapping and noise exposure monitoring have been conducted for palm oil mills, refinery and kernel crushing plant. Staffs working at high noise areas have been sent for audiometric testing program by registered Occupational Health Doctor on an annual basis. Briefings on the results of the audiometric tests, the provisions of the regulations and effects of noise on hearing are conducted to the relevant staffs.

### ► Local Exhaust Ventilation (LEV) System Inspection

A periodic inspection, examination and testing of engineering control equipment is conducted annually at laboratory of refinery and kernel crushing plant to ensure LEV system is in good and normal working condition. Effectiveness of LEV system can reduce the exposure of employees to chemical hazardous to health to the lowest practicable level. The testing and examination of the LEV system is based on the guidelines from Department of Occupation Safety and Health (DOSH) Malaysia 2008. The guidelines are in accordance with the requirements of the Occupational Safety and Health on Use and Standards of Exposure of Chemicals Hazardous To Health (USECHH) Regulations and industrial ventilation.



### ► Safety Training

Safety awareness trainings conducted by site safety personnel is compulsory for new employee before they start their work in all operation sites. This also includes training of personnel in accident prevention, accident response, emergency preparedness and use of protective clothing and equipment. Briefing is conducted in relevant languages to ensure all employees can understand. Emergency Response Team members are trained in BOMBA to enhance their skill in firefighting and emergency evacuation procedure. External Safety Competency trainings attended by the employees are Basic Occupational First Aid, CPR + AED Training and Competent Forklift Driver Training with certificates issued by qualified trainer. Most trainings are conducted online since Covid-19 pandemic.

### **Fire Prevention**

#### ► Emergency Response and Preparedness

Emergency Response Team (“ERT”) has been set up in all oil palm estates, palm oil mills, refinery and kernel crushing plant. Selected ERT members from mills, refinery and kernel crushing plant have undergone three (3) days full firefighting and rescue training by BOMBA Bintulu to equip themselves with knowledge and skills in firefighting and rescue to enable them to conduct internal firefighting training to other ERT members.

Regular trainings for all ERT members and fire drills at all operation units are conducted on an annual basis to test the readiness of the firefighting system. Implementation of effective fire prevention practices can improve the level of safety through cooperative education, such practices include:

- Regular checking and maintenance of firefighting equipment is carried out and ensure all equipment are in good working condition and are easily accessible.
- Flammable materials or other hazardous substances are stored in a safe place.
- Fire safety demonstrations/fire drill practice are conducted.
- Designated smoking area with a safe distance away from the building is provided.
- Emergency plans and assembly location are assigned.
- Installation of smoke detector in the building.
- Update of list of emergency contact.
- Fire extinguisher servicing.
- Fire assessment and safety surveillance.

Upon BOMBA’s requirement, BLDP’s refinery and kernel crushing plant have installed the specific fire safety system namely Automatic Fire Alarm Monitoring Control System “Sistem Pengawasan Kebakaran Automatik - SPKA” which connects directly to the Fire and Rescue Station associated with the switching bypassing the switchboard to ensure this automatic fire alarm monitoring system is conducted in an organised fire surveillance station to meet the established standards in developed countries.



## ~ Our Engagement with Stakeholders ~

### Caring Our Nearby Local Communities



- Support to local communities during disaster and Covid-19 pandemic.

### Continuous Support to Government Authorities



- Donation of Personal Protective Equipment (PPE), face masks, and food & beverages supplies to government clinic.

### Caring our Employees



- Food aid distributed to the workers during pandemic period.



- Swab test initiative for employees during pandemic period.



- Women Welfare Committee year-end activity at plantation.



- Booster-dose vaccination for employees.

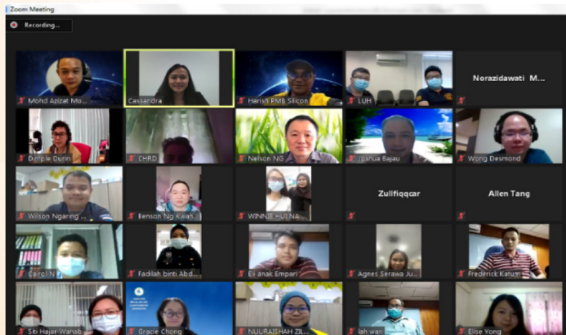


## Trainings and Development of Employees

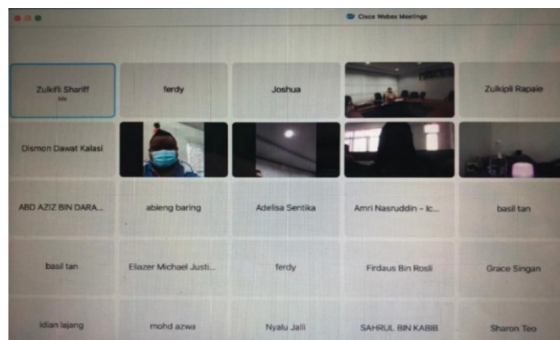
BLDP employees had involved in trainings covering various field of expertise as follows:

1. Best Agricultural and Management Practice
  - Pest and Disease
  - MSPO Auditor Training
  - Principles of Effective Leadership
  - Leading & Supervising the Employees
2. Safety and Health
  - Emergency Preparedness and Response at Workplace
  - Hazard Identification, Risk Assessment and Risk Control (HIRARC)
  - Developing Effective Safety & Health Committee
  - Personal Protective Equipment (PPE) and HAZMAT
  - Chemical Exposure and Its Effect to Health
  - Fire Fighting System
  - Covid-19 Issues in OSH
  - Chemical Health Risk Assessment (CHRA)
  - Safety and Health Training (Remote Learning)
  - Basic First Aid & CPR
  - Occupational Safety & Health Regulations & Requirements
3. Environment
  - Challenge in Implementation of EQA Regulation
  - Scheduled Waste – E-SWIS System
  - Scheduled Waste Handling
  - Water Quality Parameters and Assessment
  - Quantification Reporting of GHG Emissions Removals for Corporates and Products
  - Biodiversity Awareness
4. Sustainability
  - GRI Standards Certified Training on Sustainability Reporting

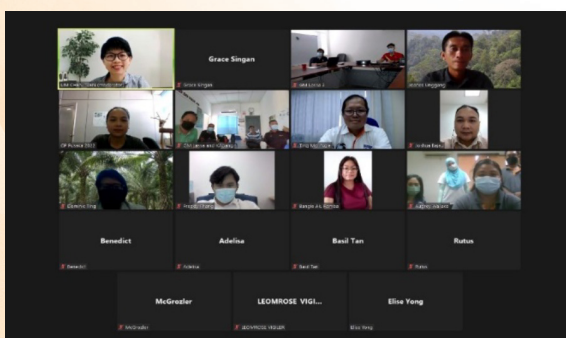
Hazard Identification, Risk Assessment and Risk Control (HIRARC)



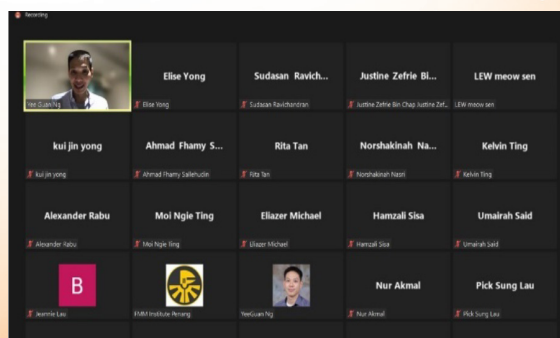
Developing Effective Safety & Health Committee



Biodiversity Awareness



Personal Protective Equipment – Selection and Usage Guide



## ADDITIONAL COMPLIANCE INFORMATION

The additional information as set out below is disclosed in compliance with the Main Market Listing Requirements for the financial year ended 31 March 2022:-

1. **Utilisation of Proceeds**  
There were no proceeds raised from corporate proposal during the financial year.
2. **Audit and Non-audit fee**  
The amount of audit and non-audit fees paid to the Company's external auditors and a firm or corporation affiliated thereto during the financial year are as follows:

	Company RM	Group RM
Audit Fees	87,000	272,500
Non-Audit Fees	10,000	10,000

3. **Recurrent Related Party Transactions of Revenue Nature**  
The recurrent related party transactions conducted pursuant to the shareholder mandate during the financial year are disclosed on pages 127 to 129 of this Annual Report.
4. **Material Contracts**  
There was no material contract entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interests during the financial year.
5. **Revaluation Policy**  
There was no revaluation policy on landed properties adopted during the financial year.
6. **Employee Share Scheme**  
The Company did not offer and/or adopt any Employee Share Scheme during the financial year.



# STATEMENT ON DIRECTORS' RESPONSIBILITY

## IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to ensure that the financial statements are prepared to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, and of their results and cash flows for the financial year.

In preparing the financial statements, the Directors have :

- (a) applied appropriate accounting policies on a consistent basis;
- (b) made judgements and estimates that are reasonable and prudent; and
- (c) prepared the financial statements on a going concern basis.

The Directors have a general responsibility for ensuring the Group and the Company keep accounting records and financial statements, which disclose with reasonable accuracy the financial position of the Group and of the Company. The Directors have taken steps to ensure that such financial statements are drawn up in accordance with the provisions of the Companies Act 2016, applicable Financial Reporting Standards in Malaysia and other regulatory provisions.

The Directors are also responsible for taking steps that are reasonably open to them to safeguard the assets of the Group and prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 July 2022.

# FINANCIAL STATEMENTS

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**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****DIRECTORS' REPORT**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

**Principal activities**

The Company is principally engaged in investment holding and provision of management services while the principal activities of the Group are the operations of a palm oil refinery and kernel crushing plant, cultivation of oil palm, processing of fresh fruit bunches, sales of related products and letting of property.

The principal activities of the subsidiaries are as set out in Note 13 to the financial statements.

**Results**

	<b>Group RM</b>	<b>Company RM</b>
Profit for the financial year	<u>79,918,169</u>	<u>3,355,499</u>
<b>Attributable to:</b>		
Owners of the parent	77,781,208	3,355,499
Non-controlling interests	<u>2,136,961</u>	<u>-</u>
	<u>79,918,169</u>	<u>3,355,499</u>

**Reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year.

**Dividends**

On 30 November 2021, the Company declared a first and final single-tier dividend of 3.00 sen per ordinary share amounting to RM2,805,000 in respect of the financial year ended 31 March 2021 and paid on 20 January 2022.

At the forthcoming Annual General Meeting, a first and final tax exempt (single-tier) dividend in respect of the financial year ended 31 March 2022, of 5.00 sen per share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2023.



**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Directors**

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato Henry Lau Lee Kong

Tuan Haji Wan Abdillah Bin Wan Hamid

Datu Haji Sarudu Bin Haji Hoklai

Datuk Haji Hamden Bin Haji Ahmad

Robert Lau Hui Yew

Adeline Lau Kor See

- Retired on 29 December 2021

- Appointed on 2 March 2022

The name of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Alvin Lau Lee Jen

Bellie Anak Lium

Changgai Anak Dali

Chuo Kuong Ping

Lau Lee Kiong

Lau Swee Nguong @ Lau Sui Guang

Rita Tan Yuh Fang

Seng Cheak Chai

Tan Sri Datuk Amar Haji Bujang Bin Mohammed Nor

Temenggong Dato Lau Lee Ming

Tuan Haji Wan Mohd. Shebli Bin Wan Hamid

Gerald Chang Lik Yang

- Appointed on 1 March 2022

**Directors' interest in shares**

The shareholdings in the Company and related corporations of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, are as follows:

	Number of Shares		
	Balance as at 1.4.2021	Bought	Sold
<b>In the Company</b>			
<b>Direct Interest:</b>			
Tuan Haji Wan Abdillah Bin Wan Hamid	104,821	-	-
			Balance as at 31.3.2022
			104,821

**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Directors' interest in shares (continued)**

The shareholdings in the Company and related corporations of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, are as follows: (continued)

	← Balance as at 1.4.2021	Number of Shares Bought      Sold	→ Balance as at 31.3.2022
<b>In the Company (continued)</b>			
<b>Indirect Interest:</b>			
Dato Henry Lau Lee Kong	37,279,576	-	37,279,576
Tuan Haji Wan Abdillah Bin Wan Hamid	16,398,807	-	16,398,807

By virtue of their interests in the shares of the Company and Section 59 of the Companies Act 2016 in Malaysia, Dato Henry Lau Lee Kong and Tuan Haji Wan Abdillah Bin Wan Hamid are also deemed interested in the shares of the subsidiaries of the Company to the extent that the Company has an interest.

Other than as disclosed above, none of the Directors at the end of the financial year held any interest in shares in the Company or its related corporations during the year.

**Directors' benefits**

Since the end of the previous financial year, no Director of the Group and of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salaries of full time employees of the Group and of the Company as disclosed in Note 4 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those disclosed in Note 26 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Directors' remuneration and fee**

Directors' remuneration of the Group and of the Company are amounted to RM4,349,709 and RM187,696 respectively as disclosed in Note 4 to the financial statements.

Directors' fees of the Group and of the Company are amounted to RM443,061 and RM223,261 respectively as disclosed in Note 4 to the financial statements.

**Indemnity and insurance for directors, officers and auditors**

The Company has paid a premium of RM13,790 for Directors and Officers Liability insurance up to a limit of RM10 million for the period from 1 July 2021 to 30 June 2022 for all the Directors.

Except for the abovementioned, there was no indemnity given to or insurance effected for any Director, officer or auditor of the Company.

**Issue of shares and debentures**

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

**Options granted over unissued shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

**Other statutory information**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that provision need not be made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Other statutory information (continued)**

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended to 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.



**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Significant event during the financial year**

Details of significant event during the financial year is disclosed in Note 33 to the financial statements.

**Auditors**

The auditors, Messrs PKF PLT (202206000012 (LLP0030836-LCA) & AF0911), have indicated their willingness to continue in office.

PKF PLT (202206000012 (LLP0030836-LCA) & AF0911) have been converted from a conventional partnership, PKF (AF0911), to a limited liability partnership on 28 February 2022.

The auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2022 amounted to RM282,500 and RM97,000 respectively.

Signed on behalf of Directors  
in accordance with a resolution of the Board,

---

TUAN HAJI WAN ABDILLAH BIN WAN  
HAMID

---

DATU HAJI SARUDU BIN HAJI HOKLAI

Kuching

25 July 2022

**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 IN MALAYSIA**

In the opinion of the Directors, the accompanying financial statements as set out on pages 64 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and their cash flows for the financial year ended on that date.

Signed on behalf of Directors  
in accordance with a resolution of the Board,

---

TUAN HAJI WAN ABDILLAH BIN WAN HAMID

---

DATU HAJI SARUDU BIN HAJI HOKLAI

Kuching

25 July 2022

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016 IN MALAYSIA**

I, TUAN HAJI WAN ABDILLAH BIN WAN HAMID, being the Director primarily responsible for the financial management of BLD PLANTATION BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 64 to 143 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the )  
above-named at Kuching in the State of )  
Sarawak on 25 July 2022 )

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TUAN HAJI WAN ABDILLAH BIN WAN HAMID

Before me,

**PHANG DAH HAN**

Commissioner For Oaths (No. Q119)  
No. 55, 1st Floor, Jalan Chan Bee Kiew,  
Off Jalan Padungan, 93100 Kuching,  
Sarawak.

**INDEPENDENT AUDITORS'REPORT  
TO THE MEMBERS OF BLD PLANTATION BHD.**  
Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of BLD PLANTATION BHD., which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

***Basis for Opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence and Other Ethical Responsibilities***

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BLD PLANTATION BHD.**  
Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

(continued)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

**1. Fair value of biological assets**  
*(Refer to Note 16 to the financial statements)*

As stated in Note 2(k) to the financial statements, biological assets of the Group comprised produce growing on bearer plants which are measured at fair value less costs to sell. The fair value less costs to sell of the biological assets as at 31 March 2022 amounted to RM36,683,103. The fair value of the biological asset is determined by management using expected net cash flows with the following inputs:

- estimated selling price less costs to sell;
- estimated extraction rate of crude palm oil;
- estimated recovery rate of palm kernel; and
- expected quantity of underripe fresh fruit bunch on bearer plants.

We focused on this area as a key audit matter due to the degree of the management's judgement involved and assumptions of future events that are inherently uncertain.

Our audit procedures performed includes the following:

- (a) Made enquiries with the appropriate personnel to evaluate the basis of yield rate;
- (b) Review the reasonableness of yield rate determined;
- (c) Recompute the fair value of biological assets; and
- (d) Verify expected output with subsequent extractions supporting documents.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Group and of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, Sustainability Report and Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BLD PLANTATION BHD.**  
Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

(continued)

***Information Other than the Financial Statements and Auditors' Report Thereon (continued)***

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified and, in doing so, consider whether the information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Statements***

The Directors of the Group and of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

(continued)

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITORS'REPORT  
TO THE MEMBERS OF BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

(continued)

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

PKF PLT  
202206000012 (LLP0030836-LCA) & AF0911  
CHARTERED ACCOUNTANTS

NGU SIOW PING  
03033/11/2023 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

25 July 2022

24 August 2022

**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Revenue	3	2,509,743,484	1,898,641,364	6,411,624	3,503,327
Cost of sales		(2,288,519,006)	(1,749,735,237)	-	-
<b>Gross profit</b>		<b>221,224,478</b>	<b>148,906,127</b>	<b>6,411,624</b>	<b>3,503,327</b>
Other operating income	5	22,749,503	15,566,111	-	-
Selling expenses		(95,015,991)	(44,097,172)	-	-
Administrative expenses		(27,071,188)	(22,400,127)	(2,677,744)	(2,870,490)
Other operating expenses		(3,078,142)	(730,358)	-	-
<b>Profit from operations</b>		<b>118,808,660</b>	<b>97,244,581</b>	<b>3,733,880</b>	<b>632,837</b>
Finance cost	6	(6,206,720)	(8,026,362)	(214,776)	(245,406)
<b>Profit before tax</b>	7	<b>112,601,940</b>	<b>89,218,219</b>	<b>3,519,104</b>	<b>387,431</b>
Tax expense	8	(32,683,771)	(22,689,068)	(163,605)	(160,582)
<b>Total comprehensive income for the financial year</b>		<b>79,918,169</b>	<b>66,529,151</b>	<b>3,355,499</b>	<b>226,849</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		77,781,208	65,284,569		
Non-controlling interests		2,136,961	1,244,582		
		<b>79,918,169</b>	<b>66,529,151</b>		
<b>Basic earning attributable to owners of the parent per ordinary share (sen)</b>	9	<b>83.19</b>	<b>69.82</b>		

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**  
Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	594,008,866	585,200,420	308,032	377,627
Right-of-use assets	12	123,657,023	121,760,468	387,772	720,148
Investment in subsidiaries	13	-	-	132,542,959	132,542,959
Investment in preference shares	14	-	-	48,688,000	48,688,000
		<b>717,665,889</b>	<b>706,960,888</b>	<b>181,926,763</b>	<b>182,328,734</b>
<b>Current assets</b>					
Inventories	15	171,554,163	134,083,590	-	-
Biological assets	16	36,683,103	21,746,471	-	-
Trade and other receivables	17	117,949,309	86,492,794	1,380,655	2,242,668
Prepaid operating expenses		1,092,874	685,816		-
Tax recoverable		11,477,883	8,283,926	9,504	68,840
Short-term deposits with licensed banks	18	-	5,000,000	-	-
Cash and bank balances		300,614,089	265,550,349	41,875,338	37,493,000
		<b>639,371,421</b>	<b>521,842,946</b>	<b>43,265,497</b>	<b>39,804,508</b>
<b>TOTAL ASSETS</b>		<b>1,357,037,310</b>	<b>1,228,803,834</b>	<b>225,192,260</b>	<b>222,133,242</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	19	173,180,555	173,180,555	173,180,555	173,180,555
Retained earnings	20	535,281,293	460,305,085	23,486,777	22,936,278
		<b>708,461,848</b>	<b>633,485,640</b>	<b>196,667,332</b>	<b>196,116,833</b>
Non-controlling interests		2,207,612	70,651	-	-
<b>Total equity</b>		<b>710,669,460</b>	<b>633,556,291</b>	<b>196,667,332</b>	<b>196,116,833</b>

The accompanying notes form an integral part of the financial statements.



**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)

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**AND ITS SUBSIDIARIES****STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>Non-current liabilities</b>					
Borrowings	21	91,366,160	104,510,364	-	-
Lease liabilities	22	947,351	824,202	59,854	407,901
Deferred tax liabilities	23	107,208,334	87,518,707	-	-
		<b>199,521,845</b>	<b>192,853,273</b>	<b>59,854</b>	<b>407,901</b>
<b>Current liabilities</b>					
Trade and other payables	24	137,863,325	118,447,015	117,027	279,269
Borrowings	21	308,040,498	279,293,636	28,000,000	25,000,000
Lease liabilities	22	896,113	785,352	348,047	329,239
Taxation		-	85,000	-	-
Derivative financial instruments	25	46,069	3,783,267	-	-
		<b>446,846,005</b>	<b>402,394,270</b>	<b>28,465,074</b>	<b>25,608,508</b>
<b>Total liabilities</b>		<b>646,367,850</b>	<b>595,247,543</b>	<b>28,524,928</b>	<b>26,016,409</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,357,037,310</b>	<b>1,228,803,834</b>	<b>225,192,260</b>	<b>222,133,242</b>

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**

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**AND ITS SUBSIDIARIES****STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

Group	Note	Attributable to the owners of the parent			
		Non-distributable	Distributable	Non-controlling interests	Total equity
		Share capital	Retained earnings	RM	RM
At 1 April 2020		173,180,555	395,020,516	(1,173,931)	567,027,140
Total comprehensive income for the financial year		-	65,284,569	1,244,582	66,529,151
At 31 March 2021		173,180,555	460,305,085	70,651	633,556,291
Total comprehensive income for the financial year		-	77,781,208	2,136,961	79,918,169
Dividend	10	-	(2,805,000)	-	(2,805,000)
At 31 March 2022		173,180,555	535,281,293	2,207,612	710,669,460

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**

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**AND ITS SUBSIDIARIES****STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

<b>Company</b>	<b>Share capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
At 1 April 2020	173,180,555	22,709,429	195,889,984
Total comprehensive income for the financial year	-	226,849	226,849
At 31 March 2021	173,180,555	22,936,278	196,116,833
Total comprehensive income for the financial year	-	3,355,499	3,355,499
Dividend	-	(2,805,000)	(2,805,000)
At 31 March 2022	173,180,555	23,486,777	196,667,332

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The accompanying notes form an integral part of the financial statements.



**BLD PLANTATION BHD.**  
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**AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>Cash flows from operating activities</b>					
Profit before tax		112,601,940	89,218,219	3,519,104	387,431
Adjustments for:					
Depreciation of property, plant and equipment		44,712,007	47,577,416	70,145	76,666
Depreciation of right-of-use assets		4,110,783	4,050,112	332,376	326,311
Interest income		(3,462,220)	(2,853,754)	(656,674)	(1,262,077)
Interest expense		6,107,903	7,929,955	182,641	203,979
Gain on disposal of property, plant and equipment		(503,113)	(3,903,850)	-	-
Loss/(Gain) on disposal of right-of-use assets		1,255	(94,768)	-	-
Impairment loss on right-of-use assets		-	1,006,009	-	-
Fair value gain on biological assets		(14,936,632)	(7,848,400)	-	-
Interest on lease liabilities		98,817	96,407	32,135	41,427
Gross dividend income		-	-	(5,164,000)	(1,291,000)
Net fair value gain on derivative		(3,737,198)	(821,046)	-	-
Unrealised loss/(gain) on foreign exchange		91,378	(2,137,367)	-	-
<b>Operating profit/(loss) before working capital changes</b>		<b>145,084,920</b>	<b>132,218,933</b>	<b>(1,684,273)</b>	<b>(1,517,263)</b>
(Increase)/Decrease in inventories		(37,470,573)	20,228,582	-	-
(Increase)/Decrease in trade and other receivables		(31,540,124)	15,110,383	862,013	60,737,641
(Increase)/Decrease in prepaid operating expenses		(407,058)	589,172	-	3,130
Increase/(Decrease) in payables		19,416,310	(8,271,771)	(162,242)	98,857
<b>Cash generated from/ (used in) operations</b>		<b>95,083,475</b>	<b>159,875,299</b>	<b>(984,502)</b>	<b>59,322,365</b>

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**

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**AND ITS SUBSIDIARIES****STATEMENT OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
<b>Cash generated from/(used in) operations</b>		95,083,475	159,875,299	(984,502)	59,322,365
Income tax paid		(16,273,101)	(3,256,941)	(104,269)	(308,101)
Interest received		3,462,220	2,853,754	656,674	1,262,077
<b>Net cash from/ (used in) operating activities</b>		<u>82,272,594</u>	<u>159,472,112</u>	<u>(432,097)</u>	<u>60,276,341</u>
<b>Cash flows from investing activities</b>					
Proceeds from disposal of property, plant and equipment		686,681	5,149,198	-	-
Proceeds from disposal of right-of-use assets		-	120,251	-	-
Dividend received		-	-	5,164,000	1,291,000
Subscription of preference shares		-	-	-	(48,688,000)
Acquisition of property, plant and equipment	(i)	(50,851,899)	(50,041,731)	(550)	(1,508)
Acquisition of right-of-use assets		(4,971,192)	-	-	-
<b>Net cash (used in)/ from investing activities</b>		<u>(55,136,410)</u>	<u>(44,772,282)</u>	<u>5,163,450</u>	<u>(47,398,508)</u>

The accompanying notes form an integral part of the financial statements.

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**AND ITS SUBSIDIARIES****STATEMENT OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
<b>Cash flows from financing activities</b>					
Interest paid - others		(8,960,025)	(10,780,367)	(182,641)	(203,979)
Interest paid - lease liabilities		(98,817)	(96,407)	(32,135)	(41,427)
Dividend paid		(2,805,000)	-	(2,805,000)	-
Repayment of lease liabilities		(803,491)	(752,904)	(329,239)	(312,534)
Net changes in bankers' acceptances		17,191,000	77,683,000	-	-
Net changes in onshore foreign currency loans		-	(28,792,939)	-	-
Proceeds from revolving credits		414,300,000	115,000,000	56,000,000	25,000,000
Repayment of revolving credits		(408,000,000)	(136,000,000)	(53,000,000)	(25,000,000)
Drawdown from term loans		14,755,800	8,132,640	-	-
Repayment of term loans		(22,671,524)	(11,459,862)	-	-
<b>Net cash from/ (used in) financing activities</b>		<u>2,907,943</u>	<u>12,933,161</u>	<u>(349,015)</u>	<u>(557,940)</u>
<b>Net increase in cash and cash equivalents</b>		30,044,127	127,632,991	4,382,338	12,319,893
<b>Effects on foreign exchange translation</b>		(7,769)	1,692,808	-	-
<b>Cash and cash equivalents at 1 April 2021/2020</b>		<u>270,550,349</u>	<u>141,224,550</u>	<u>37,493,000</u>	<u>25,173,107</u>
<b>Cash and cash equivalents at 31 March</b>	(ii)	<u>300,586,707</u>	<u>270,550,349</u>	<u>41,875,338</u>	<u>37,493,000</u>

The accompanying notes form an integral part of the financial statements.



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**AND ITS SUBSIDIARIES****STATEMENT OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)****Notes:****(i) Acquisition of property, plant and equipment**

During the financial year, the Group and the Company made the following cash payments to acquire property, plant and equipment:

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Acquisition of property, plant and equipment	53,704,021	53,538,131	550	1,508
Less:				
Interest capitalised in bearer plant	(2,852,122)	(2,850,412)	-	-
Depreciation capitalised in bearer plant	-	(645,988)	-	-
Cash payments on acquisition of property, plant and equipment	<u>50,851,899</u>	<u>50,041,731</u>	<u>550</u>	<u>1,508</u>

**(ii) Cash and cash equivalents comprise the following:**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Cash and bank balances	300,614,089	265,550,349	41,875,338	37,493,000
Short-term deposits with licensed banks	-	5,000,000	-	-
Bank overdrafts (Note 21(c))	(27,382)	-	-	-
	<u>300,586,707</u>	<u>270,550,349</u>	<u>41,875,338</u>	<u>37,493,000</u>

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**

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**AND ITS SUBSIDIARIES****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)****Notes: (continued)**

(iii) Reconciliation of liabilities arising from financing activities:

	1 April 2021/2020	Addition of right-of-use assets	Cash flows	31 March
	RM	RM	RM	RM
<b>Group</b>				
<b>2022</b>				
Lease liabilities	1,609,554	1,037,401	(803,491)	1,843,464
Bankers' acceptances	170,293,000	-	17,191,000	187,484,000
Revolving credits	89,000,000	-	6,300,000	95,300,000
Term loans	124,511,000	-	(7,915,274)	116,595,276
<b>2021</b>				
Lease liabilities	978,253	1,384,205	(752,904)	1,609,554
Bankers' acceptances	92,610,000	-	77,683,000	170,293,000
Revolving credits	110,000,000	-	(21,000,000)	89,000,000
Term loans	127,838,222	-	(3,327,222)	124,511,000
Onshore foreign currency loans	28,792,939	-	(28,792,939)	-

The accompanying notes form an integral part of the financial statements.

**BLD PLANTATION BHD.**  
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**AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

**Notes: (continued)**

(iii) Reconciliation of liabilities arising from financing activities: (continued)

	1 April 2021/2020 RM	Addition of right-of-use assets RM	Cash flows RM	31 March RM
<b>Company 2022</b>				
Lease liabilities	737,140	-	(329,239)	407,901
Revolving credit	25,000,000	-	3,000,000	28,000,000
<b>2021</b>				
Lease liabilities	52,535	997,139	(312,534)	737,140
Revolving credit	25,000,000	-	-	25,000,000

The accompanying notes form an integral part of the financial statements.



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****1. Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements are presented in the Ringgit Malaysia ("RM"), which is also the Company's functional currency.

**(a) Standards issued and effective**

On 1 April 2021, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2021:

**Description**

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases: Interest Rate Benchmark Reform - Phase 2
- Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions
- Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

**(b) Standards issued but not yet effective**

The Group and the Company have not adopted the following accounting standards, amendments and interpretations that have been issued but not yet effective:

**Description**

- Amendments to MFRS 3, *Business Combinations: Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use*

**Effective for  
annual periods  
beginning on  
or after**

1 January 2022

1 January 2022

**BLD PLANTATION BHD.**

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****1. Basis of preparation (continued)****(b) Standards issued but not yet effective (continued)**

The Group and the Company has not adopted the following standards and interpretations that have been issued but not yet effective: (continued)

<b>Description</b>	<b>Effective for annual period beginning on or after</b>
<ul style="list-style-type: none"> <li>Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i></li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>Annual improvements to MFRSs 2018 - 2020 cycle               <ul style="list-style-type: none"> <li>Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i></li> <li>Amendments to MFRS 9, <i>Financial Instruments</i></li> <li>Amendments to MFRS 16, <i>Leases</i></li> <li>Amendments to MFRS 141, <i>Agriculture</i></li> </ul> </li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>MFRS 17, <i>Insurance Contracts</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 17, <i>Insurance Contracts</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendment to MFRS 17 <i>Insurance Contracts: Initial Application of MFRS 17 and MFRS 9—Comparative Information</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 101, <i>Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 101, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFSR 112, <i>Income Tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i></li> </ul>	Deferred

The initial application of the accounting standards, amendments and interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****1. Basis of preparation (continued)****(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the significant accounting policies.

**(d) Significant accounting estimates and judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

**(i) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

**(ii) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment and amortisation of intellectual property are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment and intellectual property will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(iii) Impairment of Non-financial Assets**

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****1. Basis of preparation (continued)****(d) Significant accounting estimates and judgements (continued)***(iv) Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

*(v) Provision for expected credit losses ("ECLs") of trade receivables*

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

*(vi) Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****1. Basis of preparation (continued)****(d) Significant accounting estimates and judgements (continued)***(vii) Provision for Liabilities*

Provision for liabilities are based on management's judgement on the likelihood of liabilities crystallising and best estimates on the amounts required to settle the liabilities arising from legal and constructive obligations. A change in circumstances which could cause estimates to change include changes in market trends and conditions, regulatory environment, employees' behaviours and other factors that may change the amount of provisions in the statement of financial position. The difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which the change occurs.

*(viii) Leases**(a) Lease term*

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for building have been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

*(b) Incremental borrowing rate of leases*

In determining the incremental borrowing rate, the Group and the Company use recent third-party financing received by the Group and the Company as a starting point and makes adjustments specific to the lease, for e.g. term and security.

*(ix) Fair Value of Biological Assets*

To arrive at the fair value of oil palm fruits, the management considered the oil content of the fruits and derived the assumption that the net cash flow to be generated from fruits prior to more than thirty (30) days to harvest to be negligible, therefore quantity of fruits on bearer plants of up to thirty (30) days prior to harvest was used for valuation purpose. The value of the fruits was estimated to be approximately 48% to 52% based on oil extraction rate and kernel extraction rate of the fruits from tests. Costs to sell, which transport cost, is deducted in arriving at the net cash flow to be generated.

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**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies**

**(a) Basis of consolidation**

*(i) Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****2. Summary of significant accounting policies (continued)****(a) Basis of consolidation (continued)****(i) Subsidiaries (continued)**

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

**(ii) Business combinations**

Acquisitions of business are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured at fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate shares of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**(iii) Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(a) Basis of consolidation (continued)**

*(iv) Transactions with non-controlling interests*

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

*(v) Loss of control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

*(vi) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****2. Summary of significant accounting policies (continued)****(c) Revenue and other income**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for these goods or services.

**(i) Sales of goods – plantation produce**

The Group harvests and sells plantation produce. Revenue is recognised at the point in time when goods are delivered. Payment of the transaction price is due within a range from 2 to 90 days.

**(ii) Management fees**

The Company provides management services to its related companies. Revenue is recognised at the point in time when the Company rendered the services to its related companies.

**(iii) Interest income**

Interest income is recognised on an accrual basis, based on effective yield on the investment.

**(iv) Dividend income**

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

**(v) Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

**(d) Employee benefits expense****(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(d) Employee benefits expense (continued)**

*(ii) Defined contribution plans*

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

**(e) Borrowing costs**

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

**(f) Tax expense**

*(i) Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

*(ii) Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(f) Tax expense (continued)**

*(ii) Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination.

**(g) Impairment**

*(i) Financial assets*

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(g) Impairment (continued)**

*(i) Financial assets (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(g) Impairment (continued)**

*(ii) Impairment of non-financial assets*

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****2. Summary of significant accounting policies (continued)****(h) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold lands are depreciated over their lease terms.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis, at the following annual rates:

Buildings	10 to 50 years
Furniture, fittings and equipment	1 to 10 years
Plant and machinery	2 to 15 years
Motor vehicles	5 years
Ranch	10 years
Renovation	10 years
Bearer plants	22 years

Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.



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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(i) Investment properties**

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Leasehold lands are depreciated over their lease terms.

Depreciation on buildings is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

The estimated useful lives, residual values and depreciation method of investment properties are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

**(j) Bearer plants**

Oil palm trees are classified as bearer plants. Expenditure that are directly related to the planting and upkeep of oil palm trees are capitalised until the trees reach maturity. Upon maturity, maintenance and upkeep of oil palm trees are expensed off to profit or loss. The subsequent measurement of bearer plants is accounted for in accordance with Note 2(h) to the financial statements.

**(k) Biological assets**

Biological assets comprised produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised net in profit or loss. Fair value is determined based on the present value of expected net cash flows from biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of biological assets.

## **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

### **2. Summary of significant accounting policies (continued)**

#### **(I) Financial assets**

##### *(i) Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

##### *(ii) Subsequent measurement*

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

##### *(a) Amortised cost*

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(I) Financial assets(continued)**

*(ii) Subsequent measurement(continued)*

*(b) Fair value through other comprehensive income ("FVOCI") – debt investment*

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.

*(c) FVOCI – equity investment*

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.



## **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

### **2. Summary of significant accounting policies (continued)**

#### **(l) Financial assets(continued)**

##### *(ii) Subsequent measurement(continued)*

##### *(d) Fair value through profit or loss ("FVTPL")*

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

##### *(iii) Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

#### **(m) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, deposits with licensed banks at original maturities not exceeding three months, short term and other highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(n) Financial liabilities**

*(i) Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

*(ii) Subsequent measurement*

The categories of financial liabilities at initial recognition are as follows:

*(a) Amortised cost*

All financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

*(b) Fair value through profit or loss ("FVTPL")*

Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)* are satisfied. The Company has not designated any financial liability as at FVTPL.

Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(n) Financial liabilities (continued)**

*(iii) Derecognition*

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

**(o) Provisions**

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(p) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

**(q) Operating segments**

For management purposes, the Group is organised into operating segments based on their products and services. The management of the Company regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in the Note 31 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****2. Summary of significant accounting policies (continued)****(r) Inventories**

Inventories are stated at lower of cost and net realisable value, other than for certain contracted finished goods, which are stated at net realisable value. Cost incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and consumables: costs of purchase on a weighted average cost formula or specific identification basis.
- Finished goods and work-in-progress: costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity on a weighted average cost formula.
- Livestock: purchase price and estimated natural increase plus incidentals.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**(s) Contingencies****(i) *Contingent liabilities***

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability outflow of economic benefits is remote.

**(ii) *Contingent assets***

Where an inflow of economic benefits of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is disclosed as a contingent asset. When the inflow of benefit is virtually certain, then the related asset is recognised.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(t) Leases**

*(i) Initial recognition and measurement*

*As a lessee*

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

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**2. Summary of significant accounting policies (continued)**

**(t) Leases (continued)**

*(i) Initial recognition and measurement (continued)*

*As a lessor*

Leases for which the Group and the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group and the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

*(ii) Subsequent measurement*

*As a lessee*

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(g)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**2. Summary of significant accounting policies (continued)**

**(t) Leases (continued)**

*(ii) Subsequent measurement (continued)*

*As a lessee (continued)*

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

*(iii) Operating Leases – as Lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings element in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

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A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

**3. Revenue**

The revenue of the Group and of the Company consists of the following:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Revenue from contracts with customers:</b>				
Sales of plantation produce	2,509,710,455	1,898,553,476	-	-
<b>Other source of income:</b>				
Interest income	2,762	80,321	656,674	1,262,077
Management fee	-	-	590,950	950,250
Dividend income	-	-	5,164,000	1,291,000
Rental income	30,267	7,567	-	-
	<u>2,509,743,484</u>	<u>1,898,641,364</u>	<u>6,411,624</u>	<u>3,503,327</u>

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**4. Employee benefits expense**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Salaries and other emoluments	107,707,535	120,528,070	1,370,929	1,405,715
Defined contribution plan	8,114,316	7,681,446	106,120	109,183
	<u>115,821,851</u>	<u>128,209,516</u>	<u>1,477,049</u>	<u>1,514,898</u>
Less: Amount capitalised in bearer plants	(8,234,311)	(8,198,537)	-	-
	<u>107,587,540</u>	<u>120,010,979</u>	<u>1,477,049</u>	<u>1,514,898</u>
<b>Directors' remuneration:</b>				
<b>Executive:</b>				
Salaries and other emoluments	2,992,400	2,835,469	112,696	62,696
Fees	203,000	203,000	113,400	113,400
	<u>3,195,400</u>	<u>3,038,469</u>	<u>226,096</u>	<u>176,096</u>
<b>Non-executive:</b>				
Other emoluments	1,357,309	1,135,253	75,000	-
Fees	240,061	241,900	109,861	115,500
	<u>1,597,370</u>	<u>1,377,153</u>	<u>184,861</u>	<u>115,500</u>
	<u>4,792,770</u>	<u>4,415,622</u>	<u>410,957</u>	<u>291,596</u>



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	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Interest income	3,459,458	2,773,433	-	-
Rental income	113,100	102,500	-	-
Net gain on derivative	3,737,198	821,046	-	-
Net gain on foreign exchange	-	-	-	-
Fair value gain on biological assets	14,936,632	7,848,400	-	-
Gain on disposal of property, plant and equipment	503,113	3,903,850	-	-
Gain on disposal of right-of-use assets	-	94,768	-	-
Others	2	22,114	-	-
	<u>22,749,503</u>	<u>15,566,111</u>	<u>-</u>	<u>-</u>

**6. Finance costs**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Interest expense on:				
- bank overdrafts	23,695	61,559	2,194	-
- revolving credit	1,483,585	3,048,899	180,447	203,979
- banker acceptance	2,807,689	2,393,176	-	-
- onshore foreign currency loan	-	65,047	-	-
- term loans	1,792,934	2,361,274	-	-
- lease liabilities	98,817	96,407	32,135	41,427
	<u>6,206,720</u>	<u>8,026,362</u>	<u>214,776</u>	<u>245,406</u>

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	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration:				
- current year	272,500	252,500	87,000	87,000
- other service	10,000	10,000	10,000	10,000
Employee benefits expense (Note 4)	107,587,540	120,010,979	1,477,049	1,514,898
Finance cost (Note 6)	6,206,720	8,026,362	214,776	245,406
Depreciation of property, plant and equipment	44,712,007	47,577,416	70,145	76,666
Depreciation of right-of-use assets	4,110,783	4,050,112	332,376	326,311
Gain on disposal of property, plant and equipment	(503,113)	(3,903,850)	-	-
Loss/(Gain) on disposal on right-of-use assets	1,255	(94,768)	-	-
Dividend income	-	-	(5,164,000)	(1,291,000)
Rental expenses	543,567	490,571	361,374	353,961
Interest income	(3,462,220)	(2,853,754)	(656,674)	(1,262,077)
Rental received	(113,100)	(102,500)	-	-
Foreign exchange loss - Realised	2,559,000	2,576,148	-	-
Foreign exchange loss/(gain) - Unrealised	91,378	(2,137,367)	-	-
Fair value gain on derivative	(3,737,198)	(821,046)	-	-
Fair value gain on biological assets	(14,936,632)	(7,848,400)	-	-
Impairment of right-of-use assets	-	1,006,009	-	-

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**8. Tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Current tax				
- current year	12,996,000	1,950,000	135,000	102,000
- (over)/underprovision in prior year	(1,856)	53,719	28,605	59,182
	12,994,144	2,003,719	163,605	161,182
Deferred tax (Note 23)				
- current year	19,625,248	20,668,740	-	(2,274)
- underprovision in prior year	64,379	16,609	-	1,674
	19,689,627	20,685,349	-	(600)
<b>Income tax recognised in profit or loss</b>	<b>32,683,771</b>	<b>22,689,068</b>	<b>163,605</b>	<b>160,582</b>



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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**8. Tax expense (continued)**

***Reconciliation of tax expense***

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Profit before tax	112,601,940	89,218,219	3,519,104	387,431
Tax calculated at statutory tax rate of 24%	27,024,466	21,412,373	844,585	92,983
Non-taxable income	-	(503,326)	(741,607)	(88,635)
Non-deductible expenses	5,596,782	1,709,693	32,022	95,378
	32,621,248	22,618,740	135,000	99,726
(Over)/Underprovision of tax in prior year	(1,856)	53,719	28,605	59,182
Underprovision of deferred tax in prior year	64,379	16,609	-	1,674
	32,683,771	22,689,068	163,605	160,582

The Group has unutilised tax losses and unabsorbed capital allowances, unabsorbed reinvestment allowances and unabsorbed investment tax allowances amounting to approximately RM15,977,626 (2021: RM15,977,626) and RM137,712,475 (2021: RM185,099,858) respectively for set off against future taxable profits.

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits as follows:

	<b>RM</b>	<b>Utilised up to</b>
YA 2018 and before	5,224,537	YA 2028
YA 2019	5,599,636	YA 2029
YA 2020	5,153,453	YA 2030

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****9. Earnings per share**

The basic earnings per share amount is calculated by dividing the profit for the year attributable to ordinary shareholders by the number of ordinary shares in issue during the financial year.

	<b>Group</b>	
	<b>2022 RM</b>	<b>2021 RM</b>
Profit attributable to owners of the parent	<u>77,781,208</u>	<u>65,284,569</u>
Number of ordinary shares in issue	<u>93,500,000</u>	<u>93,500,000</u>
<b>Basic earning attributable to owners of the parent per ordinary share (sen)</b>	<u>83.19</u>	<u>69.82</u>

There are no dilutive potential ordinary shares during the current and previous financial year.

**10. Dividends****Paid by the Company**

Dividend paid by the Company was:

<b>In respect of financial year ended 31 March 2021:</b>	<b>Dividend per share Sen</b>	<b>Amount of dividend RM</b>	<b>Date of payment</b>
First and final tax exempt (single-tier)	<u>3.00</u>	<u>2,805,000</u>	<u>20 January 2022</u>

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**11. Property, plant and equipment**

	Buildings RM	Capital work-in- progress RM	Furniture fittings, equipment and renovation RM	Plant and machinery RM	Motor vehicles RM	Ranch RM	Bearer plants RM	Total RM
<b>Group</b>								
<b>Cost</b>								
At 1 April 2021	125,744,408	6,384,555	17,812,264	322,453,883	20,974,987	94,691	809,234,418	1,302,699,206
Additions	391	10,217,595	551,798	2,295,057	184,188	-	40,454,992	53,704,021
Reclassification	1,137,177	(1,821,768)	370,734	313,857	-	-	-	-
Disposals	(62,386)	-	(6,665)	(397,911)	(537,920)	-	(57,621)	(1,062,503)
At 31 March 2022	126,819,590	14,780,382	18,728,131	324,664,886	20,621,255	94,691	849,631,789	1,355,340,724
<b>Accumulated depreciation</b>								
At 1 April 2021	54,804,597	-	15,505,819	244,564,582	19,086,261	83,027	383,454,500	717,498,786
Charge for the financial year	4,357,472	-	702,063	17,289,147	1,109,184	2,930	21,251,211	44,712,007
Disposals	(50,320)	-	(5,704)	(378,833)	(444,078)	-	-	(878,935)
At 31 March 2022	59,111,749	-	16,202,178	261,474,896	19,751,367	85,957	404,705,711	761,331,858
<b>Carrying amount</b>								
At 31 March 2022	67,707,841	14,780,382	2,525,953	63,189,990	869,888	8,734	444,926,078	594,008,866



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	<b>Buildings RM</b>	<b>Capital work-in- progress RM</b>	<b>Furniture fittings, equipment and renovation RM</b>	<b>Plant and machinery RM</b>	<b>Motor vehicles RM</b>	<b>Ranch RM</b>	<b>Bearer plants RM</b>	<b>Total RM</b>
<b>Group Cost</b>								
At 1 April 2020	120,666,220	8,246,913	17,519,802	313,382,420	21,954,638	94,691	770,974,413	1,252,839,097
Additions	-	11,165,704	317,541	2,195,755	25,830	-	39,833,301	53,538,131
Reclassification	5,315,404	(13,028,062)	(550)	7,713,208	-	-	-	-
Disposals	(237,216)	-	(24,529)	(837,500)	(1,005,481)	-	(1,573,296)	(3,678,022)
At 31 March 2021	125,744,408	6,384,555	17,812,264	322,453,883	20,974,987	94,691	809,234,418	1,302,699,206
<b>Accumulated depreciation</b>								
At 1 April 2020	50,731,002	-	14,748,112	221,983,712	18,500,236	79,550	365,665,444	671,708,056
Charge for the financial year	3,996,789	-	744,192	23,006,438	1,304,451	3,477	18,522,069	47,577,416
Capitalised in bearer plants	314,019	-	24,200	227,009	80,760	-	-	645,988
Disposals	(237,213)	-	(10,685)	(652,577)	(799,186)	-	(733,013)	(2,432,674)
At 31 March 2021	54,804,597	-	15,505,819	244,564,582	19,086,261	83,027	383,454,500	717,498,786
<b>Carrying amount</b>								
At 31 March 2021	70,939,811	6,384,555	2,306,445	77,889,301	1,888,726	11,664	425,779,918	585,200,420

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**11. Property, plant and equipment (continued)**

	<b>Motor vehicles RM</b>	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Total RM</b>
<b>Company Cost</b>				
At 1 April 2021	595,745	324,517	744,416	1,664,678
Additions	-	550	-	550
At 31 March 2022	<u>595,745</u>	<u>325,067</u>	<u>744,416</u>	<u>1,665,228</u>
<b>Accumulated depreciation</b>				
At 1 April 2021	580,097	306,872	400,082	1,287,051
Charge for the financial year	15,642	4,072	50,431	70,145
At 31 March 2022	<u>595,739</u>	<u>310,944</u>	<u>450,513</u>	<u>1,357,196</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>6</u>	<u>14,123</u>	<u>293,903</u>	<u>308,032</u>
<b>Cost</b>				
At 1 April 2020	595,745	353,165	714,260	1,663,170
Additions	-	-	1,508	1,508
Reclassification	-	(28,648)	28,648	-
At 31 March 2021	<u>595,745</u>	<u>324,517</u>	<u>744,416</u>	<u>1,664,678</u>
<b>Accumulated depreciation</b>				
At 1 April 2020	559,236	301,499	349,650	1,210,385
Charge for the financial year	20,861	5,373	50,432	76,666
At 31 March 2021	<u>580,097</u>	<u>306,872</u>	<u>400,082</u>	<u>1,287,051</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>15,648</u>	<u>17,645</u>	<u>344,334</u>	<u>377,627</u>

- (a) The buildings and plant and machinery with a total carrying amount amounted to RM27,538,438 and RM32,707,979 (2021: RM28,247,450 and RM42,398,452) respectively, are pledged for banking facilities granted to certain subsidiaries as disclosed in Note 21 to the financial statements.
- (b) Included in the bearer plants are interest and employee benefits expense of RM2,852,122 and RM8,234,311 (2021: RM2,850,412 and RM8,198,537 ) incurred and capitalised during the financial year.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****12. Right-of-use assets**

<b>Group</b>	<b>Leasehold lands RM</b>	<b>Office RM</b>	<b>Total RM</b>
<b>2022</b>			
<b>Carrying amount</b>			
At 1 April 2021	120,727,001	1,033,467	121,760,468
Additions	4,971,192	1,037,401	6,008,593
Disposals	(1,255)	-	(1,255)
Depreciation for the financial year	(3,437,728)	(673,055)	(4,110,783)
At 31 March	<u>122,259,210</u>	<u>1,397,813</u>	<u>123,657,023</u>
<b>2021</b>			
<b>Carrying amount</b>			
At 1 April 2020	125,194,892	262,975	125,457,867
Additions	-	1,384,205	1,384,205
Disposals	(25,483)	-	(25,483)
Depreciation for the financial year	(3,436,399)	(613,713)	(4,050,112)
Impairment loss	(1,006,009)	-	(1,006,009)
At 31 March	<u>120,727,001</u>	<u>1,033,467</u>	<u>121,760,468</u>
<b>Company</b>		<b>2022</b>	<b>2021</b>
<b>Office</b>		<b>RM</b>	<b>RM</b>
<b>Carrying amount</b>			
At 1 April 2021/2020		720,148	49,320
Additions		-	997,139
Depreciation for the financial year		(332,376)	(326,311)
At 31 March		<u>387,772</u>	<u>720,148</u>

The Group and the Company lease land and offices. The contract term for offices ranges from 3 to 5 years that may come together with an extension options of renewal of contract which ranges from 3 to 5 years. The leasehold lands with carrying amount amounted to RM16,071,905 (2021: RM16,521,918) are pledged for banking facilities granted to certain subsidiaries as disclosed in Note 21 to the financial statements. Leasehold land consists of land with unexpired lease period ranging from 25-56 years (2021: 26-57 years).

The extension and termination options were exercisable only by the Group and of the Company and not by the respective lessor.

**Impairment of Right-of-use assets**

Included in the Right-of-use assets is a parcel of leasehold land, of a subsidiary company, that is intended to use for oil palm plantation. Given the loss reported of the said subsidiary during the year which indicate the existence of impairment, the Directors have estimated that the recoverable amount of land is lower than its carrying value. The recoverable amount was estimated based on its value-in-use, at which the Directors have valued at RM1, as there is no plan to commence planting on the land as of to date. Therefore, impairment of RM1,006,009 has been adjusted during the financial year ended 31 March 2021.



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**13. Investment in subsidiaries**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost		
At 31 March/1 April 2021/2020	132,542,959	132,542,959

All the subsidiary companies are incorporated in Malaysia and their details are as follows:

<b>Name of subsidiaries</b>	<b>Percentage of equity held (%)</b>		<b>Principal activities</b>
	<b>2022</b>	<b>2021</b>	
Bintulu Lumber Development Sdn. Bhd.	100	100	Cultivation of oil palm, processing of fresh fruit bunches and sales of related products.
Kirana Palm Oil Refinery Sdn. Bhd.	100	100	Operation of palm oil refinery and kernel crushing plant.
<i><u>Indirect subsidiary, held through Bintulu Lumber Development Sdn. Bhd.:</u></i>			
Grand Mutual Sdn. Bhd.	100	100	Cultivation of oil palm and stone quarry operation.
Niamas Istimewa Sdn. Bhd.	69.9	69.9	Cultivation of oil palm.
Rela Aman Sdn. Bhd.	80	80	Letting of property.
BLD Resources Sdn. Bhd.	100	100	Dormant (intended for oil palm plantation).
Easibright Sdn. Bhd.	100	100	Ceased operations.

All subsidiaries are audited by PKF Malaysia.

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The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	<b>Niamas Istimewa Sdn. Bhd.</b>	<b>Rela Aman Sdn. Bhd.</b>	<b>Total RM</b>
<b>2022</b>			
NCI percentage of ownership interest and voting interest (%)	30	20	
Carrying amount of NCI (RM)	1,894,177	313,435	2,207,612
Profit allocated to NCI (RM)	2,162,996	(26,035)	2,136,961

Summarised financial information before intra-group elimination:

	<b>Niamas Istimewa Sdn. Bhd. RM</b>	<b>Rela Aman Sdn. Bhd. RM</b>	<b>Total RM</b>
Non-current assets	8,434,217	4,640,047	13,074,264
Current assets	10,531,928	50,776	10,582,704
Non-current liabilities	(6,192,000)	(8,488)	(6,200,488)
Current liabilities	(6,460,221)	(4,424,911)	(10,885,132)
Net assets	6,313,924	257,424	6,571,348
Revenue	21,403,600	389,007	21,792,607
Profit/(Loss) for the financial year	7,209,988	(85,752)	7,124,236
Total comprehensive income/(loss) for the financial year	7,209,988	(85,752)	7,124,236
Cash flow from operating activities	6,917,777	236,039	7,153,816
Cash flow used in investing activities	(3,895)	(8,380)	(12,275)
Cash flow used in financing activities	(6,822,858)	(226,827)	(7,049,685)

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The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	<b>Niamas Istimewa Sdn. Bhd.</b>	<b>Rela Aman Sdn. Bhd.</b>	<b>Total RM</b>
<b>2021</b>			
NCI percentage of ownership interest and voting interest (%)	30	20	
Carrying amount of NCI (RM)	(268,819)	339,470	70,651
Profit allocated to NCI (RM)	1,278,590	(34,008)	1,244,582

Summarised financial information before intra-group elimination:

	<b>Niamas Istimewa Sdn. Bhd. RM</b>	<b>Rela Aman Sdn. Bhd. RM</b>	<b>Total RM</b>
Non-current assets	9,639,421	4,803,779	14,443,200
Current assets	5,372,666	50,063	5,422,729
Non-current liabilities	(8,470,000)	(17,245)	(8,487,245)
Current liabilities	(7,438,151)	(4,493,421)	(11,931,572)
Net (liabilities)/assets	(896,064)	343,176	(552,888)
Revenue	15,076,412	366,307	15,442,719
Profit/(Loss) for the financial year	4,261,967	(125,611)	4,136,356
Total comprehensive income/(loss) for the financial year	4,261,967	(125,611)	4,136,356
Cash flow from operating activities	3,328,063	193,102	3,521,165
Cash flow used in investing activities	(1,867)	(1,450)	(3,317)
Cash flow used in financing activities	(2,393,862)	(202,625)	(2,596,487)



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****14. Investment in preference shares**

<b>Company</b>	<b>2022 RM</b>	<b>2021 RM</b>
Unquoted preference shares, at cost		
At 1 April 2021/2020	48,688,000	-
Addition	-	48,688,000
At 31 March	<u>48,688,000</u>	<u>48,688,000</u>

On 30 July 2020, Grand Mutual Sdn. Bhd. issued and allotted 4,868,800 cumulative redeemable convertible preference shares ("CRCPS") at an issue price of RM10 per share to BLD Plantation Bhd.. The maturity period of the CRCPS is 10 years from the date of allotment dated 30 July 2020.

The CRCPS are redeemable at par, in whole or part, for cash redeemable at maturity or any other date prior to maturity subject to mutual consent in writing, calculated as 100% of the Issue Price of the CRCPS, together with arrears or unpaid dividends up to the date of redemption. In the event that the CRCPS is to be converted to ordinary shares of the Company, the CRCPS shall be convertible into ordinary shares at the rate of one ordinary shares for one CRCPS.

The CRCPS issued in the name of the Investor and/or its nominee, trustee or custodian are not transferrable without the consent of the Company. The Board of Directors and/or the owner of the Company shall have sole discretion regarding the declaration or payment of any dividend on the CRCPS. No dividend or any part thereof shall become due or payable on any dividend date unless the Board has declared or resolved to distribute such dividend or part thereof with respect to that dividend date. The CRCPS shall carry the right to receive cumulative gross preferential dividend rate out of the distributable profits of the Company, at a dividend rate of 10 sen per CRCPS per annum.

The Investor shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending the general meetings of the Company. The Investor is not entitled to any voting rights or participation in any rights, allocations, and/or other distributions in the Company, except in the following circumstance:

- (a) Where the dividend or part of the dividend on the CRCPS has been declared but remains unpaid for more than 6 months;
- (b) On a proposal to increase or reduce the share capital, whether ordinary or preference shares;
- (c) On a proposal for the disposal of the Company's assets, business and undertaking in excess of 25% of the net assets of the Company based on the last audited financial statements;
- (d) Upon any resolution which varies the rights and privileges attaching to the CRCPS;
- (e) Upon any resolution for the winding-up of the Company; and
- (f) Other circumstances as may be provided under law and applicable to preferences and/or preference shareholders from time to time.

Each CRCPS shall rank above Ordinary Shares and all other classes of shares of the Company in liquidation. The payment obligations of the Company in respect of the CRCPS, save as may be provided otherwise by any mandatory provisions of applicable law, shall rank after all existing and future secured and unsecured obligations of the Company.

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**15. Inventories**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>At cost:</b>		
Canteen goods	219,220	298,529
Livestock	1,637,877	1,537,149
Consumable stocks	10,035,416	7,910,434
Finished goods	13,530,544	76,406,413
Stone	-	105,340
Raw materials	-	3,880,617
	25,423,057	90,138,482
<b>At net realisable value:</b>		
Finished goods	55,957,197	9,888,303
Raw materials	90,173,909	34,056,805
	146,131,106	43,945,108
	171,554,163	134,083,590
	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	2,006,874,394	1,485,443,104

**16. Biological assets**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 April 2021/2020	21,746,471	13,898,071
Net gain from fair value adjustments recognised in profit or loss	14,936,632	7,848,400
At 31 March	36,683,103	21,746,471

The biological assets of the Group represent oil palm fruits of 30 days prior to harvesting. The quantity of the fruits included in the valuation of the Group are 29,123 (2021: 30,478) metric tonnes. The expected net cash flows are estimated using the expected output (fruits harvested) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less transportation costs.

The fair value of biological assets corresponds with Level 3 of the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**16. Biological assets (continued)**

**Sensitivity analysis of oil palm fruits**

The sensitivity analysis below indicates the approximate change in the fair value of oil palm fruits and profit for the financial year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumptions and other variables remained constant.

	<b>Increase/ (Decrease) in price and volume</b>	<b>2022 RM</b>	<b>2021 RM</b>
Selling price	10% (10%)	3,725,879 (3,725,879)	2,225,354 (2,225,354)
Production volume	10% (10%)	3,668,305 (3,668,305)	2,175,018 (2,175,018)

**17. Trade and other receivables**

	<b>Group 2022 RM</b>	<b>2021 RM</b>
<b>Trade receivables</b>		
Third parties	113,648,518	80,784,579
Related parties	1,636,624	1,499,408
	<u>115,285,142</u>	<u>82,283,987</u>
<b>Other receivables</b>		
Third parties	1,897,285	1,677,514
Related parties	31,744	-
Deposits	735,138	2,531,293
	<u>2,664,167</u>	<u>4,208,807</u>
<b>Total trade and other receivables</b>	<u>117,949,309</u>	<u>86,492,794</u>



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**17. Trade and other receivables (continued)**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Other receivables</b>		
Subsidiaries	1,278,962	2,140,975
Deposits	101,693	101,693
	<u>1,380,655</u>	<u>2,242,668</u>

- (a) Trade receivables are non-interest bearing and are generally on 2 to 90 days (2021: 2 to 90 days) terms.
- (b) The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. These amounts earn interest at 3.64% to 3.66% (2021: 3.59% to 4.90%) per annum.
- (c) The amounts due from related parties are unsecured and have no fixed terms of repayment.

**18. Short-term deposits with licensed banks**

Short-term deposits with licensed banks are made for a period of Nil (2021: one (1) month to three (3) months) depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates for short-term deposits as at 31 March 2022 for the Group was Nil (2021: 1.88%).

**19. Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number of ordinary shares</b>	<b>Number of ordinary shares</b>	<b>RM</b>	<b>RM</b>
<b>Issued and fully paid:</b>				
At 31 March/				
1 April 2021/2020	<u>93,500,000</u>	<u>93,500,000</u>	<u>173,180,555</u>	<u>173,180,555</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one (1) vote per share without restriction and rank equally with regards to the Company's residual interests.

**20. Retained earnings**

Under the single tier system introduced by the Finance Act 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax exempt dividends.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**21. Borrowings**

		<b>Group</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>RM</b>	<b>RM</b>
<b>Non-current</b>			
<b>Secured</b>			
Term loans	(a)	91,366,160	104,510,364
<b>Current</b>			
<b>Non-secured</b>			
Revolving credits	(b)	28,000,000	25,000,000
<b>Secured</b>			
Bank overdrafts	(c)	27,382	-
Bankers' acceptances	(d)	187,484,000	170,293,000
Revolving credits	(b)	67,300,000	64,000,000
Term loans	(a)	25,229,116	20,000,636
		308,040,498	279,293,636
		399,406,658	383,804,000
		<b>Company</b>	
		<b>2022</b>	<b>2021</b>
		<b>RM</b>	<b>RM</b>
<b>Current</b>			
<b>Non-secured</b>			
Revolving credits	(b)	28,000,000	25,000,000

**(a) Term loans (secured)**

The maturity structure of the term loan is as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Repayable within one (1) year	25,229,116	20,000,636
Repayable between two (2) to five (5) years	91,366,160	104,510,364
	116,595,276	124,511,000

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**21. Borrowings (continued)**

**(a) Term loans (secured)**

The term loans of the Group bear interest rates ranging from 3.47% to 4.21% (2021: 3.51% to 5.07%) per annum. The term loans of the Group are secured by way of:

- (i) First fixed legal charge over the subsidiaries of the Company's certain leasehold land as disclosed in Note 12 to the financial statements; and
- (ii) Corporate guarantee by the Company.

**(b) Revolving credits**

The revolving credits of the Group and of the Company bear interest rates ranging from 3.00% to 3.90% (2021: 3.00% to 4.90%) per annum and 3.05% to 3.19% (2021: 3.19% to 3.98%) per annum respectively. The revolving credits of the Group are secured by way of:

- (i) First fixed legal charge over the subsidiaries of the Company's certain leasehold land as disclosed in Note 12 to the financial statements;
- (ii) Corporate guarantee by the Company; and
- (iii) Letter of negative pledge of certain assets from the subsidiaries of the Company.

**(c) Bank overdrafts (secured)**

The bank overdrafts of the Group are secured by Corporate guarantee from the Company.

The bank overdrafts have effective interest rate ranging from 5.85% to 6.83% (2021: 6.40% to 7.39%) per annum.

**(d) Bankers' acceptances (secured)**

The bankers' acceptances of the Group are secured by Corporate guarantee by the Company.

The banker acceptances bear interest rates ranging from 2.10% to 2.36% (2021: 2.14% to 3.20%) per annum.



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<b>Group</b>	<b>2022</b>	<b>2021</b>
Representing:	<b>RM</b>	<b>RM</b>
Current liabilities	896,113	785,352
Non-current liabilities	947,351	824,202
	<u>1,843,464</u>	<u>1,609,554</u>
<b>Recognised in profit or loss:</b>		
Interest expense on lease liabilities	<u>98,817</u>	<u>96,407</u>
<b>Company</b>	<b>2022</b>	<b>2021</b>
Representing:	<b>RM</b>	<b>RM</b>
Current liabilities	348,047	329,239
Non-current liabilities	59,854	407,901
	<u>407,901</u>	<u>737,140</u>
<b>Recognised in profit or loss:</b>		
Interest expense on lease liabilities	<u>32,135</u>	<u>41,427</u>

The total cash outflow for leases for the financial year ended 31 March 2022 of the Group and of the Company are RM902,308 and RM361,374 (2021: RM849,311 and RM353,961) respectively.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****23. Deferred tax liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
At 1 April 2021/2020	87,518,707	66,833,358	-	600
Recognised in profit or loss	19,689,627	20,685,349	-	(600)
At 31 March	<u>107,208,334</u>	<u>87,518,707</u>	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the consolidated statement of financial position after appropriate offsetting are as follows:

	<b>Group</b>	
	<b>2022 RM</b>	<b>2021 RM</b>
Deferred tax assets, net	-	-
Deferred tax liabilities, net	107,208,334	87,518,707
	<u>107,208,334</u>	<u>87,518,707</u>

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	<b>Group</b>	
	<b>2022 RM</b>	<b>2021 RM</b>
Deferred tax assets	(37,961,988)	(51,889,250)
Deferred tax liabilities	145,170,322	139,407,957
	<u>107,208,334</u>	<u>87,518,707</u>

	<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>
Deferred tax assets	-	(3,788)
Deferred tax liabilities	-	3,788
	<u>-</u>	<u>-</u>

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The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

**Deferred tax assets of the Group**

	Other payables RM	Right-of-use assets RM	Unabsorbed reinvestment, investment tax, capital and agricultural allowances RM	Unutilised tax losses RM	Total RM
At 1 April 2020	(867,137)	(8,836)	(57,954,770)	(5,408,936)	(64,239,679)
Recognised in profit or loss	(2,752,652)	(2,029)	13,530,804	1,574,306	12,350,429
At 31 March 2021	(3,619,789)	(10,865)	(44,423,966)	(3,834,630)	(51,889,250)
Recognised in profit or loss	2,540,342	119	11,386,801	-	13,927,262
At 31 March 2022	(1,079,447)	(10,746)	(33,037,165)	(3,834,630)	(37,961,988)



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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****23. Deferred tax liabilities (continued)**

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:  
(continued)

**Deferred tax liabilities of the Group**

	Fair value on land and buildings RM	Fair value on biological assets RM	Accelerated capital allowances RM	Total RM
At 1 April 2020				
Recognised in profit or loss	13,600,429 (362,699)	3,335,537 1,883,616	114,137,071 6,814,003	131,073,037 8,334,920
At 31 March 2021	13,237,730 (362,699)	5,219,153 3,584,792	120,951,074 2,540,272	139,407,957 5,762,365
Recognised in profit or loss				
At 31 March 2022	12,875,031	8,803,945	123,491,346	145,170,322

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The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (continued)

**Deferred tax assets of the Company**

	<b>Right-of-use assets RM</b>	<b>Unabsorbed capital allowances RM</b>	<b>Total RM</b>
At 1 April 2020	(772)	(5,502)	(6,274)
Recognised in profit or loss	(3,016)	5,502	2,486
At 31 March 2021	(3,788)	-	(3,788)
Recognised in profit or loss	3,788	-	3,788
At 31 March 2022	-	-	-

**Deferred tax liabilities of the Company**

	<b>Accelerated capital allowances RM</b>
At 1 April 2020	6,874
Recognised in profit or loss	(3,086)
At 31 March 2021	3,788
Recognised in profit or loss	(3,788)
At 31 March 2022	-

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**24. Trade and other payables**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Trade payables</b>		
Third parties	75,424,311	64,010,369
Related parties	51,049,447	33,506,250
	<u>126,473,758</u>	<u>97,516,619</u>
<b>Other payables</b>		
Third parties	4,083,186	1,640,853
Related parties	206,391	163,948
Accrued operating expenses	6,655,401	18,692,286
Other deposits	444,589	433,309
	<u>11,389,567</u>	<u>20,930,396</u>
	<u>137,863,325</u>	<u>118,447,015</u>

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Other payables</b>		
Third parties	4,239	12,021
Related parties	8,737	4,509
Accrued operating expenses	104,051	262,739
	<u>117,027</u>	<u>279,269</u>

**(a) Trade payables**

Trade payables are non-interest bearing and are generally on 90 days (2021: 90 days) terms.

**(b) Other payables**

The amount due to third parties and related parties are unsecured, non-interest bearing and are repayable on demand.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**25. Derivatives**

		<b>Group 2022</b>	
	<b>Contract/ Notional amount RM</b>	<b>Assets RM</b>	<b>Liabilities RM</b>
<b>Non-hedging derivatives</b>			
Forward currency contracts	313,038,348	-	46,069
		<b>2021</b>	
	<b>Contract/ Notional amount RM</b>	<b>Assets RM</b>	<b>Liabilities RM</b>
<b>Non-hedging derivatives</b>			
Forward currency contracts	378,250,772	-	3,783,267

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in United States Dollars ("USD") for which firm commitments existed at the reporting date.

During the financial year, the Group recognised a gain of RM3,737,198 (2021: gain of RM821,046) arising from fair value changes of derivative liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 29 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**26. Significant related party transactions**

**Identities of related parties**

Parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 13 to the financial statements;
- (ii) Key management personnel, which comprises persons (including the Directors of the Group) having authority and responsibility for planning, deciding and controlling the activities of the Group directly or indirectly; and
- (iii) Entities in which certain Directors, who are also the substantial shareholders of the parent, have substantial shareholding interests.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below:

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>(a) Transactions with subsidiaries:</b>		
<b>Income</b>		
Interest income	653,912	1,181,756
Dividend income	5,164,000	1,291,000
Management fee income	590,950	950,250
	<u>5,908,862</u>	<u>2,423,006</u>
<b>(b) Transactions with companies in which certain Directors of the Company and/or persons connected to them have a substantial financial interest and/or are Directors:</b>		
<b>Income</b>		
Rental income	30,267	7,567
Sale of goods	3,612,870	1,954,420
	<u>3,643,137</u>	<u>1,961,987</u>

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Administrative expenses paid	101,972	130,502	2,756	3,514
Advertisement expenses paid	16,989	13,107	5,088	5,088
Contract services for development and maintenance	12,157,803	9,080,463	-	-
Insurance brokerage paid	3,982,390	2,993,596	20,267	20,465
IT infrastructure and software expenses paid	526,730	447,294	-	-
Printing charges paid	116,453	174,647	1,650	3,900
Maintenance services paid	91,044	93,889	40,951	36,130
Professional fees paid	501,526	549,727	350	-
Purchase of crude palm oil and palm kernel	383,043,543	306,699,120	-	-
Purchase of fresh fruit bunches	38,759,729	28,867,751	-	-
Purchase of property, plant and machinery and consumables	93,590,904	81,022,464	1,132	17,843
Rental of premises paid	1,478,645	1,435,979	440,630	429,080
Rental of storage tanks	1,545,600	1,674,400	-	-
Transportation charges paid	14,643,305	14,331,767	-	-

**(c) During the financial year, the subsidiary company has made a donation to a welfare foundation, which have common directors, amounted to RM7,000,000.**



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**26. Significant related party transactions (continued)**

**(d) Compensation of key management personnel**

Key management personnel comprise executive and non-executive Directors and managers of the Group and of the Company who have authority and responsibility for planning, directing, and controlling the activities of the Group and of the Company, directly or indirectly.

The remuneration of key management personnel during the financial year were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Short-term employee benefits	4,254,946	3,904,159	185,296	60,296
Defined contribution plans	94,763	66,563	2,400	2,400
<b>Total Directors' remuneration</b>	<b>4,349,709</b>	<b>3,970,722</b>	<b>187,696</b>	<b>62,696</b>

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

**27. Commitment**

**Capital commitments**

	<b>Group 2022 RM</b>	<b>2021 RM</b>
Approved and contracted for: - Property, plant and equipment	6,205,225	11,703,810
Approved and not contracted for: - Property, plant and equipment	28,839,695	59,803,564

**28. Financial guarantee**

	<b>Company 2022 RM</b>	<b>2021 RM</b>
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	371,406,658	345,804,000

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****29. Financial instruments****Categories of financial instruments**

The table below provides an analysis of the categories of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL"); and  
(b) Financial assets and liabilities measured at amortised cost ("AC").

<b>Group</b>		<b>Carrying amount RM</b>	<b>AC RM</b>
<b>2022</b>			
<b>Financial assets</b>			
Trade receivables		115,285,142	115,285,142
Other receivables and deposits		2,664,167	2,664,167
Cash and bank balances		300,614,089	300,614,089
		<u>418,563,398</u>	<u>418,563,398</u>
	<b>Carrying amount RM</b>	<b>FVTPL RM</b>	<b>AC RM</b>
<b>Financial liabilities</b>			
Trade and non-trade payables	(137,863,325)	-	(137,863,325)
Borrowings	(399,406,658)	-	(399,406,658)
Lease liabilities	(1,843,464)	-	(1,843,464)
Derivative financial instruments	(46,069)	(46,069)	-
	<u>(539,159,516)</u>	<u>(46,069)</u>	<u>(539,113,447)</u>
		<b>Carrying amount RM</b>	<b>AC RM</b>
<b>2021</b>			
<b>Financial assets</b>			
Trade receivables		82,283,987	82,283,987
Other receivables and deposits		4,208,807	4,208,807
Short-term deposits with licensed banks		5,000,000	5,000,000
Cash and bank balances		265,550,349	265,550,349
		<u>357,043,143</u>	<u>357,043,143</u>

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**29. Financial instruments (continued)**

**Categories of financial instruments (continued)**

	<b>Carrying amount RM</b>	<b>FVTPL RM</b>	<b>AC RM</b>
<b>Financial liabilities</b>			
Trade and non-trade payables	(118,447,015)	-	(118,447,015)
Borrowings	(383,804,000)	-	(383,804,000)
Lease liabilities	(1,609,554)	-	(1,609,554)
Derivative financial instruments	(3,783,267)	(3,783,267)	-
	<u>(507,643,836)</u>	<u>(3,783,267)</u>	<u>(503,860,569)</u>

	<b>Carrying amount RM</b>	<b>AC RM</b>
<b>Company 2022</b>		
<b>Financial assets</b>		
Investment in preference shares	48,688,000	48,688,000
Other receivables and deposits	101,693	101,693
Amount due from subsidiaries	1,278,962	1,278,962
Cash and bank balances	41,875,338	41,875,338
	<u>91,943,993</u>	<u>91,943,993</u>

<b>Financial liabilities</b>		
Borrowings	(28,000,000)	(28,000,000)
Lease liabilities	(407,901)	(407,901)
Other payables and accruals	(117,027)	(117,027)
	<u>(28,524,928)</u>	<u>(28,524,928)</u>

<b>2021</b>		
<b>Financial assets</b>		
Investment in preference shares	48,688,000	48,688,000
Other receivables and deposits	101,693	101,693
Amount due from subsidiaries	2,140,975	2,140,975
Cash and bank balances	37,493,000	37,493,000
	<u>88,423,668</u>	<u>88,423,668</u>

<b>Financial liabilities</b>		
Borrowings	(25,000,000)	(25,000,000)
Lease liabilities	(737,140)	(737,140)
Other payables and accruals	(279,269)	(279,269)
	<u>(26,016,409)</u>	<u>(26,016,409)</u>



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	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Net gains/(losses) arising from:</b>				
<b><i>Financial assets measured at amortised cost</i></b>				
Interest income	3,462,220	2,853,754	656,674	1,262,077
<b><i>Financial liabilities measured at fair value through profit or loss</i></b>				
Unrealised (loss)/gain on foreign exchange	(91,378)	2,137,367	-	-
Net fair value gain on derivative	3,737,198	821,046	-	-
<b><i>Financial liabilities measured at amortised cost</i></b>				
Interest on lease liabilities	(98,817)	(96,407)	(32,135)	(41,427)
Interest expense	(6,107,903)	(7,929,955)	(182,641)	(203,979)

## **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

### **29. Financial instruments (continued)**

#### **Financial risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign exchange risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, interest rate risk, foreign exchange risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer.

#### **Trade receivables**

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables and contract asset that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous period.

#### **Credit risk concentration profile**

The Group and the Company have no significant concentration of credit risk that may arise from exposure to a single customer or to a group of customers.

#### **Exposure to credit risk**

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting year.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**29. Financial instruments (continued)**

**Credit risk (continued)**

**Trade receivables (continued)**

Recognition and measurement of impairment loss

The Group uses a provision matrix to measure ECLs of trade receivables and contract assets.

Loss rates are based on actual credit loss experience over the past three (3) years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial period.

Ageing analysis

The ageing analysis of the Group's trade receivables, as at reporting date is as follows:

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>Group</b>			
<b>2022</b>			
Not past due	114,656,148	-	114,656,148
Past due:			
- 1 - 30 days	135,214	-	135,214
- 31 - 120 days	493,780	-	493,780
	<u>115,285,142</u>	<u>-</u>	<u>115,285,142</u>
<b>2021</b>			
Not past due	80,631,347	-	80,631,347
Past due:			
- 1 - 30 days	913,836	-	913,836
- 31 - 120 days	738,804	-	738,804
	<u>82,283,987</u>	<u>-</u>	<u>82,283,987</u>



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022

### 29. Financial instruments (continued)

#### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

#### Deposits

Credit risks on deposits are mainly arising from deposits paid for office buildings rented. These deposits will be refunded at the end of each lease terms. The Company manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

#### Interest rate risk

##### Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	<b>2022</b> <b>Increase/ (Decrease)</b> <b>RM</b>	<b>2021</b> <b>Increase/ (Decrease)</b> <b>RM</b>
<b>Effect on profit after taxation</b>		
<b>Group</b>		
Increase of 25 basis points ("bp")	(759,000)	(729,000)
Decrease of 25 bp	759,000	729,000
<b>Company</b>		
Increase of 25 bp	53,200	47,500
Decrease of 25 bp	(53,200)	(47,500)

#### Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

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The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at reporting date based on undiscounted contractual payments:

**Group  
2022**

Trade and other payables  
Lease liabilities  
Borrowings

	Carrying amount RM	Total contractual cash flows RM	Within one (1) year RM	One (1) to five (5) years RM
	137,863,325	137,863,325	137,863,325	-
	1,843,464	1,949,552	961,297	988,255
	399,406,658	409,557,593	312,314,934	97,242,659
	539,113,447	549,370,470	451,139,556	98,230,914
	118,447,015	118,447,015	118,447,015	-
	1,609,554	1,725,830	704,719	1,021,111
	383,804,000	394,647,757	283,465,114	111,182,613
	503,860,569	514,820,602	402,616,848	112,203,724

**2021**

Trade and other payables  
Lease liabilities  
Borrowings

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**29. Financial instruments (continued)**

**Interest rate risk (continued)**

**Maturity analysis (continued)**

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at reporting date based on undiscounted contractual payments: (continued)

	Carrying amount RM	Total contractual cash flows RM	Within one (1) year RM	One (1) to five (5) years RM
<b>Company</b>				
<b>2022</b>				
Other payables	117,027	117,027	117,027	-
Lease liabilities	407,901	421,603	361,374	60,229
Borrowings	28,000,000	28,072,532	28,072,532	-
	<u>28,524,928</u>	<u>28,611,162</u>	<u>28,550,933</u>	<u>60,229</u>
<b>2021</b>				
Other payables	279,269	279,269	279,269	-
Lease liabilities	737,140	782,977	361,374	421,603
Borrowings	25,000,000	25,029,715	25,029,715	-
	<u>26,016,409</u>	<u>26,091,961</u>	<u>25,670,358</u>	<u>421,603</u>

**Financial guarantees**

The fair value of financial guarantees provided by the Company to banks in respect of bank facilities granted to a subsidiary with nominal amount of RM371,406,658 (2021: RM345,804,000), as disclosed in Note 28 to the financial statements, are negligible because the actual interest charged by the banks are not materially different from the borrowing costs of the subsidiary and the outstanding borrowings are adequately secured by the Company.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency of the Company.

The Company uses forward currency contracts to minimise the currency exposures arising from sales after a firm commitment has been entered. It is the Company's policy not to enter into forward contracts until firm commitment is in place.



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	<b>2022 RM</b>	<b>2021 RM</b>
<b>In USD</b>		
Net financial assets	<u>107,008,081</u>	<u>58,442,368</u>

**Foreign currency risk sensitivity analysis**

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD exchange rates against the functional currency of the Company, with all other variables held constant:

	<b>2022 Increase/ (Decrease) RM</b>	<b>2021 Increase/ (Decrease) RM</b>
<b>USD/RM</b>		
Strengthened 1%	813,261	444,162
Weakened 1%	<u>(813,261)</u>	<u>(444,162)</u>

**Fair values**

The financial assets and financial liabilities maturing within the next 12 months approximated fair values due to the relatively short-term maturity of the financial instruments.

The carrying amount of term loans is reasonable approximation of fair values due to they are floating rate instruments that are re-priced to market interest rates on or near the reporting date as the impact of discounting is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

**29. Financial instruments (continued)**

**Fair values (continued)**

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>				
<b>2022</b>				
<b>Financial liability</b>				
Borrowings:				
Term loans	-	-	116,595,276	116,595,276
Derivative financial instruments	-	46,069	-	46,069
	-	46,069	116,595,276	116,641,345
<b>2021</b>				
<b>Financial liability</b>				
Borrowings:				
Term loans	-	-	124,511,000	124,511,000
Derivative financial instruments	-	3,783,267	-	3,783,267
	-	3,783,267	124,511,000	128,294,267

**30. Material litigation**

**(a) Litigation with Ketua Pengarah Hasil Dalam Negeri (KPHDN)**

On 23 December 2016, the Company filed an application to the High Court to seek leave to commence Judicial Review against the Ketua Pengarah Hasil Dalam Negeri ("KPHDN") to quash its decision to reject Bintulu Lumber Development Sdn. Bhd. ("BLD")'s claim for Reinvestment Allowance ("RA") in the sum of RM10,727,489 in respect of Year of Assessment ("YA") 2011 and RM11,615,124 in respect of YA 2012 and also quash its decision to impose additional tax and penalty of RM5,765,341.74 (YA 2011) and RM1,630,824.06 (YA 2012) as a result of rejecting BLD's claim for RA.

On 21 June 2017, the High Court dismissed BLD's application with the cost of RM3,000 to the KPHDN. On 19 July 2017, BLD filed a notice of appeal to the Court of Appeal against the said decision of the High Court. On 14 April 2018, the Court of Appeal dismissed BLD's appeal with cost of RM10,000 to the KPHDN. On 8 May 2018, BLD filed a motion in the Federal Court to seek leave to appeal against the said decision of the Court of Appeal.

On 24 September 2019, the Federal Court allowed BLD's motion and granted them leave to appeal to the Federal Court. On 26 September 2019, BLD filed their Notice of Appeal to appeal to the Federal Court. BLD's appeal is fixed for hearing on 26 August 2020 before the Federal Court panel at Putrajaya.

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On 26 August 2020, the appeal was dismissed with cost of RM50,000 awarded to the Respondent. On 15 June 2021, BLD filed their necessary cause papers in Special Commissioners of Income Tax Tribunal ("SCIT") and is fixed for hearing on 24 August 2021.

On 24 August 2021, the learned SCIT Judge directed for the appeals to proceed and fixed hearing on 14.06.2022, 15.06.2022 and 16.06.2022 at Putrajaya. BLD has proceeded with filing the necessary cause papers in SCIT and will appear in the hearing for both appeals fixed on 21.02.2023 and 22.02.2023.

The Directors are of the view that there is no material impact to the financial statements of the Group.

**(b) Challenging the Notices of Non-chargeability**

Niamas Istimewa Sdn. Bhd. ("NISB") is appealing to be allowed to carry forward its total amount of unutilised reinvestment allowance of RM7,336,345 accumulated for the YA 2012 to 2013, to 2014 and subsequent YAs.

NISB has an arguable case to contend that there is no legal or factual basis for KPHDN to disallow the Appellant's claim for reinvestment allowance and to issue the Notices of Non chargeability for the YAs 2008, 2010, 2011, 2012 and 2013.

The SCIT has fixed the matter for hearing on 1.12.2022 and 2.12.2022.

The Directors are of the view that there is no material impact to the financial statements of the Group.

**(c) Miri High Court Suit Case**

BLD Resources Sdn. Bhd. ("BLDR") was awarded with damages to be assessed for trespass and is claiming for the sum of RM71,090,323 from year 2005 until year 2021 and further sum of RM5,468,486.38 per year from 2021 until such time the Plaintiffs, who are suing on behalf of themselves and also on behalf of all the residents of the longhouse known, have vacated and surrendered the land to BLDR. There would be interest on the sum at the rate of 5% per annum from the date of order until full and final settlement.

BLDR is also claiming for the exemplary damages at 12.5% or at such rate at this Honourable Court deems fit, of the amount awarded under the sum of RM71,090,323 and cost. The court suit case has been fixed for decision on 7 July 2022. However, it was vacated and is waiting for a new ruling date to be fixed.

On 22 August 2022, there will be hearing of an application on the part of BLDR for orders that the originating summons to be struck out in whole and the Plaintiff's action herein to be dismissed.



## **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022**

### **31. Operating segments**

Operating segments are presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the Group's management and internal reporting structure. Inter-segment transactions were carried out on terms and conditions not materially different from those obtainable in transactions with independent third parties.

The cultivation of oil palm, processing of fresh fruit bunches, operation of palm oil refinery and kernel crushing plant and stone quarry operation are being managed by few different segments within the Group. These operating segments are aggregated to form a reportable segment due to the similar nature and economic characteristics of the products.

#### **(a) Geographical segments**

The revenue segment analysis by geographical areas of customers is as follows:

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
(i) Bangladesh	4	11
(ii) China	15	30
(iii) Countries of Africa	3	6
(iv) India	46	25
(v) Korea	15	13
(vi) Malaysia	17	14
(vii) Other countries	-	1
	<u>100</u>	<u>100</u>

#### **(b) Major customers**

There are two customers who account for about 93% (2021: 97%) of the Group's turnover.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****32. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2022 and 31 March 2021.

The debt to equity ratio of the Group as at the end of the reporting period was as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Total debts	401,250,122	385,413,554
Equity attributable to owners of the Group	708,461,848	633,485,640
Debt to equity ratio (times)	0.57	0.61

Under the requirement of Bursa Malaysia Practice Note 17, the Group is required to maintain a consolidated shareholder's equity equal to or not less than the 25% of the issued and paid up capital (excluding treasury shares). The Group has complied with this requirement.

**33. Significant event during the financial year**

The Directors of the Group and of the Company are of the opinion that the outbreak of the COVID-19 may affect the business performance and position of the Group and of the Company mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities that resulted in delays in commencement of work and delivery of products to customers. Meanwhile, due to inherent nature and unpredictability of future development of the virus and market sentiment, the extent of the impact depends on (i) ongoing precautionary measures introduced by each country to address this pandemic and (ii) the durations of the pandemic. Accordingly, the financial impact of the COVID-19 outbreak to the Group and the Company cannot be reasonably estimated as at this juncture. The Directors will continue to monitor the situations and respond proactively to mitigate the impact on the Group and the Company's financial performance and financial position.

**BLD PLANTATION BHD.**

Registration No.: 200101026441 (562199-A)  
(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022****34. Subsequent event**

On 25 July 2022, the Board of Directors propose that at the forthcoming Annual General Meeting, a first and final tax exempt (single-tier) dividend in respect of the financial year ended 31 March 2022, of 5.00 sen per share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2023.

**35. General information**

The Company is a public limited company that is incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding and provision of management services while the principal activities of the Group are the operations of a palm oil refinery and kernel crushing plant, cultivation of oil palm, processing of fresh fruit bunches, sales of related products and letting of property.

The principal activities of the subsidiaries are as set out in Note 13 to the financial statements.

The registered office and the principal place of business of the Company are located at Level 6, Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak, Malaysia.

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2022.



# ANALYSIS OF SHAREHOLDINGS AS AT 4 JULY 2022

Authorised Share Capital : RM500,000,000.00

Paid-up Share Capital : RM93,500,000.00

Class of Shares : Ordinary Shares

Voting Rights : One vote per ordinary share

## DISTRIBUTION OF HOLDINGS

Size of Holdings	No. of Holders	No. of Holdings	% of Holdings
1 – 99	27	503	0.00
100 – 1,000	559	178,371	0.19
1,001 – 10,000	207	849,709	0.91
10,001 – 100,000	76	2,616,878	2.80
100,001 – 4,674,999*	32	41,304,739	44.18
4,675,000 and above**	3	48,549,800	51.92

Remark : \* less than 5% of issued holdings

\*\* 5% and above of issued holdings

## SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
BLD Holdings Sdn. Bhd.	33,412,330	35.74	-	-
Syarikat Payang Sdn. Bhd.	15,137,470	16.19	-	-
K.T.S. Holdings Sdn. Bhd.	10,496	0.01	33,412,330	35.74
Syarikat Maslahat Sdn. Bhd.	-	-	15,137,470	16.19
Dato Henry Lau Lee Kong	-	-	37,269,576	39.86
Haji Wan Abdillah bin Wan Hamid	104,821	0.11	16,398,807	17.54
YB Robert Lau Hui Yew	100,000	0.11	34,108,634	36.48
Lau Swee Nguong @ Lau Sui Guang	100,000	0.11	34,108,634	36.48
Haji Wan Mohd. Shebli bin Wan Hamid	-	-	16,398,807	17.54
Temenggong Dato Lau Lee Ming	10,000	0.01	35,923,529	38.42
Lau Lee Kiong	-	-	35,933,529	38.43
Law Kiu Kiong	3,182,800	3.40	2,578,203	2.76

## DIRECTORS' INTEREST

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato Henry Lau Lee Kong	-	-	37,269,576	39.86
Haji Wan Abdillah bin Wan Hamid	104,821	0.11	16,398,807	17.54
Datu Haji Sarudu bin Haji Hoklai	-	-	-	-
Datuk Haji Hamden bin Haji Ahmad	-	-	-	-
Adeline Lau Kor See	-	-	1,346,047	1.44

## ANALYSIS OF SHAREHOLDINGS AS AT 4 JULY 2022 (CONTD.)

### TOP 30 SECURITIES ACCOUNT HOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BLD HOLDINGS SDN BHD (01103812233A)	22,000,000	23.53
2.	SYARIKAT PAYANG SDN BHD	15,137,470	16.19
3.	BLD HOLDINGS SDN BHD	11,412,330	12.21
4.	AZIM DAYA SDN BHD	4,633,300	4.96
5.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	4,501,500	4.81
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CRYSTAL FLOW SDN BHD	4,003,300	4.28
7.	MANYEW RESOURCES SDN BHD	3,543,600	3.79
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AEROCAN SDN BHD	2,985,600	3.19
9.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIONG HOLDINGS SDN. BHD.	2,852,000	3.05
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAX MAJESTIC SDN BHD	2,845,200	3.04
11.	COMMERCIAL AGENCIES SDN BHD	2,202,182	2.36
12.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIU KIONG	2,117,800	2.27
13.	PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK	2,000,000	2.14
14.	TERAS INTERGRASI SDN BHD	1,346,047	1.44
15.	HAMIMAS ENTERPRISE SDN BHD	1,261,337	1.35

## ANALYSIS OF SHAREHOLDINGS AS AT 4 JULY 2022 (CONTD.)

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
16.	FORWARD CONCEPT SDN BHD	1,071,400	1.15
17.	LAW KIU KIONG	700,000	0.75
18.	VASTY DEVELOPMENT SDN BHD	585,808	0.63
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW CHENG KING ENTERPRISE SDN BHD (E-JCL)	547,904	0.59
20.	LAU HIENG ING ENTERPRISE SDN BHD	412,235	0.44
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD DOLLARSPLUS SENDIRIAN BERHAD	350,908	0.38
22.	LAU SIE HUI	344,086	0.37
23.	GANNETS SDN BHD	336,798	0.36
24.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIU KIONG (6000710)	300,000	0.32
25.	COMMERCIAL AGENCIES SDN BHD	298,521	0.32
26.	FAIRCOM ENTERPRISE SDN BHD	292,904	0.31
27.	KIU CHUAN GUNG	291,415	0.31
28.	MAKONG INVESTMENT LIMITED	287,000	0.31
29.	MICHAEL WEE KHENG KIONG	245,269	0.26
30.	LAU LEE HUONG	217,635	0.23



## LIST OF LANDS AS AT 31 MARCH 2022

### Description and Location

Location	Approximate Land Value (Hectare)	Current Use	Tenure	Approximate Age of Buildings	Net Book value (RM'000)	Date of Acquisition
Teraja Land District, Miri	6,733	Oil Palm Estate	Leasehold Expiring in 2060	1 to 21	28,885	2004
Lambir Land District, Miri	3,452	Oil Palm Estate	Leasehold Expiring in 2060	1 to 21	15,841	2004
Kemena Land District, Bintulu	12.453	Refinery / Kernel Crushing Plant	Leasehold Expiring in 2056	15	9,576	2005-2018
Kabang and Lassa Land District, Sibu	20,387	Oil Palm Estate	Leasehold Expiring in 2060	1 to 17	8,433	2000
Sawai Land District, Miri	16,818	Oil Palm Estate / Palm Oil Mill	Leasehold Expiring in 2047-2072	1 to 33	9,971	1987-2012
Miri Concession Land District, Miri	717.9 sq. meters	Investment Holding	Leasehold Expiring in 2052	21	2,121	2009
Jelalong Land District, Bintulu	3,913	Oil Palm Estate	Leasehold Expiring in 2057	1 to 21	1,875	1997

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## Form of Proxy

\*I/We, \_\_\_\_\_ \*NRIC/Passport/Co. No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)  
of \_\_\_\_\_ being a member/members  
(ADDRESS)

of BLD Plantation Bhd. hereby appoint:

Name of Proxy 1: \_\_\_\_\_ \*NRIC/Passport No.: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

\*and/ or failing him/her

Name of Proxy 2: \_\_\_\_\_ \*NRIC/Passport No.: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

or the Chairman of the Meeting as \*my/our proxy to vote for me/us and on \*my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held at KTS Garden, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Wednesday, 7 September 2022 at 11.00 a.m. and at any adjournment thereof for/against the resolutions to be proposed thereat.

\*My/our proxy shall vote as follows :

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees for the financial year ending 31 March 2023		
2.	To approve the payment of Directors' remuneration and benefits (excluding Directors' fees) for the financial year ending 31 March 2023		
3.	To declare and approve the payment of a first and final single tier dividend of five (5) sen per ordinary share in respect of the financial year ended 31 March 2022		
4.	To re-elect Dato Henry Lau Lee Kong as Director		
5.	To re-elect Tuan Haji Wan Abdillah bin Wan Hamid as Director		
6.	To re-elect Datu Haji Sarudu bin Haji Hoklai as Director		
7.	To re-elect Datuk Haji Hamden bin Haji Ahmad as Director		
8.	To re-elect Ms. Adeline Lau Kor See as Director		
9.	To re-appoint PKF PLT as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration		
10.	To retain Datuk Haji Hamden bin Haji Ahmad as an Independent Non-Executive Director		
11.	To authorise the Directors to issue shares pursuant to Section 76 of the Companies Act 2016		
12.	To approve the proposed renewal of authority for the Company to purchase its own shares		
13.	To approve the proposed renewal of shareholder mandates for recurrent related party transactions of a revenue or trading nature in respect of Category A Mandate		
14.	To approve the proposed renewal of shareholder mandates for recurrent related party transactions of a revenue or trading nature in respect of Category B Mandate		
15.	To approve the proposed renewal of shareholder mandates for recurrent related party transactions of a revenue or trading nature in respect of Category C Mandate		

\*Strike out whichever is not applicable.

Please indicate with "X" in the appropriate box against each resolution how you wish your vote to be cast. If no specific direction as to voting is indicated, the proxy will vote or abstain at his/her discretion.

The proportions of \*my/our holdings to be presented by \*my/ our proxies are as follows:

Proxy 1	%
Proxy 2	%
Total	%

<b>No. of shares held</b>	
<b>CDS account no.</b>	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature / Common Seal of Shareholder(s)

### Notes :-

- A proxy may but need not be a member of the Company.
- The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting and each proxy appointed shall represent a minimum of 100 shares. Where the member appoints more than one (1) proxy to attend, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is

- no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of Subsection 25A(1) of SICDA.
- To be valid, the Form of Proxy duly completed must be deposited at the registered office of the Company at Level 6, Crown Towers, 88, Jalan Pending, 93450 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- A depositor whose name appears in the Record of Depositors as at 1 September 2022 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.



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AFFIX  
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The Company Secretary  
**BLD Plantation Bhd.** [Registration No.: 200101026441 (562199-A)]  
Level 6, Crown Towers  
88, Jalan Pending  
93450 Kuching, Sarawak  
Malaysia

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**BLD PLANTATION BHD.**

[Registration No.: 200101026441 (562199-A)]

**Level 6, Crown Towers, 88, Jalan Pending,  
93450 Kuching, Sarawak, Malaysia.**

**Tel: +6 082-335 311 Fax: +6 082-348 311**

**Website: [www.bldpb.com.my](http://www.bldpb.com.my)**