

This Prospectus has been seen and approved by the Directors and Promoters of BLD Plantation Bhd. ("**BLDP**") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading. The Directors hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on assumptions made.

AmMerchant Bank Berhad, being the Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue and is satisfied that the profit forecast (for which the Directors are fully responsible), prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission has approved the Public Issue and that the approval shall not be taken to indicate that the Securities Commission recommends the Public Issue.

The Securities Commission shall not be liable for any non-disclosure on the part of BLDP and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The Kuala Lumpur Stock Exchange shall not be liable for any non-disclosure on the part of the BLDP and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the Public Issue, BLDP or of its securities.

A copy of this Prospectus has been registered with the Securities Commission. A copy of this Prospectus, together with the form of application, has also been lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

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INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for BLDP's entire issued and paid-up share capital of RM85,000,000 comprising 85,000,000 Shares on the Main Board of the KLSE are as follows :-

<u>Tentative Date</u>	<u>Event</u>
19 June 2003	⇒ Date of Prospectus / Opening of Application List for the Public Issue
2 July 2003	⇒ Closing of Application List for the Public Issue
4 July 2003	⇒ Balloting of Applications
21 July 2003	⇒ Listing on the Main Board of the KLSE

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8:00 P.M. ON 2 JULY 2003 OR SUCH FUTURE PERIOD OR PERIODS AS THE DIRECTORS AND PROMOTERS OF BLDP TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

Act	— Companies Act, 1965
Acquisitions	— Acquisition of BLD and Acquisition of Kirana collectively
Acquisition of BLD	— Acquisition by BLDP of the entire issued and paid-up share capital of BLD on 9 June 2003 comprising 30,625,000 Shares for a purchase consideration of RM68,147,177 satisfied via the issuance of Consideration Shares
Acquisition of Kirana	— Acquisition by BLDP of the entire issued and paid-up share capital of Kirana on 10 June 2003 comprising 14,550,000 Shares for a cash consideration of RM14,330,438
ADA	— Authorised Depository Agent
ADA Code	— ADA (Broker) Code
Allottee	— Such person whose application for the Company's unissued shares has been accepted by the Company and notice of allotment has been duly sent to him
AmMerchant Bank	— AmMerchant Bank Berhad (23742-V)
Application	— Application for the Public Issue Shares by way of Application Forms or by way of Electronic Share Application
Application Form	— A printed form for the purpose of applying for the Public Issue Shares
Approved Market Place	— A stock exchange which is specified to be an approved market place pursuant to the Securities Industry (Central Depositories) Exemption (No. 2) Order 1998 as may be amended, modified or altered from time to time
Articles	— The Articles of Association of BLDP as originally adopted or as altered from time to time by Special Resolution and "Article" means any of them
ATM	— Automatic Teller Machine
BEO	— Bintulu Edible Oils Sdn. Bhd. (188264-X)
BLD	— Bintulu Lumber Development Sdn Bhd (25223-M), a wholly-owned subsidiary of BLDP
BLD Group	— BLD and its subsidiaries, namely GM, Niamas and BLDR
BLDH	— BLD Holdings Sdn Bhd (514487-V), a Substantial Shareholder of BLDP
BLDP or the Company	— BLD Plantation Bhd. (562199-A)
BLDP Group	— BLDP and its subsidiaries, namely BLD Group and Kirana
BLDR	— BLD Resources Sdn Bhd (580032-X), a wholly owned subsidiary of BLD
BLR	— Base Lending Rate

DEFINITIONS (cont'd)

BPSB	— Bintulu Port Sdn Bhd (254396-V), operator of Bintulu Port
CA	— Commercial Agencies Sdn Bhd (121223-P), a Substantial Shareholder of BLDP
CDS	— Central Depository System
Central Depositories Act	— The Securities Industry (Central Depositories) Act 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
Consideration Shares	— 64,289,998 new BLDP Shares issued to the Vendors of BLD pursuant to the Acquisition of BLD at an issue price of approximately RM1.06 per Share
CPKO	— Crude Palm Kernel Oil
CPO	— Crude Palm Oil
EFB	— Empty Fruit Bunch
EPS	— Earnings Per Share
FFA	— Free Fatty Acid
FFB	— Fresh Fruit Bunches
FIC	— Foreign Investment Committee of the Prime Minister Department
Gayanis	— Gayanis Sdn Bhd (244586-H)
GDP	— Gross Domestic Product
GM	— Grand Mutual Sdn Bhd (372769-V), a wholly-owned subsidiary of BLD
Ha	— Hectare (s)
Hamimas	— Hamimas Enterprises Sdn Bhd (49159-D), a Substantial Shareholder of BLDP
Kirana	— Kirana Palm Oil Refinery Sdn Bhd (355916-T), a wholly owned subsidiary of BLDP
KLSE or Exchange	— Kuala Lumpur Stock Exchange (30632-P)
KTS	— K.T.S. Holdings Sdn Bhd (8964-U), a Substantial Shareholder of BLDP
KTS Group	— KTS and its group of companies
LCDA	— Land Custody and Development Authority, a Sarawak State Government statutory body
Listed Securities	— Securities of the Company admitted for listing on the Exchange
Listing	— Admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of BLDP of RM85,000,000 comprising 85,000,000 Shares on the Main Board of the KLSE

DEFINITIONS (cont'd)

MCD or Central Depository	— Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary company of the KLSE
Member	— Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members including Depositors (being a holder of securities account with the Central Depository) whose name appear on the Record of Depositors but excluding the Central Depository or its nominee company
MI	— Minority Interest
MIDA	— Malaysian Industrial Development Authority, a government statutory body
MIH or Issuing House	— Malaysian Issuing House Sdn Bhd (258345-X)
MITI	— Ministry of International Trade and Industry
MPOA	— Malaysian Palm Oil Association
MPOB	— Malaysian Palm Oil Board, a government statutory body
MPOPC	— Malaysian Palm Oil Promotion Council
MT	— Metric Tonne(s)
NBV	— Net Book Value
NCR	— Native Customary Rights over land in the State of Sarawak, Malaysia
Niamas	— Niamas Istimewa Sdn Bhd (527714-P), a 60% owned subsidiary of BLD
NTA	— Net Tangible Assets
OER	— Oil Extraction Rate
Official List	— means a list specifying all securities which have been admitted for listing on the Exchange and not removed.
PAT	— Profit After Taxation
PBT	— Profit Before Taxation
PFAD	— Palm Fatty Acid Distillate
PK	— Palm Kernel
PKO	— Palm Kernel Oil
POME	— Palm Oil Mill Effluent
PORLA	— Palm Oil Registration and Licensing Authority (now part of MPOB)
Public Issue	— Public Issue of 20,710,000 new Shares in BLDP at an issue price of RM2.00 per Share to eligible Directors and employees of BLDP Group and the Malaysian public
Public Issue Price	— RM2.00 per Share

DEFINITIONS (cont'd)

Public Issue Shares	— The 20,710,000 new Shares in BLDP which are the subject of the Public Issue
Promoters	— Dato Sri Lau Hui Kang, Henry Lau Lee Kong and Tuan Haji Wan Abdillah bin Wan Hamid
PE Multiple	— Price Earnings Multiple
Restructuring and Listing Exercise	— The Acquisitions and Listing collectively
RBD	— Refined, Bleached and Deodorised
R&D	— Research and Development
RM and sen	— Ringgit Malaysia and Sen respectively
Rules	— The Rules of Central Depository including any amendment or modification thereto
SC	— Securities Commission
Securities	— Securities, debentures, stock options, warrants or other form of convertible securities issued and allotted by the Company and the meaning assigned to it in the Central Depositories Act
Share(s)	— Ordinary share(s) of RM1.00 each
SLDB	— Sarawak Land Development Board, a State Government statutory body set up to develop state land in Sarawak on a large scale basis through conversion of rural land into oil palm and rubber plantations
SME	— Small and Medium Enterprises
Substantial Shareholder(s)/ Substantial Shareholding	— A person who has an interest or interests in one or more voting shares in the company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company. For the purpose of this definition, “interest in shares” shall have the meaning given in section 6A of the Act.
Special Resolution	— The meaning assigned thereto by the Act
Syarikat Payang	— Syarikat Payang Sdn Bhd (17643-T), a Substantial Shareholder of BLDP
TWA	— Timber World Agencies Sdn Bhd (29777-W), a Substantial Shareholder of BLDP
US	— United States of America
USD	— United States Dollar(s)
Wawasan	— Wawasan Sedar Sdn Bhd (258380-W)

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name and designation	Address	Occupation	Nationality
Tan Sri Datuk Amar Haji Bujang Mohd. Nor (Independent Non-Executive Chairman)	145, Jalan Abong Taip, 93400 Kuching, Sarawak	Director	Malaysian
Dato Sri Lau Hui Kang (Executive Deputy Chairman)	2, Lorong 2, Jalan Tun Abang Haji Openg, 96000 Sibul, Sarawak	Director	Malaysian
Henry Lau Lee Kong (Executive Director)	2, Lorong 2, Jalan Tun Abang Haji Openg, 96000 Sibul, Sarawak	Director	Malaysian
Tuan Haji Wan Abdillah bin Wan Hamid (Executive Director)	2-A, Lorong 3, Jalan Au Yong, 96000 Sibul, Sarawak	Director	Malaysian
Robert Lau Hui Yew (Non-Executive Director)	1A, Lorong 2, Jalan Kenari, 96000 Sibul, Sarawak	Advocate	Malaysian
Chong Chon Chee (Independent Non-Executive Director)	5, Taman Bunga Teratai, 93200 Kuching, Sarawak	Consultant	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Tan Sri Datuk Amar Haji Bujang Mohd. Nor	Chairman	Independent Non-Executive Chairman
Chong Chon Chee	Member	Independent Non-Executive Director
Henry Lau Lee Kong	Member	Executive Director

COMPANY SECRETARY

Alvin Lau Lee Jen (MIA13153)
No. 20, Jalan Bruang
96000 Sibul, Sarawak

REGISTERED OFFICE AND HEAD OFFICE

Level 6, Crown Towers, 88 Jalan Pending
93450, Kuching, Sarawak
Tel: 082-335311
Fax: 082-348311
E-Mail: bld@bld.com.my

REGISTRAR

Signet Share Registration Services Sdn Bhd (506293-D)
11th Floor, Tower Block, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur

ISSUING HOUSE

Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose, Capital Square
No.8 Jalan Munshi Abdullah
50804 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Regional Office, 4th Floor, Crown Towers
88 Jalan Pending
93450, Kuching, Sarawak

CORPORATE INFORMATION (cont'd)

PRINCIPAL BANKERS (cont'd)

RHB Bank Berhad (6171-M)
East Malaysia BBG
Penthouse, Gaya Centre
14th. Floor, Jalan Tun Fuad Stephens
88400 Kota Kinabalu, Sabah

HSBC Bank Malaysia Berhad (127776-V)
Bangunan BINAMAS
Lot 138, Section 54, KTLD
Jalan Padungan,
93100, Kuching, Sarawak

Standard Chartered Bank Malaysia Bhd (115793P)
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak

**AUDITORS AND REPORTING
ACCOUNTANTS**

Messrs. Ernst & Young (AF: 0039)
Chartered Accountants
Room 300-303, 3rd Floor,
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak

**SOLICITORS FOR THE PUBLIC
ISSUE**

Zaid Ibrahim & Co.
Level 19, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

**ADVISER, MANAGING
UNDERWRITER AND PLACEMENT
AGENT**

AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

UNDERWRITERS

AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Aseambankers Malaysia Berhad (15938-H)
33rd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

K & N Kenanga Bhd (15678-H)
Level 4, Wisma Mahmud
Jalan Sungai Sarawak
93100 Kuching, Sarawak

Malaysian International Merchant Bankers Berhad (10209-W)
21st Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur

MARKET RESEARCHER

ACNielsen (Malaysia) Sdn Bhd (10909-V)
19/F Menara MPPJ, Jalan Tengah
46200 Petaling Jaya, Selangor Darul Eshan

LISTING SOUGHT

Main Board of the KLSE

BLD PLANTATION BHD.

(Company No. 562199-A)
(Incorporated in Malaysia under the Companies Act, 1965)

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION, INCLUDING THE ACCOUNTANTS' REPORT AND NOTES THERETO, INCLUDED ELSEWHERE IN THIS PROSPECTUS. THIS PROSPECTUS CONTAINS CERTAIN STATEMENTS OF A FORWARD LOOKING NATURE RELATING TO FUTURE EVENTS OR THE FUTURE FINANCIAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES. PROSPECTIVE INVESTORS ARE CAUTIONED THAT SUCH STATEMENTS ARE ONLY PREDICTIONS AND THAT ACTUAL RESULTS OR EVENTS WHEN MATERIALISED MAY DIFFER MATERIALLY FROM THOSE DISCLOSED IN THIS PROSPECTUS. THEREFORE IN EVALUATING SUCH STATEMENTS, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE VARIOUS FACTORS IDENTIFIED IN THIS PROSPECTUS, INCLUDING THE MATTERS SET FORTH UNDER THE HEADING "RISK FACTORS".

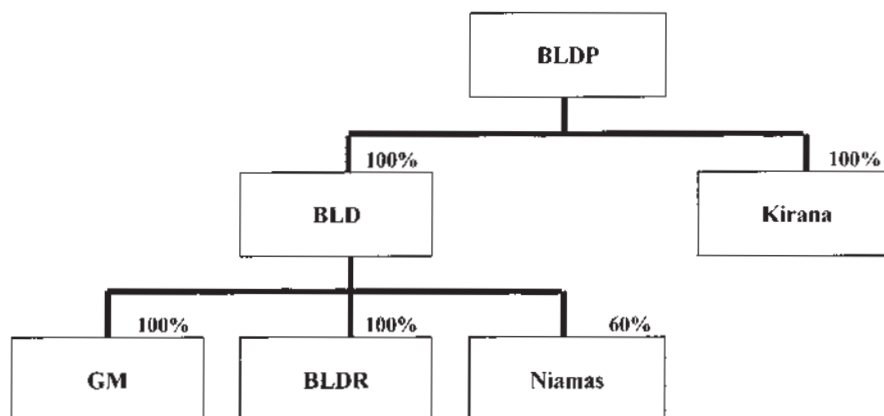
1. SUMMARY

1.1 History and Business

BLDP was incorporated in Malaysia as a public limited company under the Act on 19 October 2001. The present authorised share capital of the Company is RM500,000,000 comprising 500,000,000 Shares of which 64,290,000 Shares have been issued and are fully paid-up.

BLDP is principally an investment holding company. As an integral part of the Restructuring and Listing Exercise, BLDP acquired Kirana and also BLD, together with its three (3) subsidiaries, namely GM, Niamas and BLDR. BLDP Group is principally involved in the cultivation of oil palm, processing of FFB and sales of related products. BLDP Group is also involved in other ancillary activities, namely integrated cattle farming and timber business. The timber business has gradually declined and is expected to be phased out by 2004.

The BLDP Group structure is depicted below :-



Summary details of the subsidiaries of BLDP Group and their principal activities are as follows :-

Subsidiaries	Date of incorporation	Equity interest	Principal Activities
BLD #	20.10.1975	100%	Oil palm plantation and palm oil milling
Kirana	17.08.1995	100%	Intended for palm oil refinery
GM *	05.01.1996	100%	Oil palm plantation
Niamas *	29.09.2000	60%	Oil palm plantation
BLDR *	13.05.2002	100%	Intended for oil palm plantation

Notes :-

also involved in other ancillary activities, i.e. integrated cattle farming and timber business
* subsidiaries of BLD

1. SUMMARY (cont'd)

BLD commenced its business in 1975 in timber logging when it was awarded the harvesting rights of all merchantable timber trees at Sawai Land District, Suai, Miri under timber licence No. T/0127. The licence expired in May 1999 and since then it has been renewed on an annual basis.

In response to the State Government's call to promote plantation agriculture in Sarawak and in view of the growing prospects of the palm oil industry, BLD, in 1987, diversified its business into oil palm plantation with the cultivation of oil palms on approximately 8,062 Ha of logged-over land. Since then, BLD's oil palm business has grown over the years. From 1997 onwards, oil palm plantation has been the principal activity of BLD.

In April 1996, BLD ventured into downstream activity by setting up its mill to produce CPO and PK. The current processing capacity is 60 MT of FFB per hour which is the equivalent to approximately 380,000 MT of FFB per annum. In 2002, the production volumes of CPO and PK were 64,400 MT and 14,700 MT respectively.

In 2000, as part of its expansion plan, BLD acquired approximately 21,800 Ha of plantation land in Lassa Land District, Mukah, and Kabang Land District, Sibu to expand its plantation land bank for future plantation development. In addition, in the same year, BLD also acquired the entire equity interest in GM, also an oil palm plantation company with approximately 4,856 Ha of agriculture land. GM's plantation land is close to BLD oil palm plantations and this provides synergistic benefits to BLDP Group as it helps to reduce operational costs. Subsequently, in 2001, BLD also entered into a joint venture with SLDB for a 60% equity interest in Niamas, another plantation company with approximately 2,458 Ha of land. Recently in 2003, BLD acquired the entire equity interest in BLDR, currently a dormant company earmarked for oil palm plantation.

Currently, BLDP Group has a total estimated plantation land of approximately 40,728 Ha in the State of Sarawak. As at end March 2003, approximately 14,100 Ha of the land area has been developed and approximately 12,200 Ha are planted, of which approximately 8,200 Ha are mature plantation. The remaining approximately 26,500 Ha will be gradually planted in the coming years and the increase in planted area will further enhance the growth and earnings of BLDP Group.

The main products of BLDP Group are CPO and PK. All the FFB harvested from BLD Group's plantation are sent to its palm oil mill for processing into CPO and PK which are subsequently sold to a local refinery for further processing.

BLDP has also acquired Kirana which has a refinery manufacturing licence to operate a palm oil refinery in Tanjung Kidurong Industrial Estate in Bintulu, Sarawak. Construction of the palm oil refinery is expected to commence in 2006 and would enable BLDP Group to further diversify its products to include RBD palm oil, cooking oil and other related products.

Further information on BLDP Group is disclosed in Section 4 of this Prospectus.

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1. SUMMARY (cont'd)**1.2 Shareholdings of Promoters, Substantial Shareholders, Directors and Key Management Team**

The direct and indirect interest of the Promoters, Substantial Shareholders, Directors and key management team of BLDP Group in the issued and paid-up share capital of the Company before and after the Public Issue are as follows: -

	Designation	<----- Before the Public Issue ----->				<----- After the Public Issue # ----->			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Promoters/ Substantial Shareholders									
BLDH		33,412,330	51.97	-	-	33,412,330	39.31	-	-
Syarikat Payang		15,017,470	23.36	-	-	15,017,470	17.67	-	-
TWA		3,254,487	5.06	-	-	3,254,487	3.83	-	-
Dato Sri Lau Hui Kang	Promoter, Director and Substantial Shareholder	21	*	36,957,181 ^a	57.49	470,021	0.55	37,427,181 ^a	44.03
Henry Lau Lee Kong	Promoter, Director and Substantial Shareholder	-	-	35,722,664 ^b	55.56	470,000	0.55	36,192,664 ^b	42.58
Lau Swee Nguong @ Lau Sui Guang	Substantial Shareholder	-	-	34,203,903 ^c	53.20	100,000	0.12	34,303,903 ^c	40.36
Tuan Haji Wan Abdillah bin Wan Hamid	Promoter, Director and Substantial Shareholder	21	*	17,187,107 ^d	26.73	470,021	0.55	17,187,107 ^d	20.22
YB Dato' Seri Law Heng Ding	Substantial Shareholder	-	-	3,254,487 ^e	5.06	-	-	3,254,487 ^e	3.83
Robert Lau Hui Yew	Non-Executive Director	-	-	34,008,634 ^f	52.90	100,000	0.12	34,008,634 ^f	40.01
		51,684,329	80.39			51,684,329	60.81		
Directors									
Tan Sri Datuk Amar Haji Bujang Mohd. Nor	Independent Non-Executive Chairman	-	-	-	-	100,000	0.12	-	-
Dato Sri Lau Hui Kang	Executive Deputy Chairman	21	*	36,957,181 ^a	57.49	470,021	0.55	37,427,181 ^a	44.03
Henry Lau Lee Kong	Executive Director	-	-	35,722,664 ^b	55.56	470,000	0.55	36,192,664 ^b	42.58
Tuan Haji Wan Abdillah bin Wan Hamid	Executive Director	21	*	17,187,107 ^d	26.73	470,021	0.55	17,187,107 ^d	20.22
Robert Lau Hui Yew	Non-Executive Director	-	-	34,008,634 ^f	52.90	100,000	0.12	34,008,634 ^f	40.01
Chong Chon Chee	Independent Non-Executive Director	-	-	-	-	100,000	0.12	-	-
		42	*			1,710,042	2.01		

1. SUMMARY (cont'd)

	Designation	Before the Public Issue			After the Public Issue #		
		Direct	%	Indirect	Direct	%	Indirect
Key Management Team							
Lau Hieng Su @ Lau Hieng Sii	General Operations Manager	-	-	650,898 ^f	100,000	0.12	650,898 ^f
Loo Tau Thong	Estate General Manager	-	-	-	190,000	0.22	-
Seng Cheak Chai	Financial Controller	-	-	-	190,000	0.22	-
Wong Lin Siong	Mill Manager	-	-	-	190,000	0.22	-
Kong Shaw Kian	Administrative Manager	-	-	-	190,000	0.22	-
Chang Sen Fin	Senior Estate Manager	-	-	-	70,000	0.08	-
Teng Tiong Kee	Senior Estate Manager	-	-	-	70,000	0.08	-
Daniel Wong Yuk Chee	Estate Manager	-	-	-	20,000	0.02	-
Musa bin Ismail	Senior Divisional Manager	-	-	-	190,000	0.22	-
Lau Kiew Liong	Estate Accounts Manager	-	-	-	20,000	0.02	-
Bakawi bin Ismail	Divisional Manager	-	-	-	20,000	0.02	-
Man Anoh	Divisional Manager	-	-	-	20,000	0.02	-
Simon Siar Ak Manyus	Estate Manager	-	-	-	11,000	0.01	-

Notes:-

* negligible percentage

incorporating the proposed pink form allocation

a deemed interested by virtue of his Substantial Shareholding in KTS, BLDH, C.A. Trading Sdn Bhd, C.A. Faircom Enterprises Sdn Bhd and his family's interests in BLDP

b deemed interested by virtue of his Substantial Shareholding in KTS, BLDH, C.A. Trading Sdn Bhd, C.A. and his family's interests in BLDP. He is also the son of Dato Sri Lau Hui Kang

c deemed interested by virtue of his Substantial Shareholding in KTS, BLDH and Vasty Development Sdn Bhd and his family's interests in BLDP

d deemed interested by virtue of his Substantial Shareholding in Syarikat Payang and Hamimas

e deemed interested by virtue of his Substantial Shareholding in TWA

f deemed interested by virtue of his Substantial Shareholding in Gannets Sdn Bhd which has interest in BLDP

g deemed interested by virtue of his Substantial Shareholding in KTS, BLDH and Vasty Development Sdn Bhd and his family's interests in BLDP

Further information on the Promoters, Substantial Shareholders, Directors and key management team and the direct and indirect shareholdings of the foregoing persons/ companies in the Company, are set out in Section 8 of this Prospectus.

I. SUMMARY (cont'd)**1.3 Financial Records For The Past Five (5) Financial Years**

The following table has been extracted from the Accountants' Report included in Section 12 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The summarised proforma consolidated profit and loss accounts of BLDP Group for five (5) financial years ended 31 December 2002 are set out below for illustrative purposes only and have been prepared on the assumption that BLDP Group has been in existence throughout the periods under review :-

	← For the financial years ended 31 December →				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	109,577	85,626	54,329	54,007	106,491
Profit before finance cost, depreciation, amortisation and taxation charges	37,407	32,578	16,016	18,723	35,457
Finance cost	-	-	(29)	-	(24)
Depreciation	(5,751)	(5,520)	(3,660)	(4,475)	(4,119)
Amortisation	(194)	(194)	(339)	(539)	(632)
PBT	31,462	26,864	11,988	13,709	30,682
Taxation	(10,266)	603	(1,335)	(4,100)	(8,091)
PAT	21,196	27,467	10,653	9,609	22,591
MI	-	-	-	11	7
PAT after MI	21,196	27,467	10,653	9,620	22,598
Number of Shares assumed in issue (RM'000)	64,290	64,290	64,290	64,290	64,290
Gross EPS (sen)	48.94	41.79	18.65	21.32	47.72
Net EPS (sen)	32.97	42.72	16.57	14.96	35.15
Gross dividend rate (%)	15.55	15.55	122.49	-	19.22

Notes:-

- (i) The proforma consolidated profit and loss are based on the audited financial statements of the subsidiaries, BLD Group and Kirana, as BLDP was only incorporated on 19 October 2001.
- (ii) BLD commenced plantation development activity for the cultivation of oil palm in 1987 and has maintained consistent production and revenue for this business segment during the financial years under review. BLD's initial principal activities of timber operations have gradually changed to palm oil operations.
- (iii) The higher revenue and PAT recorded in 1998 were mainly due to the increase in CPO and PK prices. In 1999, despite the drop in prices of CPO and PK, BLD registered a higher PAT of RM27.47 million compared to PAT of RM21.20 million in 1998, due to better yield from its plantations and lower volumes of FFB purchased from external suppliers and the fact that it was a tax-waiver year. However, revenue and PAT dropped in 2000 and 2001 due to the sluggish CPO and PK prices.

Revenue and PAT increased substantially in 2002 due to higher CPO and PK prices in 2002 as well as increase in the volume of CPO and PK sold. In 2002, average selling prices of CPO and PK increased by 60% and 63% respectively, whilst the sales volumes of CPO and PK increased by 41% and 27% respectively.
- (iv) The effective tax rates for the years ended 1997, 1998 and 2000 were lower than the statutory rate due to the availability of tax incentives for set-off in the forms of agriculture and reinvestment allowances. The income tax in 1999 was waived in accordance with the Income Tax (Amendment) Act, 1999 and the provision was in respect of transfer from deferred taxation. The higher tax rate for 2001 was due to tax incentives having been fully utilised earlier and also the disallowance of certain expenses for taxation purposes.
- (v) There were no exceptional or extraordinary items for the financial years under review.
- (vi) The Gross EPS and Net EPS have been calculated based on the PAT after MI and the number of Shares assumed in issue after the Acquisitions but before the Public Issue.

1. SUMMARY (cont'd)**1.4 Proforma Consolidated Balance Sheet As At 31 December 2002**

The Proforma Consolidated Balance Sheets of BLDP set out below are provided for illustrative purposes only to show the effects of the Acquisitions and the Public Issue on the assumption that these transactions were completed on 31 December 2002 and should be read in conjunction with the notes as set out in Section 11.10 of this Prospectus.

	Company RM'000	Proforma Group after Acquisitions RM'000	Proforma Group after Acquisitions and Public Issue RM'000
Share capital	*	64,290	85,000
Share premium	-	3,858	21,068
Reserve on consolidation	-	13,882	13,882
Reserves	(4)	(4)	(4)
Shareholders' funds	(4)	82,026	119,946
NTA	N/A	81,998	119,918
NTA per Share (RM)	N/A	# 1.28	# 1.41

Notes :-

* *The balance sheet of BLDP as at 31 December 2002, before the acquisitions and Public Issue, is represented by its current share capital of RM2.*

No revaluation surplus from the landed properties of BLDP Group has been incorporated in the accounts of BLDP Group. The market value of the landed properties, as valued by Jordan Lee, Jaafar & Chew Sdn Bhd, an independent registered valuer, on 29 June 2002 of RM274.50 million is set out in Section 9.2 for information purposes only.

N/A *Not applicable*

Further information on the Proforma Consolidated Balance Sheets are set out in Section 11.10 of this Prospectus.

1.5 Auditors' Qualification

There was no audit qualification during the periods under review.

1.6 Risk Factors

The following are some of the main risk factors (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the Public Issue Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the Public Issue Shares :-

- (i) **Marketability of BLDP's Shares** : Prior to the Listing, there has been no public market for BLDP's Shares. There can be no assurance that an active market for BLDP's Shares will develop upon listing on the Main Board of the KLSE or, if developed, that such market will be sustained;
- (ii) **Delay in or Abortion of the Listing** : The occurrence of certain unforeseeable events may cause a delay in or abortion of the Listing. Although the Directors of BLDP will endeavour to ensure compliance by the Company of the various listing requirements to ensure timely and successful Listing, no assurance can be given that the abovementioned factors will not cause a delay in or abortion of the Listing;

I. SUMMARY (cont'd)

- (iii) **Business Risks** : BLDP Group's principal activities are the cultivation of oil palm and milling of palm oil, which are thus subject to certain business risks inherent in the palm oil industry. BLDP Group seeks to mitigate these risks by keeping itself abreast with the latest developments in the industry and has adopted and implemented various strategies to mitigate these business risks. Nevertheless, there can be no assurance that any changes to these factors will not have a material effect on BLDP Group's business;

- (iv) **Reliance on Customer and Suppliers** : BLDP Group's products namely, CPO and PK are sold to the major refinery in Sarawak, namely BEO. No assurance can be given by BLDP Group that the loss of its customer, though rather unlikely in view of the well established relationship with BEO, will not adversely affect the performance of BLDP Group in the future.

 BLDP Group also procures FFB from various plantation estates and seeds and seedlings from reputable suppliers. Any disruption in the supplies from these suppliers may temporarily affect the operation of BLDP Group. BLDP Group has established close business relationships with these suppliers and has also entered into FFB supply agreements to secure the supply of FFB;

- (v) **Fluctuations in the Demand for and Prices of Edible Oils and Fats** : The revenue and profitability of BLDP Group are mainly dependent on CPO price which is, in turn, dependent upon the world's demand for palm oil. There is no assurance that adverse movement in the demand and supply and prices of CPO and PK will not have an adverse effect on the performance of BLDP Group;

- (vi) **Substitute products** : Palm oil faces competition from other edible oils such as soyabean, sunflower seed and rapeseed oils as these edible oils are direct substitutes of palm oil. Any significant changes in the demand and supply in the world market for these substitute oils and fats may affect the demand and prices for palm oil products and may affect the profitability of BLDP Group;

- (vii) **Weather conditions** : The production and yield of FFB is dependent on favourable weather conditions. There is no assurance that any long term adverse changes in weather will not affect the performance of BLDP Group;

- (viii) **Labour Force** : The palm oil industry is a labour intensive industry. Currently, large number of foreign workers are employed in the oil palm plantations in the nurturing of seedlings, field plantings, fertilizing, harvesting as well as other routine maintenance works. BLDP Group is exploring various options to implement semi-automated operations to reduce reliance on labour force. Nevertheless, no assurance can be given that any change in immigration and labour policies on foreign workers by the Government will not affect the operations of BLDP Group;

- (ix) **Competition** : Malaysian palm oil faces competition from other CPO and PK producing nations and other oil crops (such as soyabean, sunflower seed and rapeseed oils) in the global market;

- (x) **Insurance Coverage** : At present, BLDP Group's palm oil mill, buildings, plant and machinery are adequately insured against fortuitous events such as fire, lighting, wind storm and other perils. However, BLDP Group has not insured its planted crops as the Directors believe that the risk associated with such assets is low and coverage is not cost effective;

- (xi) **Political, Economic and Environmental Considerations** : Adverse developments in political, economic and regulatory conditions in Malaysia and other countries where palm oil is currently being exported to, could materially and adversely affect the financial status of BLDP Group. Political and economic uncertainties include (but are not limited to) changes in labour laws and availability of foreign labour, interest rates, pegging of Ringgit, methods of taxation, tariff and duties;

1. SUMMARY (cont'd)

- (xii) **Control by Substantial Shareholders** : Upon completion of the Public Issue, BLDH, Syarikat Payang, Hamimas, Dato Sri Lau Hui Kang, Henry Lau Lee Kong, Lau Swee Nguong @ Lau Sui Guang, Tuan Haji Wan Abdillah bin Wan Hamid and Robert Lau Hui Yew will collectively own approximately 66% of the issued and paid-up share capital of BLDP. To safeguard the interests of the minority shareholders, an audit committee comprising a majority of independent directors will, inter-alia, monitor any transactions between BLDP Group and its Directors/ Substantial Shareholders and/or persons connected with them to ensure that these transactions are entered into at commercial terms;
- (xiii) **Potential Conflict of Interest** : Certain Directors and Substantial Shareholders of BLDP have interests in companies carrying out similar business activities as the BLDP Group. Details on the potential conflict of interest and the mitigating factors are set out in Section 10.3 of this Prospectus;
- (xiv) **Dependence on Key Personnel** : BLDP Group's continued success in the future will depend on its ability to retain and attract skilled personnel. BLDP Group has relatively low staff turnover and has been grooming younger members of the management to progressively take over managerial responsibilities from the senior managers to ensure continuity in the effectiveness of the management team;
- (xv) **Financial Risks** : At present, BLDP Group's gearing ratio is low and also enjoys relative low interest rates on its borrowings. Nevertheless, there is no assurance that future credit facilities will be available (if required) at commercially viable rates to fund BLDP Group's future expansion or working capital requirements.
- (xvi) **Achievability of Forecast** : This Prospectus contains certain forecast for BLDP Group that are based on reasonable assumptions but are nevertheless subject to uncertainties and contingencies; and
- (xvii) **Forward looking statements** : Certain information in this Prospectus is based on the historical experience of BLDP Group and may not be reflective of future results.

1.7 Principal Statistics Relating to the Public Issue

The following statistics relating to the Public Issue are derived from the full text of this Prospectus and should be read in conjunction with the text.

1.7.1 Share Capital

	RM
Authorised Share Capital 500,000,000 Shares	500,000,000
Issued And Fully Paid-Up Share Capital as at the date of this Prospectus 64,290,000 Shares	64,290,000
To be issued pursuant to the Public Issue 20,710,000 Shares	20,710,000
	85,000,000

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1. SUMMARY (cont'd)

1.7.2 Class of shares and rights

There is only one class of shares in the Company, namely Shares, all of which rank pari passu with one another.

The Public Issue Shares to be issued pursuant to this Prospectus will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of Shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of the Company.

1.7.3 Public Issue Price

Public Issue Shares	RM2.00
---------------------	--------

The factors taken into consideration in the pricing of the Public Issue Shares are set out in Section 2.6 of this Prospectus.

1.8 Proforma Group NTA As At 31 December 2002

Proforma consolidated NTA as at 31 December 2002 (RM'000) <i>(after the Acquisitions and Public Issue and after deducting estimated listing expenses of RM3,500,000)</i>	119,918 *
Proforma consolidated NTA per Share (RM) <i>(based on the enlarged share capital of 85,000,000 Shares)</i>	1.41 *

Note:-

* No revaluation surplus from the landed properties of BLDP Group has been incorporated in the accounts of BLDP Group. The market value of the landed properties, as valued by Jordan Lee, Jaafar & Chew Sdn Bhd, an independent registered valuer, on 29 June 2002 of RM274.50 million is set out in Section 9.2 for information purposes only.

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1. SUMMARY (cont'd)**1.9 Profit and Dividend Forecast****1.9.1 Consolidated Profit Forecast**

The consolidated profit forecast for the financial year ending 31 December 2003 are set out below :

Financial year ending 31 December 2003	RM'000
Revenue	97,742
Consolidated PBT	27,032
Less : Taxation	(7,823)
Consolidated PAT	19,209
Add : MI	14
Consolidated PAT after MI	19,223
Less : Pre-acquisition profit	(7,972)
Consolidated PAT after MI and pre-acquisition profit	11,251
<i>Based on number of Shares assumed in issue</i>	<i>+ 85,000</i>
<i>Gross EPS (sen)</i>	<i># 31.82</i>
<i>Net EPS (sen)</i>	<i>## 22.61</i>
<i>Gross PE ratio (times)</i>	<i>6.29</i>
<i>Net PE ratio (times)</i>	<i>8.85</i>
<i>Based on weighted average number of Shares in issue</i>	<i>@ 47,858</i>
<i>Gross EPS (sen)</i>	<i>* 39.86</i>
<i>Net EPS (sen)</i>	<i>** 23.51</i>
<i>Gross PE ratio (times)</i>	<i>5.02</i>
<i>Net PE ratio (times)</i>	<i>8.51</i>

Notes:-

- + Based on enlarged paid-up share capital upon Listing
- # Calculated based on the consolidated PBT after MI of RM27,046,100
- ## Calculated based on the consolidated PAT after MI of RM19,222,647
- @ The weighted average number of Shares is calculated on the assumption that the Shares to be issued pursuant to the Public Issue is completed in July 2003.
- * Calculated based on the consolidated PBT after MI and pre-acquisition profit of RM19,074,536
- ** Calculated based on the consolidated PAT after MI and pre-acquisition profit of RM11,251,083

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1. SUMMARY (cont'd)**1.9.2 Dividend Forecast**

The dividend forecast for the financial year ending 31 December 2003 respectively are set out below :-

Financial Year Ending 31 December 2003	Forecast
Gross dividend per share (sen)	9.00
Net dividend per share (sen)	6.48
Gross dividend yield based on the Public Issue Price of RM2.00 per Share (%)	4.50
Net dividend yield based on the Public Issue Price of RM2.00 per Share (%)	3.24
Net dividend cover (times)	3.49

Further details of dividend forecast are set out in Section 11.9 of this Prospectus

1.10 Proceeds from Public Issue and Proposed Utilisation

The gross proceeds of approximately RM41.42 million accruing to BLDP from the Public Issue are proposed to be utilised as follows :-

Purpose	RM'000
Repayment of bank borrowings	19,542
Plantation expenditures	13,908
Purchase of property, plant and equipment	3,703
Estimated listing expenses	3,500
Working capital	767
Total	41,420

Further details on the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1.11 Material Litigations, Contingent Liabilities and Material Commitments

Save as may be disclosed below, as at 12 June 2003, being the last practicable date prior to the printing of this Prospectus, there does not exist any other material litigation, contingent liabilities and material commitment which may materially affect BLDP Group :-

Contingent liabilities	RM'000
Corporate Guarantees from BLD to banking institutions for banking facilities granted to subsidiaries of BLD :-	
<input type="checkbox"/> To HSBC Bank Malaysia Berhad for bank overdrafts and term loan granted to GM	25,000
<input type="checkbox"/> To RHB Bank Berhad for bank overdraft and term loan granted to Niamas	16,000
	41,000

Further details on the above corporate guarantee are set out in Section 11.4.2 of this Prospectus.

1. SUMMARY (cont'd)

Material Commitments	RM'000
<input type="checkbox"/> Outstanding purchase consideration due to Bintulu Development Authority by Kirana in relation to the acquisition of Lot 849, Block 26, Kemena Land District located at Kidurong Industrial Area, Bintulu	1,076
<input type="checkbox"/> Contribution and development costs due to Bintulu Development Authority by Kirana in relating to the construction of the infrastructural and engineering services to abovementioned land	757
<input type="checkbox"/> Outstanding purchase consideration due to Syarikat Sebangun Sdn Bhd by Kirana in relation to the acquisition of part of Lot 847, Block 26, Kemena Land District located at Kidurong Industrial Area, Bintulu	2,000
	<u>3,833</u>

Further details on the above material commitments are set out in Section 9.2 of this Prospectus.

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