

**BLD PLANTATION BHD.** (562199-A)

**Interim Financial Report**  
**30 June 2004**

**BLD PLANTATION BHD**  
(Company No: 562199-A)

**Interim Financial Report for the Six Months ended 30 June 2004**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Income Statements**

For the Quarter Ended 30 June 2004

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2004 RM'000	30.06.2003 RM'000	30.06.2004 RM'000	30.06.2003 RM'000
Revenue		35,493	8,797	73,411	8,797
Cost of sales		(25,797)	(6,719)	(51,784)	(6,719)
Gross profit		9,696	2,078	21,627	2,078
Other operating income		253	192	343	192
Selling expenses		(2,815)	(500)	(4,933)	(500)
Administrative expenses		(1,593)	(667)	(3,068)	(667)
Profit from operations		5,541	1,103	13,969	1,103
Finance costs		(13)	-	(15)	-
Reserve on consolidation amortised net of goodwill amortised		1,295	495	2,390	495
Profit before taxation		6,823	1,598	16,344	1,598
Taxation	<b>18</b>	(1,837)	(311)	(4,302)	(311)
Profit after taxation		4,986	1,287	12,042	1,287
Minority interest		2	(2)	-	(2)
Net profit for the period		4,988	1,285	12,042	1,285
<b>Earnings per share (sen)</b>	<b>26</b>				
- Basic		5.87	6.00	14.17	12.00
- Diluted		N/A	N/A	N/A	N/A

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Balance Sheets**

As at 30 June 2004

	<b>As At 30.06.2004 RM'000</b>	<b>As At 31.12.2003 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	378,046	305,975
<b>Current Assets</b>		
Inventories	5,780	4,513
Receivables	9,907	11,296
Fixed deposits with licensed financial institutions	28,065	53,167
Cash and bank balances	12,348	6,574
	<u>56,100</u>	<u>75,550</u>
<b>Current Liabilities</b>		
Payables	37,448	15,548
Dividend payable	3,060	3,060
Taxation payable	19	19
	<u>40,527</u>	<u>18,627</u>
<b>Net Current Assets</b>	15,573	56,923
	<u>393,619</u>	<u>362,898</u>
<b>Financed by:</b>		
Share capital	85,000	85,000
Reserves	43,731	34,749
<b>Shareholders' equity</b>	<u>128,731</u>	<u>119,749</u>
<b>Minority interest</b>	274	275
<b>Reserve on consolidation net of goodwill</b>	173,262	175,652
<b>Long-term and deferred liabilities</b>		
Other payables	24,800	-
Deferred tax liabilities	66,552	67,222
	<u>91,352</u>	<u>67,222</u>
	<u>393,619</u>	<u>362,898</u>
<b>Net Tangible Assets per share (RM)</b>	<u>3.55</u>	<u>3.48</u>

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Changes in Equity**

For the Quarter Ended 30 June 2004

	<b>Share Capital RM'000</b>	<b>Retained Profit RM'000</b>	<b>Share Premium RM'000</b>	<b>Total RM'000</b>
At 1 January 2004	85,000	12,645	22,104	119,749
Final dividend	-	(3,060)	-	(3,060)
Net profit for the period	-	12,042	-	12,042
	<u>85,000</u>	<u>21,627</u>	<u>22,104</u>	<u>128,731</u>

	<b>Share Capital RM'000</b>	<b>Retained Profit RM'000</b>	<b>Share Premium RM'000</b>	<b>Total RM'000</b>
At 1 January 2003	*	(4)	-	(4)
Issues of shares	64,290	-	3,857	68,147
Net profit for the period	-	1,285	-	1,285
	<u>64,290</u>	<u>1,281</u>	<u>3,857</u>	<u>69,428</u>

\* The actual amount is RM2.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Cash Flow Statement**

For the Quarter Ended 30 June 2004

	<b>Cumulative 6 months ended 30.06.2004 RM'000</b>	<b>Cumulative 6 months ended 30.06.2003 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	16,344	1,598
Adjustments for:		
Depreciation of property, plant and equipment		
Plantation expenditure	552	65
Other property, plant and equipment	5,395	802
Reserve on consolidation recognised net of goodwill amortised	(2,390)	(495)
Interest income	(616)	(142)
Interest expense	15	-
	<hr/>	<hr/>
	19,300	1,828
Operating profit before changes in working capital		
Net change in current assets	(951)	12,989
Net change in current liabilities	46,700	413
	<hr/>	<hr/>
Cash generated from operations	65,049	15,230
Income tax paid	(3,900)	(650)
Interest received	616	142
	<hr/>	<hr/>
Net cash generated from operating activities	61,765	14,722
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Acquisitions of subsidiary company, net of cash acquired	-	8,918
Purchase of property, plant and equipment	(75,104)	(233)
Addition of plantation expenditure (net of interest and depreciation capitalised)	(2,916)	(948)
Proceeds from disposal of property, plant and equipment	2	-
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(78,018)	7,737
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Interim dividend paid	(3,060)	-
Interest paid	(15)	-
	<hr/>	<hr/>
Net cash used in financing activities	(3,075)	-
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(19,328)	22,459
<b>Cash and cash equivalents at the beginning of the year</b>	59,741	*
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	40,413	22,459
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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Cash Flow Statement  
For the Quarter Ended 30 June 2004****Analysis of cash and cash equivalents**

	<b>As A t 30.06.2004 RM'000</b>	<b>As A t 30.06.2003 RM'000</b>
Cash and bank balances	12,348	19,350
Fixed deposits with licensed financial institutions	28,065	3,109
	<hr/>	<hr/>
Deposits, cash and bank balances	40,413	22,459
	<hr/> <hr/>	<hr/> <hr/>

\* The actual amount is RM2.

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

#### **1. Basis of preparation**

The interim financial statements are unaudited and have been principally prepared in accordance with MASB 26: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003.

The accounting policies and methods of computation applied in the preparation of the interim financial statements are consistent with those used in the preparation of the most recent annual financial statements.

#### **2. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2003 was not qualified.

#### **3. Comments about seasonal or cyclical factors**

Save as expected with the consistent and usually low FFB production period during the first half of the year, the performance of the Group's operation during the first half of the year was not materially affected by any other seasonal and cyclical factors.

#### **4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting quarter.

#### **5. Changes in estimates**

There was no significant change in estimates of amounts reported which have a material impact on the reporting quarter.

#### **6. Debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period ended 30 June 2004.



## **BLD PLANTATION BHD**

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### **Notes to the Financial Information**

#### **7. Dividends Paid**

An interim dividend of 5 sen per share less tax at 28% for the financial year ended 31 December 2003 totalling RM3.06 million was paid on 15 January 2004. No dividend was paid during this reporting quarter.

#### **8. Segmental information**

No segmental analysis is presented as the Group is principally engaged in the oil palm industry in Malaysia.

#### **9. Carrying amount of revalued assets**

As at the end of this reporting quarter, the Group does not have any revalued assets.

#### **10. Subsequent events**

There is no other material event subsequent to this reporting quarter as at the date of this announcement except as disclosed in note 21.

#### **11. Changes in the composition of the Group**

There was no change in composition of the Group for this reporting quarter and current financial period ended 30 June 2004.

#### **12. Changes in contingent liabilities and contingent assets**

The Group does not have any other contingent liabilities and contingent assets since the last annual balance sheet date to the date of this announcement except the following:

	<b>RM'000</b>
Unsecured corporate guarantees favouring banks for facilities granted to subsidiaries	45,000
Less: Facilities yet to be drawn down by subsidiaries	(45,000)
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#### **13. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 June 2004 is as follows:

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****13. Capital Commitments (con't)**

	<b>RM'000</b>
Approved and contracted for	2,000
Approved but not contracted for	30,238
	<u>32,238</u>
	<u>=====</u>

**14. Review of Performance**

The revenue and profit after tax and minority interests for the period are RM73.411million and RM12.042 million respectively. The Group performed better than the last corresponding period which consist of one month as the acquisition of the subsidiaries were completed in June 2003.

**15. Comparison with Preceding Quarter's Results**

The revenue and profit before tax for the reporting quarter are RM35.493 million and RM6.823 million respectively as compared to RM37.918million and RM9.521 million respectively for the immediate preceding quarter.

**16. Commentary on prospects**

The Group's financial performance is mainly dependent on the demand for CPO and PK in world edible oil market and their corresponding prices. Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the current year.

**17. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2004</b>	<b>30.06.2003</b>	<b>30.06.2004</b>	<b>30.06.2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the period:				
Current period provision	2,172	450	4,972	450
Deferred taxation	(335)	(139)	(670)	(139)
	<u>1,837</u>	<u>311</u>	<u>4,302</u>	<u>311</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

#### **18. Taxation (con't)**

The effective tax rate of the Group is lower than statutory rate due to availability of unabsorbed capital and agriculture allowances and unutilised tax losses for offset against taxable profits of certain subsidiaries.

#### **19. Sale of unquoted investments and properties**

There were no sales of unquoted investments and properties during the current quarter.

#### **20. Quoted securities**

There were no purchases or sales of quoted securities during the current quarter.

#### **21. Corporate proposals**

##### **(a) Status of Corporate Proposals**

On 13 January 2004, Bintulu Lumber Development Sdn Bhd, a wholly-owned subsidiary of BLD Plantation Bhd entered into the following agreements:-

- (i) Conditional Sale and Purchase Agreement between Bintulu Lumber Development Sdn Bhd and Hazelland Sdn Bhd for the acquisition of two (2) parcels of land held under Lot 3930, Lambir Land District and Lot 192, Teraja Land District, both parcels of land located in Miri, Sarawak measuring approximately 5,483 hectares for a total cash consideration of RM35,400,000; and
- (ii) Conditional Sale and Purchase Agreement between Bintulu Lumber Development Sdn Bhd and Merak Murni Sdn Bhd for the acquisition of two (2) parcels of land held under Lot 3931, Lambir Land District and Lot 193, Teraja Land District, both parcels of land located in Miri, Sarawak measuring approximately 4,730 hectares for a total cash consideration of RM26,600,000.

The above acquisitions were approved by the Director of Lands and Survey, Sarawak on 2 and 3 March 2004 and the Superintendent of Lands and Survey, Sarawak on 3 March 2004. Approval from the Foreign Investment Committee was obtained on 23 March 2004.

During the Extraordinary General Meeting held on 22 April 2004, the shareholders of the Company have approved the above acquisitions.

Hazelland Sdn Bhd and Merak Murni Sdn Bhd have transferred their respective rights, titles, shares and interests on the abovementioned properties to Bintulu Lumber Development Sdn Bhd on 15 June 2004.

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**Notes to the Financial Information****(b) Status of Utilisation of Proceeds**

	<b>RM'000</b>
Gross proceeds from Public Issue	41,420
Share issue expenses	(2,463)
Acquisition of property, plant and equipment	(2,803)
Repayment of bank borrowings	(14,300)
Plantation expenditure	(4,635)
	<hr/>
Net proceeds as at 30 June 2004	17,219
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**22. Borrowings and debt securities**

The Group does not have any borrowings and debt securities as at the end of the current quarter.

**23. Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the end of the current quarter to the date of this announcement.

**24. Changes in material litigation**

There are no material litigations pending since the last annual balance sheet date to the date of this announcement.

**25. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast and profit guarantee.

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**Notes to the Financial Information****26. Dividend payable**

A final dividend of 5 sen per share less tax at 28% for the financial year ended 31 December 2003 totalling RM3.06 million was approved by shareholders at the Annual General Meeting. The dividend was paid to shareholders on 30 July 2004 to shareholders registered on 16 July 2004.

The total gross dividend per share for the current financial year to date is 5 sen.

**27. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2004</b>	<b>30.06.2003</b>	<b>30.06.2004</b>	<b>30.06.2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Basic earnings per share</i>				
Net profit for the period	4,988	1,285	12,042	1,285
Weighted average number of ordinary shares in issue ('000)	85,000	21,430	85,000	10,715
Basic earnings per share (sen)	5.87	6.00	14.17	12.00