

BLD PLANTATION BHD. (562199-A)

Interim Financial Report
31 December 2004

BLD PLANTATION BHD
(Company No: 562199-A)

Interim Financial Report for the Twelve Months ended 31 December 2004

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Income Statements

For the Quarter Ended 31 December 2004

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.2004 RM'000	31.12.2003 RM'000	31.12.2004 RM'000	31.12.2003 RM'000
Revenue		31,844	39,969	144,187	87,000
Cost of sales		(21,451)	(29,488)	(99,937)	(59,143)
Gross profit		10,393	10,481	44,250	27,857
Other operating income		432	83	961	376
Selling expenses		(1,829)	(2,258)	(6,860)	(4,147)
Administrative expenses		(2,584)	(2,606)	(7,312)	(5,570)
Profit from operations		6,412	5,700	31,039	18,516
Finance costs		-	-	(15)	-
Profit before taxation		6,412	5,700	31,024	18,516
Taxation	17	3,143	(3,794)	(5,113)	(5,592)
Profit after taxation		9,555	1,906	25,911	12,924
Reserve on consolidation amortised net of goodwill amortised		1,591	808	5,176	2,788
Minority interest		7	7	11	(3)
Net profit for the period		11,153	2,721	31,098	15,709
Earnings per share (sen)	26				
- Basic		13.12	3.2	36.58	32.82
- 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 31.12.2004 RM'000	As At 31.12.2003 RM'000
Non-current Assets		
Property, plant and equipment	397,756	305,975
Current Assets		
Inventories	8,667	4,513
Receivables	10,887	11,296
Fixed deposits with licensed financial institutions	1,421	53,167
Cash and bank balances	7,901	6,574
	<u>28,876</u>	<u>75,550</u>
Current Liabilities		
Bank overdraft	4	-
Payables	44,134	15,548
Dividend payable	-	3,060
Taxation payable	8	19
	<u>44,146</u>	<u>18,627</u>
Net Current (Liabilities)/Assets	(15,270)	56,923
	<u>382,486</u>	<u>362,898</u>
Financed by:		
Share capital	85,000	85,000
Reserves	62,787	34,749
Shareholders' equity	<u>147,787</u>	<u>119,749</u>
Minority interest	264	275
Reserve on consolidation net of goodwill	170,476	175,652
Deferred liabilities		
Deferred tax liabilities	63,959	67,222
	<u>382,486</u>	<u>362,898</u>
Net Tangible Assets per share (RM)	3.74	3.48

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 31 December 2004

	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000
At 1 January 2004	85,000	12,645	22,104	119,749
Final dividend declared	-	(3,060)	-	(3,060)
Net profit for the year	-	31,098	-	31,098
	<u>85,000</u>	<u>40,683</u>	<u>22,104</u>	<u>147,787</u>

	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000
At 1 January 2003	*	(4)	-	(4)
Issues of shares	85,000	-	24,567	109,567
Listing expenses	-	-	(2,463)	(2,463)
Interim dividend declared	-	(3,060)	-	(3,060)
Net profit for the period	-	15,709	-	15,709
	<u>85,000</u>	<u>12,645</u>	<u>22,104</u>	<u>119,749</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 31 December 2004

	Cumulative 12 months ended 31.12.2004 RM'000	Cumulative 7 months ended 31.12.2003 RM'000
Cash flows from operating activities		
Profit before taxation	31,024	18,516
Adjustments for:		
Depreciation of property, plant and equipment		
Plantation expenditure	1,086	548
Other property, plant and equipment	10,833	5,412
Gain on disposal of property, plant and equipment	(8)	-
Interest income	(1,307)	(836)
Interest expense	15	-
	<u>41,643</u>	<u>23,640</u>
Operating profit before changes in working capital		
Net change in current assets	(5,654)	8,346
Net change in liabilities	28,586	9,493
	<u>64,575</u>	<u>41,479</u>
Cash generated from operations		
Income tax paid (net of refund)	(6,478)	(4,554)
Interest received	1,307	836
	<u>59,404</u>	<u>37,761</u>
Net cash generated from operating activities		
Cash flows from investing activities		
Acquisitions of subsidiary company, net of cash acquired	-	8,918
Purchase of property, plant and equipment	(74,642)	(4,097)
Addition of plantation expenditure	(29,118)	(6,921)
Proceeds from disposal of property, plant and equipment	68	11
	<u>(103,692)</u>	<u>(2,089)</u>
Net cash used in from investing activities		
Cash flows from financing activities		
Interim dividend paid	(6,120)	-
Interest paid	(15)	(588)
Net proceeds from issuance of shares	-	38,957
Repayment of term loan	-	(14,300)
	<u>(6,135)</u>	<u>24,069</u>
Net cash (used in)/generated from financing activities		
Net (decrease)/increase in cash and cash equivalents	(50,423)	59,741
Cash and cash equivalents at the beginning of the year	59,741	*
	<u>9,318</u>	<u>59,741</u>
Cash and cash equivalents at the end of the year	9,318	59,741

BLD PLANTATION BHD

(Company No: 562199-A)

**Condensed Consolidated Cash Flow Statement
For the Quarter Ended 31 December 2004**

* 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.

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 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 31 December 2004.

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.

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 paid on 30 July 2004.

Notes to the Financial Information

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.

11. Changes in the composition of the Group

There was no change in composition of the Group for this reporting quarter and current financial year ended 31 December 2004.

12. Changes in contingent liabilities and contingent assets

	RM'000
Unsecured corporate guarantees favouring banks for facilities granted to subsidiaries	45,000
Less: Facilities yet to be used by subsidiaries	(44,820)
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	180
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13. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2004 is as follows:

	RM'000
Approved and contracted for	2,000
Approved but not contracted for	-
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	2,000
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Notes to the Financial Information

14. Review of Performance

The profit before tax for quarter ended 31 December 2004 was higher than the profit before tax for the same quarter. The Group revenue and profit before tax for the year ended 31 December 2004 was better as compared to the revenue and profit before tax in the same period in 2003 which consist of 7 months 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 RM31.844 million and RM6.412 million respectively as compared to RM38.932 million and RM11.854 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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2004 RM'000	31.12.2003 RM'000	31.12.2004 RM'000	31.12.2003 RM'000
Tax expense for the period:				
Current period provision	(893)	2,357	7,740	4,419
Under provision in previous year	7	-	636	7
Deferred taxation	(2,257)	1,437	(3,262)	1,166
	<u>(3,143)</u>	<u>3,794</u>	<u>5,113</u>	<u>5,592</u>
	=====	=====	=====	=====

Notes to the Financial Information

18. Sale of unquoted investments and properties

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

19. Quoted securities

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

20. 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.

Notes to the Financial Information

(b) Status of Utilisation of Proceeds

	RM'000
Gross proceeds from Public Issue	41,420
Share issue expenses	(2,463)
Repayment of bank borrowings	(14,300)
Acquisition of property, plant and equipment	(3,703)
Plantation expenditure	(20,187)
Working expenses	(767)
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Net proceeds as at 31 December 2004	-
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21. Borrowings and debt securities

	RM'000
Bank overdraft (secured)	4
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22. 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.

23. Changes in material litigation

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

24. Profit Forecast or Profit Guarantee

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

25. Dividend

No dividend has been proposed for the current reporting quarter.

Notes to the Financial Information

26. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2004	30.12.2003	31.12.2004	31.12.2003
	RM'000	RM'000	RM'000	RM'000
<i>Basic earnings per share</i>				
Net profit for the period/year	11,153	2,721	31,097	15,709
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	47,857
	=====	=====	=====	=====
Basic earnings per share (sen)	13.12	3.2	36.58	32.82
	=====	=====	=====	=====