

BLD PLANTATION BHD. (562199-A)

Interim Financial Report
30 June 2005

BLD PLANTATION BHD
(Company No: 562199-A)

Interim Financial Report for Six Months ended 30 June 2005

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Income Statements

For the Quarter Ended 30 June 2005

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2005 RM'000	30.06.2004 RM'000	30.06.2005 RM'000	30.06.2004 RM'000
Revenue		30,317	35,493	60,268	73,411
Cost of sales		(23,529)	(25,797)	(46,367)	(51,784)
Gross profit		6,788	9,696	13,901	21,627
Other operating income		242	253	282	343
Selling expenses		(1,049)	(2,815)	(2,171)	(4,933)
Administrative expenses		(1,012)	(1,593)	(1,707)	(3,068)
Profit from operations		4,969	5,541	10,305	13,969
Finance costs		(1)	(13)	(1)	(15)
Profit before taxation		4,968	5,528	10,304	13,954
Taxation	17	111	(1,837)	(1,539)	(4,302)
Profit after taxation		5,079	3,691	8,765	9,652
Reserve on consolidation amortised net of goodwill amortised		1,294	1,295	2,588	2,390
Minority interest		11	2	20	-
Net profit for the period		6,384	4,988	11,373	12,042
Earnings per share (sen)	26				
- Basic		7.51	5.87	13.38	14.17
- 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 2004 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Balance Sheets

	As At 30.06.2005 RM'000	As At 31.12.2004 RM'000
Non-current Assets		
Property, plant and equipment	415,272	399,163
Current Assets		
Inventories	5,822	8,667
Receivables	13,407	12,432
Deposits, cash and bank balances	8,070	9,322
	<u>27,299</u>	<u>30,421</u>
Current Liabilities		
Bank overdraft	2,664	4
Payables	38,002	41,771
Taxation payable	-	8
Dividend payable	6,120	-
Term loan	750	-
	<u>47,536</u>	<u>41,783</u>
Net Current Liabilities	(20,237)	(11,362)
	<u>395,035</u>	<u>387,801</u>
Financed by:		
Share capital	85,000	85,000
Reserves	67,808	62,555
Shareholders' equity	<u>152,808</u>	<u>147,555</u>
Minority interest	244	264
Reserve on consolidation net of goodwill	167,888	170,476
Non-current liabilities		
Deferred tax liabilities	68,845	69,506
Term loan	5,250	-
	<u>74,095</u>	<u>69,506</u>
	<u>395,035</u>	<u>387,801</u>
Net Tangible Assets per share (RM)	<u>3.77</u>	<u>3.74</u>

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2004 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 2005

	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000
At 1 January 2005	85,000	40,451	22,104	147,555
Net profit for the period	-	11,373	-	11,373
Final dividend	-	(6,120)	-	(6,120)
	<u>85,000</u>	<u>45,704</u>	<u>22,104</u>	<u>152,808</u>
At 30 June 2005	<u>85,000</u>	<u>45,704</u>	<u>22,104</u>	<u>152,808</u>

	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
Net profit for the period	-	12,042	-	12,042
Final dividend	-	(3,060)	-	3,060
	<u>85,000</u>	<u>21,627</u>	<u>22,104</u>	<u>128,731</u>
At 30 June 2004	<u>85,000</u>	<u>21,627</u>	<u>22,104</u>	<u>128,731</u>

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 2004 and the accompanying explanatory notes.

BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Cash Flow Statement

For the Quarter Ended 30 June 2005

	Cumulative 6 months ended 30.06.2005 RM'000	Cumulative 6 months ended 30.06.2004 RM'000
Cash flows from operating activities		
Profit before taxation	10,304	13,954
Adjustments for:		
Depreciation of property, plant and equipment		
Plantation expenditure	572	552
Other property, plant and equipment	5,573	5,395
Profit on disposal of property, plant and equipment	(190)	
Interest income	(89)	(616)
Interest expense	1	15
Operating profit before changes in working capital	16,171	19,300
Net change in current assets	4,204	(951)
Net change in liabilities	(3,739)	46,700
Cash generated from operations	16,636	65,049
Income tax paid	(4,573)	(3,900)
Interest received	89	616
Net cash generated from operating activities	12,152	4,322
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,169)	(75,104)
Addition of plantation expenditure	(16,020)	(2,916)
Proceeds from disposal of property, plant and equipment	263	2
Net cash used in from investing activities	(21,926)	(78,018)
Cash flows from financing activities		
Interim dividend paid	-	(3,060)
Interest paid	(138)	(2)
Proceeds from term loan	6,000	-
Net cash generated from/ (used in) financing activities	5,862	(3,062)
Net decrease in cash and cash equivalents	(3,912)	(17,138)
Cash and cash equivalents at the beginning of the period	9,318	59,741
Cash and cash equivalents at the end of the period	5,406	42,603

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004 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 2004.

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 2004 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 30 June 2005.

7. Dividends Paid

There was no dividend payment during the reporting quarter.

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.

12. Changes in contingent liabilities and contingent assets

	RM'000
Unsecured corporate guarantees favouring banks for facilities granted to subsidiaries	72,000 =====
Facilities used by subsidiaries	10,057 =====

13. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2005 is as follows:

	RM'000
Approved and contracted for	2,000
Approved but not contracted for	24,254
	----- 26,254 =====

Notes to the Financial Information

14. Review of Performance

The profit before tax for quarter ended 30 June 2005 was lower than the profit before tax in the same period in 2004 due to decline in CPO average selling price. The CPO average selling price for period ended 30 June 2005 was about RM1,345 per metric tonne compared to RM1,800 per metric tonne for period ended 30 June 2004.

15. Comparison with Preceding Quarter's Results

The revenue and profit before tax for the reporting quarter are RM30.317 million and RM4.968 million respectively as compared to RM35.493 million and RM5.528 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 6 months ended	
	30.06.2005 RM'000	30.06.2004 RM'000	30.06.2005 RM'000	30.06.2004 RM'000
Tax expense for the period:				
Current period provision	220	2,172	2,200	4,972
Deferred taxation	(331)	(335)	(661)	(670)
	<u>(111)</u>	<u>1,837</u>	<u>1,539</u>	<u>4,302</u>
	=====	=====	=====	=====

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.

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Notes to the Financial Information

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.

21. Borrowings and debt securities

	RM'000
Term loan (secured)	6,000
	<u>=====</u>

Notes to the Financial Information

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

A final dividend of 10 sen per share less tax at 28% for the financial year ended 31 December 2004 totalling RM6.12 million was approved by shareholders at the Annual General Meeting. The dividend was paid to shareholders on 29 July 2005 to shareholders registered on 15 July 2005.

26. Earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2005 RM'000	30.04.2004 RM'000	30.06.2005 RM'000	30.06.2004 RM'000
<i>Basic earnings per share</i>				
Net profit for the period	6,384	4,988	11,373	12,042
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	85,000
	=====	=====	=====	=====
Basic earnings per share (sen)	7.51	5.87	13.38	14.17
	=====	=====	=====	=====