

BLD PLANTATION BHD. (562199-A)

Interim Financial Report
31 December 2005

BLD PLANTATION BHD
(Company No: 562199-A)

Interim Financial Report for Twelve Months ended 31 December 2005

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BLD PLANTATION BHD

(Company No: 562199-A)

Condensed Consolidated Income Statements

For the Quarter Ended 31 December 2005

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.2005 RM'000	31.12.2004 RM'000	31.12.2005 RM'000	31.12.2004 RM'000
Revenue		37,218	31,871	127,946	144,214
Operating expenses		(32,569)	(22,094)	(108,113)	(110,339)
Other operating income		35	392	339	921
Profit from operations		4,684	10,169	20,172	34,796
Finance costs		(68)	-	(142)	(15)
Profit before taxation		4,616	10,169	20,030	34,781
Taxation	17	(2,967)	(845)	(7,375)	(9,102)
Profit after taxation		1,648	9,324	12,654	25,679
Reserve on consolidation amortised net of goodwill amortised		1,294	1,591	5,176	5,176
Minority interest		57	7	86	11
Net profit for the period		3,000	10,922	17,917	30,866
Earnings per share (sen)	26				
- Basic		3.53	12.85	21.08	36.31
- 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 31.12.2005 RM'000	As At 31.12.2004 RM'000
Non-current Assets		
Property, plant and equipment	433,769	399,163
Current Assets		
Inventories	6,117	8,667
Receivables	13,582	12,432
Deposits, cash and bank balances	7,579	9,322
	<u>27,278</u>	<u>30,421</u>
Current Liabilities		
Bank overdraft	8,839	4
Payables	39,736	41,771
Term loan	750	-
	<u>49,325</u>	<u>41,783</u>
Net Current Liabilities	(22,047)	(11,362)
	<u>411,722</u>	<u>387,801</u>
Financed by:		
Share capital	85,000	85,000
Reserves	74,352	62,555
Shareholders' equity	<u>159,352</u>	<u>147,555</u>
Minority interest	177	264
Reserve on consolidation net of goodwill	165,301	170,476
Non-current liabilities		
Deferred tax liabilities	76,742	69,506
Term loan	10,150	-
	<u>86,892</u>	<u>69,506</u>
	<u>411,722</u>	<u>387,801</u>
Net Assets per share (RM)	3.82	3.74

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 31 December 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 year	-	17,917	-	17,917
Final dividend	-	(6,120)	-	(6,120)
	<u>85,000</u>	<u>52,248</u>	<u>22,104</u>	<u>159,352</u>
At 31 December 2005	<u>85,000</u>	<u>52,248</u>	<u>22,104</u>	<u>159,352</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 year	-	30,866	-	30,866
Final dividend	-	(3,060)	-	(3,060)
	<u>85,000</u>	<u>40,451</u>	<u>22,104</u>	<u>147,555</u>
At 31 December 2004	<u>85,000</u>	<u>40,451</u>	<u>22,104</u>	<u>147,555</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

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Condensed Consolidated Cash Flow Statement

For the Quarter Ended 31 December 2005

	Cumulative 12 months ended 31.12.2005 RM'000	Cumulative 12 months ended 31.12.2004 RM'000
Cash flows from operating activities		
Profit before taxation	20,030	34,781
Adjustments for:		
Depreciation of property, plant and equipment		
Plantation expenditure	1,297	1,086
Other property, plant and equipment	12,909	9,664
(Profit) /Loss on disposal of property, plant and equipment	(194)	32
Interest income	(135)	(1,308)
Interest expense	142	15
Operating profit before changes in working capital	34,049	44,270
Net change in current assets	6,582	(5,641)
Net change in liabilities	(2,003)	26,223
Cash generated from operations	38,628	64,852
Income tax paid	(5,360)	(6,478)
Interest received	135	1,308
Net cash generated from operating activities	33,403	59,682
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,491)	(73,308)
Addition of plantation expenditure	(36,192)	(29,355)
Proceeds from disposal of property, plant and equipment	272	28
Net cash used in investing activities	(47,411)	(102,635)
Cash flows from financing activities		
Dividend paid	(6,120)	(6,120)
Interest paid	(1,350)	(1,350)
Proceeds from term loan	10,900	-
Net cash used in financing activities	3,430	(7,470)
Net decrease in cash and cash equivalents	(10,578)	(50,423)
Cash and cash equivalents at the beginning of the year	9,318	59,741
Cash and cash equivalents at the end of the year	(1,260)	9,318

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 Financial Reporting Standards (“FRS”) 134, 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 31 December 2005.

7. Dividends Paid

A final dividend of 10 sen per share less tax at 28% for the financial year ended 31 December 2004 totalling RM6.120 million was paid on 29 July 2005.

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	50,749 =====

13. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2005 is as follows:

Approved and contracted for	RM'000 2,000 =====
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Notes to the Financial Information

14. Review of Performance

The profit before tax for year ended 31 December 2005 was lower than the profit before tax in the same period in 2004 due to decline in CPO and PK average selling price.

15. Comparison with Preceding Quarter's Results

The revenue and profit before tax for the reporting quarter are RM37.218 million and RM4.615 million respectively as compared to RM30.459 million and RM3.544 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	
	31.12.2005 RM'000	31.12.2004 RM'000	31.12.2005 RM'000	31.12.2004 RM'000
Tax expense for the period:				
Current period provision	(5,219)	(2,452)	67	6,182
Under/(over) provision in previous year	(42)	(785)	72	(157)
Deferred taxation	8,228	4,082	7,236	3,077
	<u>2,967</u>	<u>845</u>	<u>7,375</u>	<u>9,102</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)	10,900
	<u>=====</u>

All borrowings are denominated in Ringgit Malaysia.

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

No dividend has been proposed for the current reporting quarter.

26. Earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2005 RM'000	31.12.2004 RM'000	31.12.2005 RM'000	31.12.2004 RM'000
<i>Basic earnings per share</i>				
Net profit for the period	3,000	10,922	17,917	30,866
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	85,000
Basic earnings per share (sen)	3.53	12.85	21.08	36.31