

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

**Interim Financial Report**  
**30 September 2006**

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

**Interim Financial Report for Nine Months ended 30 September 2006**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Income Statements**

For the Period Ended 30 September 2006

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		30.09.2006 RM'000	30.09.2005 RM'000 (restated)	30.09.2006 RM'000	30.09.2005 RM'000 (restated)
Revenue		41,369	30,459	99,830	90,728
Cost of sales		(30,271)	(22,022)	(74,938)	(66,182)
Gross profit		11,098	8,437	24,892	24,546
Other operating income		34	22	86	304
Selling expenses		(2,253)	(1,174)	(4,576)	(3,345)
Administrative expenses		(1,357)	(921)	(3,372)	(2,628)
Finance costs		(1,252)	(72)	(1,425)	(74)
Profit before taxation		6,270	6,292	15,605	18,803
Taxation	<b>18</b>	(1,864)	(3,196)	(4,789)	(5,345)
Profit after taxation		4,406	3,096	10,816	13,458
Reserve on consolidation amortised net of goodwill amortised		-	1,294	-	3,882
Profit for the period		4,406	4,390	10,816	17,340
Attributable to:					
Shareholders of the Company		4,470	4,388	11,015	17,351
Minority interest		(64)	2	(199)	(11)
		4,406	4,390	10,816	17,340
<b>Earnings per share (sen)</b>	<b>26</b>				
- Basic		5.26	5.16	12.96	20.41
- 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 2005 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Balance Sheets**

	<b>As At 30.09.2006 RM'000</b>	<b>As At 31.12.2005 RM'000 (restated)</b>
<b>Non-current Assets</b>		
Property, plant and equipment	475,549	445,235
Goodwill on consolidation	72	72
	<u>475,621</u>	<u>445,307</u>
<b>Current Assets</b>		
Inventories	9,066	6,117
Receivables	33,545	13,612
Deposits, cash and bank balances	6,075	7,579
	<u>48,686</u>	<u>27,308</u>
<b>Current Liabilities</b>		
Borrowings	38,137	9,589
Payables	20,282	39,860
	<u>58,419</u>	<u>49,449</u>
<b>Net Current Liabilities</b>	(9,733)	(22,141)
	<u>465,888</u>	<u>423,166</u>
	=====	=====
<b>Financed by:</b>		
Share capital	85,000	85,000
Reserves	252,992	82,488
Reserve on consolidation	-	165,373
	<u>337,992</u>	<u>332,861</u>
<b>Minority interest</b>	-	199
	<u>337,992</u>	<u>333,060</u>
	=====	=====
<b>Non-current liabilities</b>		
Deferred tax liabilities	84,746	79,956
Borrowings	43,150	10,150
	<u>127,896</u>	<u>90,106</u>
	<u>465,888</u>	<u>423,166</u>
	=====	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Balance Sheets**

<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	3.98	3.92
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The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Changes in Equity**

For the Period Ended 30 September 2006

	<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 2006				
As previously stated	85,000	52,209	22,104	159,313
Prior year adjustments – effect of change in accounting policy	-	8,175	-	8,175
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2006 (restated)	85,000	60,384	22,104	167,488
Effect of adopting FRS 3	-	165,609	-	165,609
Net profit for the period	-	11,015	-	11,015
Final dividend	-	(6,120)	-	(6,120)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2006	85,000	230,888	22,104	337,992
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<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 2005				
As previously stated	85,000	40,451	22,104	147,554
Prior year adjustments – effect of change in accounting policy	-	4,893	-	4,893
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2005 (restated)	85,000	45,344	22,104	152,448
Net profit for the period	-	17,351	-	17,351
Final dividend	-	(6,120)	-	(6,120)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2005 (restated)	85,000	52,183	22,104	163,679
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2005 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Cash Flow Statement**

For the Period Ended 30 September 2006

	<b>Cumulative 9 months ended 30.09.2006 RM'000</b>	<b>Cumulative 9 months ended 30.09.2005 RM'000 (restated)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	15,606	18,803
Adjustments for:		
Depreciation of property, plant and equipment	5,629	7,393
Gain on disposal of property, plant and equipment	1	(194)
Interest income	(95)	(107)
Interest expense	1,425	74
Operating profit before changes in working capital	22,566	25,969
Net change in current assets	(19,894)	4,101
Net change in liabilities	(20,963)	(2,383)
Cash generated from operations	(18,291)	27,687
Income tax paid	(1,605)	(5,359)
Interest received	95	107
Net cash (used in)/generated from operating activities	(19,801)	22,435
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(33,888)	(34,102)
Proceeds from disposal of property, plant and equipment	-	272
Net proceed from refund of stamp duty from acquisition of subsidiary	237	-
Net cash used in investing activities	(33,651)	(33,830)
<b>Cash flows from financing activities</b>		
Dividend paid	(6,120)	(6,120)
Interest paid	(3,481)	(320)
Proceeds from term loan and revolving credit	53,000	6,000
Repayment of term loan	(437)	-
Net cash generated from/(used in) financing activities	42,962	(440)
<b>Net decrease in cash and cash equivalents</b>	(10,490)	(11,835)
<b>Cash and cash equivalents at the beginning of the period</b>	3,740	9,318
<b>Cash and cash equivalents at the end of the period</b>	(6,750)	(2,517)
	=====	=====

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 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 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 2005.

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 except for the accounting policy changes that are expected to be reflected in the 2006 annual financial statements.

Details of these changes in accounting policies are set out in Note 2.

#### **2. Change in accounting policy**

(a) *Amortisation of positive and negative goodwill (FRS 3, Business Combinations and FRS 136, Impairment of Assets)*

In prior periods:

- positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairments; and
- negative goodwill was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognized in the income statement as those expected losses were incurred.

With effect from 1 January 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognized when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount. The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under FRS3. This has no material effect for quarter ended 31 March 2006.

Also with effect from 1 January 2006 and in accordance with FRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid, the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under FRS3. As a result, comparative amounts have not been restated.

In accordance with the transitional provisions of FRS 3, the negative goodwill of RM165.609 million was derecognised with a corresponding increase in retained earnings.



**Notes to the Financial Information**

(b) *Change in presentation (FRS 101, Presentation of Financial Statements and FRS 127, Consolidated and Separate Financial Statements) – Minority interest*

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2006, in compliance with FRS 101 and FRS 127, minority interests at the balance sheet are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented in the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interest and the equity holders of the parent.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

(c) *Non Amotisation of Plantation Expenditure*

With effect 1 January 2006, planting expenditure for newly developed land is capitalised under plantation expenditure and is not amortised. Replanting expenditure of similar crop on former developed area is chargeable to the income statement in the financial year it is incurred.

Previously, amortisation was provided on plantation expenditure of matured area. This change in accounting policy has been accounted for retrospectively.

The following comparatives have been restated due to the change in accounting policy:-

	Previously stated RM'000	Adjustments RM'000	Restated RM'000
<b>At 30 September 2005</b>			
Property, plant and equipment	422,651	10,185	432,836
Retained earnings	49,248	7,327	56,576
Deferred tax liabilities	68,751	2,839	71,590
Minority interest	235	18	253

**BLD PLANTATION BHD**

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**Notes to the Financial Information***(c) Non Amotisation of Plantation Expenditure (con't)***9 months ended 30 September 2005**

	Previously stated RM'000	Adjustments RM'000	Restated RM'000
Cost of sales	69,571	3,389	66,182
Profit before taxation	15,414	3,389	18,803
Taxation	4,408	937	5,345
Profit after tax	11,006	2,452	13,458

	Previously stated	Adjustments	Restated
<b>Earnings per share (sen)</b>	17.55	2.86	20.41

**3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

**4. 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.

**5. 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.

**6. Changes in estimates**

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

## **BLD PLANTATION BHD**

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

#### **7. Debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period ended 30 September 2006.

#### **8. Dividends Paid**

A final dividend of 10 sen per share less tax at 28% for financial year ended 31 December 2005 totalling RM6.120 million was paid on 30 August 2006.

#### **9. Segmental information**

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

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

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

#### **11. Subsequent events**

There is no other material event subsequent to this reporting quarter as at the date of this announcement.

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

There was no change in composition of the Group for this reporting quarter.

## **BLD PLANTATION BHD**

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

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

	<b>RM'000</b>
Guarantee relating to bonding requirement	2,410
	=====

#### **14. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2006 is as follows:

	<b>RM'000</b>
Approved and contracted for	47,440
Approved but not contracted for	70,191
	-----
	117,631
	=====

#### **15. Review of Performance**

The Group recorded a lower profit before tax of RM15.606 million to compared to profit before tax of RM18.803 million for the preceding year corresponding year due to increase in costs.

#### **16. Comparison with Preceding Quarter's Results**

The revenue and profit before tax for the reporting quarter are RM41.369 million and RM6.27 million respectively as compared to RM28.608 million and RM3.143 million respectively for the immediate preceding quarter.

#### **17. 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.

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**Notes to the Financial Information****18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2006</b>	<b>30.09.2005</b>	<b>30.09.2006</b>	<b>30.09.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(restated)</b>		<b>(restated)</b>
Tax expense for the period:				
Current period provision	-	3,086	-	5,286
Deferred taxation	1,864	(4)	4,789	(55)
Overprovision in previous year	-	114	-	114
	<u>1,864</u>	<u>3,196</u>	<u>4,789</u>	<u>5,345</u>
	=====	=====	=====	=====

**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**

i) The Company ("BLDP") had on 12 July 2006 entered into the following:-

- (a) a conditional Share Sale Agreement for the proposed acquisition by BLDP of a total of 27,300,000 ordinary shares of RM1.00 each in Wawasan Sedar Sdn Bhd ("WS") (representing 39.00% of the existing issued and paid-up share capital of WS ) for a total indicative purchase consideration of approximately RM167.90 million and
- (b) a conditional Share Subscription Agreement with WS for the proposed subscription by BLDP of 15,229,500 new ordinary shares of RM1.00 each in WS (representing 17.87% of the enlarged paid-up share capital of WS) at an issue price of RM6.15 per share or a total subscription value of approximately RM93.66 million.

The details were as disclosed in the said announcements.

## **Notes to the Financial Information**

### **22. Borrowings and debt securities**

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	38,137
<b>Long term borrowings</b>	
Secured	43,150
	-----
	81,287
	=====

The above borrowings are denominated in Ringgit Malaysia.

### **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.

### **26. Dividend**

No dividend has been proposed for the current reporting quarter.

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**Notes to the Financial Information****27. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2006</b>	<b>30.09.2005</b>	<b>30.09.2006</b>	<b>30.09.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(restated)</b>		<b>(restated)</b>
Profit for the period	4,406	4,390	10,816	17,340
Amount attributable by/(to) minority interest	64	(2)	199	11
	-----	-----	-----	-----
Profit for the period attributable to shareholders of the Company	4,470	4,388	11,015	17,351
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	85,000
	=====	=====	=====	=====
Basic earnings per share (sen)	5.26	5.16	12.96	20.41
	=====	=====	=====	=====