

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

**Interim Financial Report**  
**31 December 2006**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for Twelve Months ended 31 December 2006**

<b>Index</b>	<b>Page</b>
Condensed Consolidated Income Statements	1
<hr/>	
Condensed Consolidated Balance Sheets	2-3
<hr/>	
Condensed Consolidated Statement of Changes in Equity	4
<hr/>	
Condensed Consolidated Cash Flow Statement	5
<hr/>	
Notes to the Financial Information	6 - 14

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Income Statements**

For the Year Ended 31 December 2006

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.2006 RM'000	31.12.2005 RM'000 (restated)	31.12.2006 RM'000	31.12.2005 RM'000 (restated)
Revenue		34,398	37,218	134,228	127,946
Cost of sales		(18,796)	(26,450)	(93,734)	(92,632)
Gross profit		15,602	10,768	40,494	35,314
Other operating income		146	35	233	339
Selling expenses		(2,043)	(1,415)	(6,619)	(4,760)
Administrative expenses		(3,628)	(3,399)	(7,000)	(6,027)
Finance costs		(5)	(101)	(1,430)	(174)
Profit before taxation		10,073	5,888	25,679	24,692
Taxation	<b>18</b>	(3,948)	(3,427)	(8,737)	(8,772)
Profit after taxation		6,125	2,461	16,942	15,920
Reserve on consolidation amortised net of goodwill amortised		-	476	-	1,906
Profit for the period		6,125	2,937	16,942	17,826
Attributable to:					
Shareholders of the Company		6,055	2,990	17,071	17,890
Minority interest		70	(53)	(129)	(64)
		6,125	2,937	16,942	17,826
<b>Earnings per share (sen)</b>	<b>26</b>				
- Basic		7.12	3.52	20.08	21.05
- 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 31.12.2006 RM'000</b>	<b>As At 31.12.2005 RM'000 (restated)</b>
<b>Non-current Assets</b>		
Property, plant and equipment	493,459	445,235
Goodwill on consolidation	72	72
	<u>493,531</u>	<u>445,307</u>
<b>Current Assets</b>		
Inventories	8,038	6,117
Receivables	31,230	13,612
Deposits, cash and bank balances	3,746	7,579
	<u>43,014</u>	<u>27,308</u>
<b>Current Liabilities</b>		
Borrowings	39,323	9,589
Payables	16,005	39,860
	<u>55,328</u>	<u>49,449</u>
<b>Net Current Liabilities</b>	(12,314)	(22,141)
	<u>481,217</u>	<u>423,166</u>
	=====	=====
<b>Financed by:</b>		
Share capital	85,000	85,000
Reserves	259,038	82,488
Reserve on consolidation	-	165,373
	<u>344,038</u>	<u>332,861</u>
<b>Minority interest</b>	-	199
	<u>344,108</u>	<u>333,060</u>
	=====	=====
<b>Non-current liabilities</b>		
Deferred tax liabilities	88,459	79,956
Borrowings	48,650	10,150
	<u>137,109</u>	<u>90,106</u>
	<u>481,217</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>	4.05	3.92
	===	===

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 Year Ended 31 December 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	-	(42)	-	(42)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2006 (restated)	85,000	52,167	22,104	159,271
Effect of adopting FRS 3	-	173,816	-	173,816
Net profit for the period	-	17,071	-	11,015
Final dividend	-	(6,120)	-	(6,120)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	85,000	236,934	22,104	344,038
	<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	-	(54)	-	(54)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2005 (restated)	85,000	40,397	22,104	147,501
Net profit for the period	-	17,890	-	17,890
Final dividend	-	(6,120)	-	(6,120)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005 (restated)	85,000	52,167	22,104	159,271
	<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 Year Ended 31 December 2006

	<b>Cumulative 12 months ended 31.12.2006 RM'000</b>	<b>Cumulative 12 months ended 31.12.2005 RM'000 (restated)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	25,679	24,692
Adjustments for:		
Depreciation of property, plant and equipment	7,439	9,639
Gain on disposal of property, plant and equipment	(4)	(194)
Interest income	(120)	(137)
Interest expense	1,430	174
Operating profit before changes in working capital	35,066	34,174
Net change in current assets	(18,169)	6,466
Net change in liabilities	(23,855)	(1,880)
Cash generated from operations	(7,600)	38,760
Income tax paid	(1,605)	(5,359)
Interest received	120	138
Net cash (used in)/generated from operating activities	(9,085)	33,539
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(52,058)	(47,787)
Proceeds from disposal of property, plant and equipment	-	272
Net proceed from refund of stamp duty from acquisition of subsidiary	309	-
Net cash used in investing activities	(51,749)	(47,515)
<b>Cash flows from financing activities</b>		
Dividend paid	(6,120)	(6,120)
Interest paid	(5,112)	(1,382)
Proceeds from term loan and revolving credit	60,000	15,900
Repayment of term loan	(625)	-
Net cash generated from/(used in) financing activities	48,143	8,398
<b>Net decrease in cash and cash equivalents</b>	(12,691)	(5,578)
<b>Cash and cash equivalents at the beginning of the year</b>	3,740	9,318
<b>Cash and cash equivalents at the end of the year</b>	(8,951)	3,740

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 31 December 2005</b>			
Property, plant and equipment	433,873	11,362	445,235
Retained earnings	52,209	(42)	52,167
Deferred tax liabilities	76,790	3,167	79,957
Minority interest	178	21	199
Reserve on consolidation	165,373	8,216	173,589

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information***(c) Non Amotisation of Plantation Expenditure (con't)***12 months ended 31 December 2005**

	Previously stated RM'000	Adjustments RM'000	Restated RM'000
Cost of sales	97,198	(4,566)	92,632
Profit before taxation	20,125	4,567	24,692
Taxation	7509	1,263	8,772
Profit after tax	12,616	3,304	15,920
Profit for the year	17,878	52	17,826

	Previously stated	Adjustments	Restated
<b>Earnings per share (sen)</b>	21.08	(0.03)	21.05

**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**

(Company No: 562199-A)

### **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 31 December 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**

(Company No: 562199-A)

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

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

	<b>RM'000</b>
Guarantee relating to bonding requirement	1,994
	=====

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

The amount of commitments not provided for in the interim financial statements as at 31 December 2006 is as follows:

	<b>RM'000</b>
Approved and contracted for	44,532
Approved but not contracted for	42,500
	-----
	87,032
	=====

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

The Group recorded a profit before tax of RM25.678 million compared to profit before tax of RM24.692 million for the preceding corresponding year.

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

The revenue and profit before tax for the reporting quarter are RM34.398 million and RM10.073 million respectively as compared to RM41.369 million and RM4.406 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.

**BLD PLANTATION BHD**

(Company No: 562199-A)

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Tax expense for the period:				
Current period provision	196	(5,133)	196	153
Deferred taxation	3,713	8,602	8,502	8,547
(Under)/Overprovision in previous year	39	(42)	39	72
	<u>3,948</u>	<u>3,427</u>	<u>8,737</u>	<u>8,772</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 ("Proposed Acquisition") 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 ("Proposed Subscription").

(ii) Securities Commission ("SC") had vide its letter dated 29 November 2006, given its approval for the application for

(a) a waiver for BLDP and parties acting in concert ("PAC") from the obligation to make a mandatory offer ("MO") for the remaining ordinary shares in WS not already held by them after the Proposed Acquisition and the Proposed Subscription under Practice Note 2.9.6 of the Malaysian Code of Take-Over and Mergers, 1988 (Code) ("Proposed Waiver for PN 2.9.6").

## **BLD PLANTATION BHD**

(Company No: 562199-A)

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

#### **21. Corporate proposals (con't)**

- (b) Application for a waiver for KTS Holdings Sdn Bhd and PACs from the obligation to undertake a MO under Practice Note 2.9.1 of the the Code for the remaining shares in BLDP not already owned by them arising from the issuance of the consideration shares to Hwa Siang Holdings Sdn Bhd and Kuching Lumber Holdings Bhd pursuant to the proposed acquisition of equity interest in Wawasan by BLDP (“Proposed Waiver for PN2.9.1”)

The approval of the SC on the Proposed Waiver for PN 2.9.1 is subject to:

- (a) KTS and PACs fulfilling the following requirements:
  - (i) Approval being obtained from the independent holders of voting shares of BLDP, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;
  - (ii) Provision is made for the shareholders of BLDP for competent independent advice regarding the Proposed Waiver for PN 2.9.1. The appointment of the independent adviser and the independent adviser's circular to the shareholders are to be first approved and consented by the SC; and
  - (iii) KTS and PACs are to submit a declaration (to be furnished after the general meeting) addressed to the SC, attesting that KTS and PACs have not purchased shares in BLDP in the 6 months prior to the posting of the circular in relation to the proposal to the holders of voting shares, but subsequent to the discussion in relation to the Proposed Acquisition (the date of the discussion must be disclosed by KTS and PACs), whichever is the shorter period, and until the granting of the proposed exemption by the SC (if so decided).
- (c) Robert Lau Hui Yew and Lau Swee Nguong @ Lau Sui Guang confirming that their siblings/children do not have interests/beneficial interests in the Proposed Acquisition, and providing the names of the siblings/children in the said confirmations.

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	39,323
<b>Long term borrowings</b>	
Secured	48,650
	-----
	87,973
	=====

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.

**BLD PLANTATION BHD**

(Company No: 562199-A)

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>31.12.2006 RM'000</b>	<b>31.12.2005 RM'000 (restated)</b>	<b>31.12.2006 RM'000</b>	<b>31.12.2005 RM'000 (restated)</b>
Profit for the period	6,125	2,937	16,942	17,826
Amount attributable by/(to) minority interest	(70)	53	129	64
	-----	-----	-----	-----
Profit for the year attributable to shareholders of the Company	6,055	2,990	17,071	17,890
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	85,000
	=====	=====	=====	=====
Basic earnings per share (sen)	7.12	3.52	20.08	21.05
	=====	=====	=====	=====