

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

**Interim Financial Report**  
**31 December 2010**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for Twelve Months ended 31 December 2010**

<b>Index</b>	<b>Page</b>
Condensed Consolidated Statement of Comprehensive Income	1
<hr/>	
Condensed Consolidated Statement of Financial Position	2-3
<hr/>	
Condensed Consolidated Statement of Changes in Equity	4
<hr/>	
Condensed Consolidated Statement of Cash Flow	5
<hr/>	
Notes to the Financial Information	6 - 13

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Year Ended 31 December 2010

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Revenue		410,031	244,076	1,315,185	823,062
Cost of sales		(364,186)	(229,262)	(1,190,286)	(750,734)
Gross profit		45,845	14,814	124,899	72,328
Other operating income		145	1,231	386	1,462
Selling expenses		(9,427)	(5,613)	(31,311)	(18,934)
Administrative expenses		(6,798)	(3,931)	(12,101)	(8,545)
Finance costs		(1,938)	(1,737)	(6,814)	(6,735)
Profit before taxation		27,827	4,764	75,059	39,576
Taxation		(5,846)	289	(17,732)	(9,610)
Profit for the period		21,981	5,053	57,327	29,966
Other Comprehensive Income					
‘- Currency translation differences		830	-	2,328	-
<b>Total Comprehensive Income for the period</b>		22,811	5,053	59,655	29,966
		=====	=====	=====	=====
Profit for the period attributable to:					
Owners of the parent		22,016	5,276	58,191	30,102
Minority interests		(35)	(223)	(864)	135
		21,981	5,053	57,327	29,966
		=====	=====	=====	=====
Total Comprehensive Income					
Attributable to:					
Owners of the parent		22,846	5,276	60,519	30,102
Minority interest		(35)	(223)	(864)	135
		22,811	5,053	59,655	29,966
		=====	=====	=====	=====
<b>Earnings per share (sen) attribute to ordinary equity holders of the parent:</b>	<b>26</b>				
- Basic		26.88	6.21	71.20	35.41
- Diluted		Not Applicable	Not Applicable	Not Applicable	Not Applicable
		=====	=====	=====	=====

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Financial Position**

	<b>As At 31.12.2010 RM'000</b>	<b>As At 31.12.2009 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	572,629	548,993
Prepaid land lease	142,184	145,208
Deferred tax asset	11,979	17,336
Goodwill on consolidation	82	82
	726,874	711,619
<b>Current Assets</b>		
Inventories	115,647	96,464
Receivables	70,645	64,560
Deposits, cash and bank balances	163,327	82,611
Tax refundable	4,097	8,841
Derivative financial instrument	1,098	-
	354,814	252,476
<b>Total assets</b>	1,081,688	964,095
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	422,235	370,026
	507,235	455,026
<b>Total equity attribute to owners of the parent</b>	507,235	455,026
<b>Minority interest</b>	730	1,594
	507,965	456,620
<b>Non-current liabilities</b>		
Borrowings	164,107	151,803
Deferred tax liabilities	118,134	104,990
	282,241	256,793
<b>Current liabilities</b>		
Borrowings	184,330	170,876
Payables	107,152	79,806
Tax payable	-	-
	291,482	250,682
<b>Total liabilities</b>	573,723	507,475
	1,081,688	964,095
<b>Total equity and liabilities</b>	=====	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Financial Position**

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010

	<b>Attributable to owners of the parent</b>				<b>Minority interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Retained Profit</b>	<b>Share Premium</b>	<b>Total</b>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010						
As previously reported	85,000	347,922	22,104	455,026	1,594	456,620
Effect of change of FRS 139	-	(1,230)	-	(1,230)	-	(1,230)
As restated	85,000	346,692	22,104	453,796	1,594	455,390
Total comprehensive income	-	60,519	-	60,519	(43)	60,476
Final dividend	-	(7,080)	-	(7,080)	-	(7,080)
Acquisition of additional interest in subsidiary	-	-	-	-	(821)	(821)
At 31 December 2010	85,000	400,131	22,104	507,235	730	507,965

	<b>Attributable to owners of the parent</b>				<b>Minority interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Retained Profit</b>	<b>Share Premium</b>	<b>Total</b>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	85,000	324,832	22,104	431,936	1,251	433,187
Total comprehensive income	-	30,102	-	30,102	(135)	29,967
Final dividend	-	(7,012)	-	(7,012)	-	(7,012)
Acquisition of additional interest in subsidiary	-	-	-	-	(294)	(294)
Acquisition of a subsidiary	-	-	-	-	772	772
At 31 December 2009	85,000	347,922	22,104	455,026	1,594	456,620

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 2009 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Year Ended 31 December 2010

	<b>Cumulative 12months 31.12.2010 RM'000</b>	<b>Cumulative 12months 31.12.2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	77,387	39,576
Adjustments for:		
Depreciation of property, plant and equipment	12,879	11,031
Amortisation of prepaid lease rental	3,024	2,955
Gain on disposal of property, plant and equipment	(24)	(4)
Interest income	(421)	(1,158)
Interest expense	6,814	6,735
Net unrealised (gain)/loss on foreign exchange	(2,061)	103
Reserve on consolidation	-	(188)
	<hr/>	<hr/>
Operating profit before changes in working capital	97,598	59,050
Net change in working capital	2,120	(58,078)
	<hr/>	<hr/>
Cash generated from operations	99,718	972
Income tax paid net of refund	5,512	(2,095)
Interest received	421	1,158
	<hr/>	<hr/>
Net cash generated from operating activities	105,651	35
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(32,128)	(57,994)
Proceeds from disposal of property, plant and equipment	156	12
Additional investment in subsidiary company	-	(305)
Net cash outflow from acquisition of a subsidiary	-	(2,590)
	<hr/>	<hr/>
Net cash used in investing activities	(31,972)	(60,877)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividend paid	(7,080)	(7,012)
Interest paid	(11,333)	(10,613)
Net changes in term loan and revolving credit	37,304	43,014
	<hr/>	<hr/>
Net cash generated from financing activities	18,891	25,389
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	92,570	(35,453)
<b>Effect of foreign exchange changes</b>	(309)	(102)
<b>Cash and cash equivalents at the beginning of the year</b>	70,853	106,408
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	163,114	70,853
	<hr/> <hr/>	<hr/> <hr/>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Main Market 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 2009.

#### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new Financial Reporting Standards (FRSs), amendments to FRSs and Interpretations with effect from 1 January 2010:

- FRS 7: Financial Instruments: Disclosures
- FRS 8 : Operating Segments
- FRS 101: Presentation of Financial Statements (revised)
- Amendments to FRS 101: Presentation of Financial Statements
- FRS 123: Borrowing Costs (revised)
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 139 : Financial Instruments: Recognition and Measurement
- IC Interpretation 10: Interim Financial Reporting and Impairment
- Improvements to FRSs (2009)

Other than the principal effects discussed below, the adoption of the above FRSs, Amendments and Interpretations do not have any significant impact on the Group’s result.

##### **(a) FRS 8: Operating Segment**

FRS 8 requires segment information to be presented on a similar basis as that used for internal reporting purposes. As a result, the Group’s segmental reporting had been presented based on that used for internal reporting to the chief operating maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

##### **(b) FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 has introduced changes in terminology used, format and contents of financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity are required to be presented in statement of comprehensive income and components of comprehensive income are not permitted to be presented in the statement of changes in equity.



## BLD PLANTATION BHD

(Company No: 562199-A)

### Notes to the Financial Information

#### 2. Significant Accounting Policies (con't)

##### (c) FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 resulted in changes to accounting policies relating to recognition and measurement of financial instruments. A financial asset or a financial liability shall be recognized in its statement of financial position when, and only when, the group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is recorded at fair value upon initial recognition.

Subsequent to initial recognition, financial assets are classified as 'financial assets at fair value through profit or loss', 'held-to-maturity investments', loans and receivables', available for sale financial assets' or derivatives designated as hedging instruments, as appropriate.

Loans and Receivables prior to adoption of FRS 139 were stated at cost less allowance for doubtful debts. Under FRS139, financial assets categorized as loans and receivables are subsequently measured at cost using the effective interest methods. Gains or losses arising from amortization process, impairment, or derecognition of loans and receivables are recognized in profit or loss.

Financial liabilities after initial recognition are classified as 'fair value through profit or loss', 'amortised cost' or 'derivates designated as hedging instruments', as appropriate.

The group financial liabilities include borrowings, trade and other payables, and derivative instruments. Accordingly, the group assessed its derivatives and designated its derivatives arising from forward exchange contract as fair value hedge.

To qualify for hedge accounting, the group is required to document prospectively the hedging relationship of the hedge instrument, the hedged item and nature of the risk being hedged. Besides it also required to demonstrate the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value on an ongoing basis to ensure that the hedge has been effective throughout the financial reporting periods for which the hedge was designated.

In accordance with the transitional provisions for the first time adoption of FRS 139, the above changes in according policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of this standard has been accounted for by adjusting the opening balances in statement of financial position as at 1 January 2010 as follows:-

	As at 31 December 2009	Effect of adopting FRS139	As at 1 January 2010
	RM'000	RM'000	RM'000
<b>Liabilities</b>			
Derivative instrument	-	1,230	1,230
<b>Equity</b>			
Retained profit	347,922	(1,230)	346,692

## **BLD PLANTATION BHD**

(Company No: 562199-A)

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

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

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

#### **4. Comments about seasonal or cyclical factors**

The production of fresh fruit bunches is seasonal in nature and low during the first half of the year.

#### **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.

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

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current year ended 31 December 2010.

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

The Company has paid dividend amounting to RM7.080 million in respect of financial year ended 31 December 2009 during the reporting quarter.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****9. Segmental information**

The segment information for business segments predominantly conducted in Malaysia for the current financial year to date were as follows:-

**Result for period to date ended 31 December 2010**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	1,294,221	275,494	1,969	1,571,684
Less: Inter-segment revenue	-	(254,842)	(1,657)	(256,499)
External revenue	1,294,221	20,652	312	1,315,185
Results	28,738	55,560	(97)	84,201
Finance costs	(4,940)	(1,661)	(213)	(6,814)
Profit before tax	23,798	53,899	(310)	77,387
Income tax expenses	(5,357)	(12,428)	53	(17,732)
Profit/(Loss) after tax	18,441	41,471	(257)	59,655

**Result for period to date ended 31 December 2009**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	817,790	183,578	1,795	1,003,163
Less: Inter-segment revenue	(18)	(179,189)	(894)	(180,101)
External revenue	817,772	4,389	901	823,062
Results	24,265	21,803	243	46,311
Finance costs	(4,596)	(2,139)	-	(6,735)
Profit before tax	19,669	19,664	243	39,576
Income tax expenses	(4,899)	(4,575)	(136)	(9,610)
Profit after tax	14,770	15,089	107	29,966

## **BLD PLANTATION BHD**

(Company No: 562199-A)

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

#### **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 material change in composition of the Group for this reporting quarter except on 1<sup>st</sup> September 2010, Bintulu Lumber Development Sdn Bhd, a wholly owned subsidiary of BLD Plantation Bhd has acquired additional 884,880 (30%) ordinary shares of Niamas Istimewa Sdn Bhd at par value of RM1.00 each per share, thus making Niamas Istimewa Sdn Bhd wholly owned subsidiary of the Group.

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

	<b>RM'000</b>
Guarantee relating to bonding requirement	2,123
	=====

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

The amount of commitments not provided for in the interim financial statements as at 31 December 2010 is as follows:

	<b>RM'000</b>
Approved and not contracted for	-
Approved but not provided in the financial statements	17,709
	<hr/>
	17,709
	=====

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

The Group recorded a profit before tax of RM28.657 million compared to profit before tax of RM4.764 million for the preceding year corresponding quarter. The Group recorded revenue of RM410.031 million compared to RM244.076 million for the preceding year corresponding quarter.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****16. Comparison with Preceding Quarter's Results**

The Group incurred profit before tax of RM28.657 million compared to a profit before tax of RM6.433 million compared to immediate preceding quarter.

**17. Commentary on prospects**

The Group's financial performance is mainly dependent on the demand for palm oil products 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.

**18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the period:				
Deferred taxation	5,780	(314)	18,500	8,585
Current period provision		16	140	889
(Overprovision)	66	9	(908)	136
/Underprovision in prior years				
	-----	-----	-----	-----
	5,846	289	17,732	9,610
	=====	=====	=====	=====

**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.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****21. Borrowings and debt securities**

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	184,330
<b>Long term borrowings</b>	
Secured	164,107
	-----
	348,437
	=====

The above borrowings are denominated in Ringgit Malaysia.

**22. Derivative Financial Instruments**

Details of outstanding derivative financial instrument designated as fair value hedge as at 31 December 2010 was as follows:

Type of derivatives	Currency	Contract Amount	Fair Value	Gain on Fair Value Changes
Forward foreign exchange contract – maturing within 3 months	USD	RM'000 96,655	RM'000 97,753	RM'000 1,098

Forward foreign exchange contract is used purely as a hedging tool to minimise the group's exposure to changes in fair value of its firm commitment, conducted in the ordinary course of business, as a result of fluctuation in exchange rate.

The fair value of forward exchange contract is determined using forward market rates at the end of the reporting period and changes in the fair value is recognised in profit or loss. The subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss.

There is minimal credit risk as the contracts were entered into with reputable banks.

**23. Changes in material litigation**

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

**BLD PLANTATION BHD**

(Company No: 562199-A)

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>31.12.2010 RM'000</b>	<b>31.12.2009 RM'000</b>	<b>31.12.2010 RM'000</b>	<b>31.12.2009 RM'000</b>
Net profit attributable to ordinary equity holders of the parent	22,846 =====	5,276 =====	60,519 =====	30,102 =====
Weighted average number of ordinary shares in issue ('000)	85,000 =====	85,000 =====	85,000 =====	85,000 =====
Basic earnings per share (sen) for the period attributable to ordinary equity holders of the parent	26.88 =====	6.21 =====	71.20 =====	35.41 =====

**27. Realised and Unrealised Profits/Losses**

	As at 31.12.2010
Total retained profits of the Company and its subsidiaries:-	
- Realised	506,683
- Unrealised	(106,552)
	-----
	400,131
	=====