

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

**Interim Financial Report**  
**30 June 2011**

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Interim Financial Report for Six Months ended 30 June 2011**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Comprehensive Income**

For the Period Ended 30 June 2011

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Revenue		479,861	336,208	903,470	579,940
Cost of sales		(436,062)	(303,735)	(799,376)	(519,964)
Gross profit		43,799	32,473	104,094	59,976
Other operating income/(loss)		208	(4,671)	489	398
Selling expenses		(10,072)	(6,109)	(19,572)	(12,058)
Administrative expenses		(2,452)	(1,723)	(5,855)	(3,417)
Finance costs		(1,960)	(981)	(2,171)	(2,602)
Profit before taxation		29,523	18,989	76,985	42,297
Income tax expenses	<b>18</b>	(6,883)	(7,299)	(20,028)	(12,124)
Profit for the period, net of tax representing total Comprehensive Income for the period		22,640	11,690	56,957	30,173
Profit for the period attributable to:					
Owners of the parent		22,758	11,583	57,083	29,957
Minority interests		(118)	107	(126)	216
		22,640	11,690	56,957	30,173
<b>Earnings per share (sen) attribute to ordinary equity holders of the parent:</b>	<b>26</b>				
- Basic		26.77	13.63	67.16	35.24
- 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 2010 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Financial Position**

	<b>As At 30.06.2011 RM'000</b>	<b>As At 31.12.2010 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	304,965	291,957
Biological assets	434,019	424,918
Deferred tax asset	7,870	12,070
Goodwill on consolidation	82	82
	746,936	729,027
<b>Current Assets</b>		
Inventories	146,594	115,920
Receivables	25,511	67,234
Prepaid operating expenses	-	2,798
Deposits, cash and bank balances	234,130	163,244
Tax refundable	3,610	4,120
Derivative financial instrument	989	1,098
	410,834	354,414
<b>Total assets</b>	1,157,770 =====	1,083,441 =====
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	466,755	422,323
	551,755	507,323
<b>Total equity attributes to owners of the parent</b>	551,755	507,323
<b>Minority interest</b>	1,489	730
	553,244	508,053
<b>Total equity</b>	553,244	508,053
<b>Non-current liabilities</b>		
Borrowings	150,844	164,107
Deferred tax liabilities	132,815	117,842
	283,659	281,949
<b>Current liabilities</b>		
Borrowings	209,381	184,330
Payables	111,486	109,109
	320,867	293,439
<b>Total liabilities</b>	604,526	575,388
<b>Total equity and liabilities</b>	1,157,770 =====	1,083,441 =====

**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 2010 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Changes in Equity**

For the Period Ended 30 June 2011

	Attributable to owners of the parent				Minority interests	Total Equity
	Share Capital	Retained Profit	Share Premium	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	85,000	400,218	22,104	507,322	731	508,053
Total comprehensive income	-	57,083	-	57,083	(126)	56,957
Disposal of interest in a subsidiary	-	-	-	-	884	884
Dividend paid to minority interest	-	(1,600)	-	(1,600)	-	(1,600)
Final dividend	-	(11,050)	-	(11,050)	-	11,050
At 30 June 2011	85,000	444,651	22,104	551,755	1,489	553,244

	Attributable to owners of the parent				Minority interests	Total Equity
	Share Capital	Retained Profit	Share Premium	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	85,000	347,922	22,104	455,026	1,594	456,620
Total comprehensive income for the period	-	29,957	-	29,957	216	30,173
Final dividend	-	(7,080)	-	(7,080)	-	(7,080)
At 30 June 2010	85,000	370,799	22,104	477,903	1,810	479,713

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 2010 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Cash Flows**

For the Period Ended 30 June 2011

	<b>Cumulative 6 months 30.06.2011 RM'000</b>	<b>Cumulative 6 months 30.06.2010 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	76,985	42,297
Adjustments for:		
Depreciation of property, plant and equipment	8,273	7,473
Gain on disposal of property, plant and equipment	4	-
Interest income	(679)	(140)
Interest expense	2,171	2,602
Unrealised gain	636	(290)
Loss on disposal of a subsidiary	885	-
Net fair value loss on derivative	108	-
	<hr/>	<hr/>
Operating profit before changes in working capital	88,383	51,942
Net change in current assets	13,818	72,697
Net change in liabilities	2,378	(15,348)
	<hr/>	<hr/>
Cash generated from operations	104,579	109,291
Income tax paid net of refund	(345)	(891)
Interest received	679	140
	<hr/>	<hr/>
Net generated from operating activities	104,913	108,540
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and acquisition of biological asset	(28,046)	(17,917)
Proceed from disposal of property, plant and equipment	7	-
	<hr/>	<hr/>
Net cash used in investing activities	(28,039)	(17,917)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Interest paid	(4,518)	(4,396)
Net proceeds of term loan and revolving credit	11,093	7,281
Dividend paid	(12,650)	-
	<hr/>	<hr/>
Net cash (used)/generated from financing activities	(6,075)	2,885
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	70,799	93,508
<b>Effect from change in foreign exchange</b>	(607)	-
<b>Cash and cash equivalents at the beginning of the period</b>	163,030	70,853
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	233,222	164,361
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The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2010.

#### **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 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), amendments to FRSs and IC Interpretations with effect from 1 January 2011:

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations
- FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First Adopters
- Amendments to FRS1: Additional Exemptions for First-time Adopters
- Amendments to FRS2: Share-based Payment
- Amendments to FRS2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS7: Improving Disclosures about Financial Instruments
- Amendments to FRS132: Financial Instruments: Presentation – Classification of Right Issues
- Amendments to FRS138: Intangible Assets
- Amendments to FRSs: Improvements to FRSs (2010)
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-Cash Assets to Owners
- IC Interpretation 18: Transfer of Assets from Customers
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

The adoption of the above FRSs, Amendments and IC Interpretations do not have any significant financial impact on the Group’s results for the current quarter and financial year-to-date.



## **BLD PLANTATION BHD**

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### **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 2010 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 period ended 30 June 2011.

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

The Company has paid dividend amounting to RM11.050 million in respect of financial year ended 31 December 2011 during the reporting quarter.

**BLD PLANTATION BHD**

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**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 30 June 2011**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	886,184	172,057	15,639	1,073,880
Less: Inter-segment revenue	-	(154,972)	(15,438)	(170,410)
External revenue	886,184	17,085	201	903,470
Segment profit / (loss) before tax	16,381	61,507	(903)	76,985
Income tax expenses	(4,200)	(15,832)	4	(20,028)
Profit/(Loss) after tax	12,181	45,675	(899)	56,957

**Result for period to date ended 30 June 2010**

	Refinery and Kernel Crushing Plant RM'000	Milling and Plantation RM'000	Others RM'000	Consolidated RM'000
Total revenue	573,224	126,689	240	700,153
Less: Inter-segment revenue	-	(120,132)	(81)	(120,213)
External revenue	573,224	6,557	159	579,940
Segment profit / (loss) before tax	13,637	29,217	(557)	42,297
Income tax expenses	(4,133)	(7,991)	-	(12,124)
Profit/(Loss) after tax	9,504	21,226	(557)	30,173

## **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**

Bintulu Lumber Development Sdn Bhd, wholly owned subsidiary of BLD Plantation Bhd disposed 84,880 ordinary shares of RM1.00 each in Niamas Istimewa Sdn Bhd. Accordingly, the investment in Niamas Istimewa is reduced from 100% to 70%.

#### **13. Contingent liabilities and contingent assets**

The Company has given corporate guarantee for credit facilities of subsidiaries amounting to RM813.30 million.

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

The amount of commitments not provided for in the interim financial statements as at 30 June 2011 is as follows:

	<b>RM'000</b>
Approved and contracted for	20,083
Approved but not contracted for	-
	<hr/>
	20,083
	=====

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

The Group recorded a profit before tax of RM76.985 million compared to profit before tax of RM42.297 million for the preceding year corresponding quarter. The Group recorded revenue of RM903.47 million compared to RM579.94 million for the preceding year corresponding quarter.

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

The Group recorded profit before tax of RM29.523 million compared to a profit before tax of RM47.463 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. Income tax expense**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>30.06.2011</b>	<b>30.06.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the period:				
Deferred taxation	6,458	3,294	19,173	3,719
Current period provision	425	4,005	855	8,405
	-----	-----	-----	-----
	6,883	7,299	20,028	12,124
	=====	=====	=====	=====

**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**

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

	<b>RM'000</b>
<b>Short term borrowings</b>	
Secured	209,381
<b>Long term borrowings</b>	
Secured	150,844
	-----
	360,225
	=====

The above borrowings are denominated in Ringgit Malaysia.

**22. Changes in material litigation**

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

**23. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast and profit guarantee.

**24. Dividend**

No dividend has been proposed for the current reporting quarter.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****25. Earnings per share**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 6 months ended</b>	
	<b>30.06.2011 RM'000</b>	<b>30.06.2010 RM'000</b>	<b>30.06.2011 RM'000</b>	<b>30.06.2010 RM'000</b>
Net profit attributable to ordinary equity holders of the parent	22,758 =====	11,583 =====	57,083 =====	29,957 =====
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	26.77 =====	13.63 =====	67.16 =====	35.24 =====

**26. Realised and Unrealized Profit/Losses**

	<b>As At 30.06.2011 RM'000</b>	<b>As At 31.12.2010 RM'000</b>
	Total retained profits of the group	
- Realised	569,243	505,280
- Unrealised	(124,592)	(105,062)
	----- 444,651 =====	----- 400,218 =====