

UNICO-DESA PLANTATIONS BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENTS
For the financial period ended 30 June 2010
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarters	
	3 months ended		3 months ended	
	30 June		30 June	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	49,778	56,717	49,778	56,717
Cost of sales	(31,897)	(41,765)	(31,897)	(41,765)
Gross profit	17,881	14,952	17,881	14,952
Other income	150	123	150	123
Replanting expenditure	(1,906)	(3,180)	(1,906)	(3,180)
Selling and distribution costs	(124)	(125)	(124)	(125)
Administrative expenses				
- General administrative expenses	(3,484)	(3,147)	(3,484)	(3,147)
- Other expenses and impairment provision	(663)	(1,171)	(663)	(1,171)
Profit from operations	11,854	7,452	11,854	7,452
Finance cost	(1,402)	(1,422)	(1,402)	(1,422)
Profit from ordinary activities before taxation	10,452	6,030	10,452	6,030
Taxation	(2,522)	(1,322)	(2,522)	(1,322)
Profit after taxation	7,930	4,708	7,930	4,708
Net profit attributable to:				
Equity holders of the Company	7,930	4,708	7,930	4,708
Net Profit for the period	7,930	4,708	7,930	4,708
Earnings per share - basic / diluted (sen)	0.92	0.54	0.92	0.54

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010)

UNICO-DESA PLANTATIONS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2010
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarters	
	3 months ended		3 months ended	
	30 June		30 June	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	7,930	4,708	7,930	4,708
Reversal of revaluation surplus on written off of biological assets	-	(253)	-	(253)
Total comprehensive income	7,930	4,455	7,930	4,455
Total comprehensive income attributable to:				
Equity holders of the Company	7,930	4,455	7,930	4,455

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010)

UNICO-DESA PLANTATIONS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2010
(The figures have not been audited.)

	30 June 2010 RM'000	31 March 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	280,245	281,684
Biological assets	475,124	475,124
Deferred tax asset	384	495
Goodwill arising on consolidation	2,982	2,982
Hire purchase receivables	116,124	113,557
Current assets		
Inventories	8,882	8,389
Receivables, deposits and prepayments	8,523	14,094
Hire purchase receivables	41,731	38,548
Tax recoverable	466	458
Deposit, cash and bank balances	20,878	26,411
	<u>80,480</u>	<u>87,900</u>
	955,339	961,742
EQUITY AND LIABILITIES		
Share capital	220,800	220,800
Revaluation and other reserves	440,383	440,383
Retained earnings	116,401	107,217
	<u>777,584</u>	<u>768,400</u>
Less: Treasury shares	(11,658)	(11,658)
Total equity	765,926	756,742
Non-current liabilities		
Borrowings	99,364	100,336
Deferred taxation liabilities	38,318	38,472
	137,682	138,808
Current liabilities		
Payables	20,479	18,317
Bank overdrafts	1,213	3,940
Borrowings	26,107	22,655
Current tax liabilities	3,932	3,979
Dividends payable	-	17,301
	<u>51,731</u>	<u>66,192</u>
Total liabilities	189,413	205,000
	955,339	961,742
Net Assets per share (RM)	0.8819	0.8713

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010)

UNICO-DESA PLANTATIONS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 June 2010

(The figures have not been audited.)

	Issued and fully paid ordinary shares of RM0.25 each		Revaluation and other reserves	Treasury Shares	Retained earnings	Total
	Number of shares 000	Nominal value RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2010	883,200	220,800	440,383	(11,658)	107,217	756,742
Effect arising from adoption of FRS 139	-	-	-	-	1,254	1,254
As at 1 April 2010, as restated	883,200	220,800	440,383	(11,658)	108,471	757,996
Total comprehensive income	-	-	-	-	7,930	7,930
At 30 June 2010	883,200	220,800	440,383	(11,658)	116,401	765,926
At 1 April 2009	883,200	220,800	440,828	(11,658)	102,240	752,210
Total comprehensive income	-	-	(253)	-	4,708	4,455
At 30 June 2009	883,200	220,800	440,575	(11,658)	106,948	756,665

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010)

UNICO-DESA PLANTATIONS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 30 June 2010
(The figures have not been audited.)

	3 Months Ended	
	30 June	
	2010	2009
	RM'000	RM'000
Net Profit for the financial period	7,930	4,708
Adjustment for items not involving the movement of cash or cash equivalents		
Depreciation of property, plant and equipment	1,982	1,987
Allowance for doubtful debts	-	193
Impairment provision for hire purchase receivables	(245)	-
Biological asset written off	-	151
Inventories written off/ (reversal)	85	(105)
Interest expense	1,402	1,422
Interest income	(60)	(46)
Taxation	2,522	1,322
	<u>5,686</u>	<u>4,924</u>
	13,616	9,632
Changes in working capital		
Inventories	(578)	1,717
Receivables	1,321	(4,940)
Payables	2,164	6,342
	<u>2,907</u>	<u>3,119</u>
Cash flow from operations	16,523	12,751
Tax paid	(2,623)	(2,779)
Net cash from operating activities	<u>13,900</u>	<u>9,972</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(543)	(609)
Interest received	60	46
Net cash used in investing activities	(483)	(563)
Cash flows from financing activities		
Repayment of term loans	(3,221)	(3,221)
Draw down of term loans	-	25,000
Repayment of block discounting	(3,258)	(3,541)
Draw down of block discounting	8,968	6,321
Interest paid	(1,411)	(1,422)
Dividends paid	(17,301)	(17,301)
Net cash (used in)/generated from financing activities	<u>(16,223)</u>	<u>5,836</u>
Net (decrease)/increase in cash and cash equivalents during the financial period	(2,806)	15,245
Cash and cash equivalents at beginning of financial year	22,471	14,244
Cash and cash equivalents at end of financial period	<u>19,665</u>	<u>29,489</u>

	3 Months Ended	
	30 June	
	<u>2010</u>	<u>2009</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Cash and cash equivalents</u>		
Deposits with a licensed bank	16,086	30,000
Cash and bank balances	4,792	1,097
Bank overdraft	<u>(1,213)</u>	<u>(1,608)</u>
	<u>19,665</u>	<u>29,489</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

A1 Accounting Policies And Basis Of Preparation

The interim financial statements are unaudited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2010.

The interim financial statements have been prepared in accordance with Financial Reporting Standards (FRS) 134 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2010 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2010. The effect of the adoption of these FRSs, amendments and interpretations are as set out below:

(a) FRS 8 “Operating Segments”

The Group has adopted a segmental reporting approach based on the nature of business as all operations are in Malaysia. The application of FRS 8 is not expected to have a material impact on the financial statements of the Group as the same basis of measurement has been adopted in the management reports.

(b) Revised FRS 101 “Presentation of Financial Statements”

The amendment to FRS 101 requires statement of comprehensive income that shows component of other comprehensive income not attributable to shareholders and specifies terminology changes. This standard only impact the extent of disclosures in the financial statements.

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

(c) Amendment to FRS 117 “Leases”

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The prepaid lease payments is amortised over the remaining lease term of the leasehold land.

The amendment on FRS 117 requires entities with existing leases of land and building (combined) to reassess the classification of land as a finance or operating lease.

The Group after reassessment of the risks and rewards associated with the leasehold land, has determined that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment. This change in classification has no effect on the results of the Group. The classification has been accounted for retrospectively in accordance with the transitional provision.

The effects of the reclassification on the consolidated statement of financial position as at 31 March 2010 are as follow:

	Consolidated Balance Sheet	Effect on adoption of FRS 117	Consolidated Statement of Financial position
	As previously reported 31 March 2010		As restated 31 March 2010
	RM'000	RM'000	RM'000
Property, plant and equipment	106,169	175,515	281,684
Prepaid lease payments	175,515	(175,515)	-

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

(d) FRS 139 “Financial Instrument – Recognition and Measurement”

This standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

All financial instruments are recognised initially at fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial instruments. Subsequent to the initial recognition, the financial instruments are measured in accordance with the designation of the financial instruments.

The Group’s financial assets include trade and other receivables and cash and cash equivalents.

Financial liabilities are initially stated at fair value and subsequently stated at amortised cost using the effective interest method.

In accordance with the transitional provisions for the first time adoption of FRS 139, the impact is applied prospectively and the comparatives as at 31 March 2010 are not restated. The effects of changes have been adjusted in the following opening balances as at 1 April 2010:

	Balance as at 1 April 2010 before the adoption of FRS 139	Effect on adoption of FRS 139	Balance as at 1 April 2010 after the adoption of FRS 139
	RM’000	RM’000	RM’000
Hire purchase receivables (before allowance / impairment)	159,336	-	159,336
Allowance for doubtful debts	(7,231)	7,231	-
Impairment provisions	-	(5,977)	(5,977)
Hire purchase receivables	152,105	1,254	153,359
Retained earnings	107,217	1,254	108,471

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

A2 Seasonal and Cyclical Factors

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A3 Unusual Items due to Their Nature, Size or Incidence

For the current financial quarter under review, there were no unusual items that may affect the amount stated in the interim financial statements.

A4 Change in Estimates

There were no changes in estimates that have material effect in the current financial quarter results.

A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

During the quarter under review, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations and resale of treasury shares.

The total treasury shares held by the Company as at 30 June 2010 was 18.13 million shares.

A6 Dividend Paid

A single tier interim dividend of 2.0 sen per RM0.25 share for the financial year ended 31 March 2010 amounting RM17.30 million was paid on 23 April 2010.

Unico-Desa Plantations Berhad (Company No : 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

A7 Segment Reporting

Segment reporting for the year-to-date ended 30.06.2010

	Plantations	Hire Purchase	Consolidated
	RM'000	RM'000	RM'000
External revenue	41,535	8,244	49,779
Result			
Segment results	5,844	6,019	11,863
Finance cost	(727)	(684)	(1,411)
Profit before tax	5,117	5,335	10,452

Segment reporting for the year-to-date ended 30.06.2009

	Plantations	Hire Purchase	Consolidated
	RM'000	RM'000	RM'000
External revenue	49,479	7,238	56,717
Result			
Segment results	2,939	4,513	7,452
Finance cost	(1,040)	(382)	(1,422)
Profit before tax	1,899	4,131	6,030

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

A8 Post Balance Sheet Event

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A9 Changes in the Composition of the Group

For the current financial quarter under review, there were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2010.

A11 Capital Commitments

Capital commitments not provided for in the consolidated interim financial statements are as follows:

	30.06.10	30.06.09
	RM'000	RM'000
Property, plant and equipment :		
Authorised and contracted	<u>1,465</u>	<u>338</u>

A12 Related Party Disclosures

There was no significant related party transaction during the current financial quarter.

Unico-Desa Plantations Berhad (Company No : 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

B1. Review Of Performance

The Group's total Profit Before Tax (PBT) for FY11-Q1 was RM10.4 mil as compared to RM6.0 mil in FY10-Q1.

This 73% increase in the current quarter Group's PBT was mainly due to:

- a) Plantation Division
PBT increased by 168% to RM5.1 mil(FY11-Q1) as compared to RM1.9 mil (FY10-Q1) due to higher internal FFB production and lower production cost.
- b) Hire Purchase Division
PBT improved by 29% to RM5.3 mil (FY11-Q1) as compared to RM4.1 mil (FY10-Q1) mainly due to increase in hire purchase revenue.

	Individual Quarter		Cumulative Quarters	
	3 Months Ended		3 Months Ended	
	30 June		30 June	
	2010	2009	2010	2009
	RM'mil	RM'mil	RM'mil	RM'mil
Revenue				
Plantations	41.5	49.5	41.5	49.5
Hire Purchase	8.2	7.2	8.2	7.2
	49.7	56.7	49.7	56.7
Profit before tax				
Plantations	5.1	1.9	5.1	1.9
Hire Purchase	5.3	4.1	5.3	4.1
	10.4	6.0	10.4	6.0
FFB Statistic				
FFB - Internal (mt)	53,153	45,627	53,153	45,627
FFB - External (mt)	25,601	34,386	25,601	34,386
	78,754	80,013	78,754	80,013
CPO produced (mt)	16,361	16,762	16,361	16,762
PK produced (mt)	3,935	3,969	3,935	3,969
OER (%)	20.78	20.95	20.78	20.95
KER (%)	5.00	4.96	5.00	4.96
CPO average selling price (RM/MT)	2,448	2,581	2,448	2,581
PK average selling price (RM/MT)	1,481	1,120	1,481	1,120

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

B2 Comparison of Results with Preceding Quarter

The Group's total Profit Before Tax (PBT) for current quarter was RM10.4 mil as compared to RM13.4 mil of the immediate preceding quarter.

The 22% decrease in the Group's PBT was mainly due to:

- a) Plantation Division
PBT decreased by 45% from RM9.3 mil to RM5.1 mil as a result of lower internal FFB production and higher replanting expenses during the current financial quarter.
- b) Hire Purchase Division
PBT increased by 29% from RM4.1 mil to RM5.3 mil, due to improvement of the impairment provisions on hire purchase receivables in the current financial quarter.

	Q1 2011 RM' Million	Q4 2010 RM' Million
Revenue		
Plantations	41.5	50.0
Hire Purchase Financing	8.2	7.9
	49.7	57.9
Profit before tax		
Plantations	5.1	9.3
Hire Purchase	5.3	4.1
	10.4	13.4
FFB Statistic		
FFB - Internal (mt)	53,153	55,534
FFB - External (mt)	25,601	32,315
	78,754	87,849
CPO produced (mt)	16,361	18,648
PK produced (mt)	3,935	4,217
OER (%)	20.78	21.23
KER (%)	5.00	4.80
CPO average selling price (RM/MT)	2,448	2,501
PK average selling price (RM/MT)	1,481	1,308

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

B3 Prospects and Outlook

The ongoing replanting program will inevitably impact the group's future profit. However, based on the current CPO and PK prices and the positive contribution from hire purchase segment, the performance of the Group for the current financial year is expected to be reasonable.

B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

B5 Taxation

Tax charge for the quarter and financial year ended 30 June 2010 are set out below:

	3 months ended 30/06/2010 RM'000
(a) Income Tax	2,564
(b) Deferred Taxation	(42)
	<hr/> 2,522 <hr/>

B6 Sale of Unquoted Investments and/or Properties

During the current financial quarter, there were no sales of any unquoted investment and/or properties.

B7 Particulars of Purchases and Disposal of Quoted Securities

There were no dealings in quoted securities for the current quarter under review.

B8 Status of Corporate Proposals Announced but not yet Completed

There are no corporate proposals announced as at the date of this report.

Unico-Desa Plantations Berhad (Company No : 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

B9 Group Borrowings

The Group's borrowings as at 30 June 2010 are as follows: -

		As at 30.06.10 Total RM'000	As at 31.03.10 Total RM'000
Type of Borrowing	Due and Payable		
<u>Plantations</u>			
Bank Overdraft		-	1,727
Term Loans	- within 1 year	12,884	12,884
	- later than 1 year and not later than 2 years	12,892	12,884
	- later than 2 years and not later than 5 years	37,344	40,573
		63,120	66,341
<u>Hire Purchase</u>			
Bank Overdraft		1,213	2,212
Term Loans	- within 1 year	1,000	500
	- later than 1 year and not later than 2 years	5,126	5,126
	- later than 2 years and not later than 5 years	18,504	18,504
	- later than 5 years	10,370	10,870
		35,000	35,000
Block Discounting Payables	- within 1 year	12,223	9,271
	- later than 1 year and not later than 5 years	15,128	12,379
		27,351	21,650
<u>Total Group Borrowings</u>			
Bank Overdraft		1,213	3,939
Term Loans		98,120	101,341
Block Discounting Payables		27,351	21,650
		126,684	126,930

All borrowings as at 30 June 2010 were secured.

The Group does not have any borrowings that are denominated in foreign currency.

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2010

B10 Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments.

B11 Pending Material Litigation

- (1) WRIT OF SUMMONS SERVED ON UNICO-DESA PLANTATIONS BERHAD – KUALA LUMPUR HIGH COURT (COMMERCIAL DIVISION) SUIT NO. D1-22-1853-2008

Reference is made to the Company's announcement dated 21 October 2008 in respect of the above matter.

The matter has been fixed for continued trial on 21 September 2010 to 24 September 2010, 10 January 2011 to 14 January 2011, 17 January 2011 to 21 January 2011, 7 March 2011 to 11 March 2011, 14 March 2011 to 18 March 2011 and 11 April 2011 to 15 April 2011.

The Company's solicitors are of the opinion that the Company has a good chance in defending the case. After taking into account its solicitor opinion and due deliberation by the Directors, the Board is of the opinion that there is no basis to such claim.

- (2) PETITION AND SUMMONS FOR DIRECTIONS SERVED ON UNICO-DESA PLANTATIONS BERHAD - KUALA LUMPUR HIGH COURT (COMMERCIAL DIVISION) SUIT NO. D-26-39-2009

Reference is made to the Company's announcements dated 8 July 2009 and 10 July 2009 in respect of the above matter.

The Court has fixed the Summons for Directions for further mention on 27 September 2010 pending the disposal of the 10th Respondent's application to strike out the Petition as well as the 7th Respondent's appeal to the Court of Appeal.

The Company's solicitors are of the opinion that the Company has a good chance of success in defending the claim.

Unico-Desa Plantations Berhad (Company No : 78983-V)

Notes to the Interim Financial Statements for the first quarter ended 30 June 2010

B12 Dividend

No interim dividend has been declared for the current financial quarter ended 30 June 2010.

B13 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the Group's net profit by the number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares.

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
Basic	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Net Profit (RM'000)	7,930	4,708	7,930	4,708
Weighted average number of ordinary shares (units)	865,065,461	865,065,461	865,065,461	865,065,461
Basic earnings per share (sen)	0.92	0.54	0.92	0.54

B14 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2010 was not qualified.