

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

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	30 September		30 September	
	2010	2009*	2010	2009*
	RM'000	RM'000	RM'000	RM'000
Revenue	56,634	53,265	106,412	109,982
Cost of sales	(32,157)	(33,250)	(64,054)	(75,137)
Gross profit	24,477	20,015	42,358	34,845
Other income	275	237	425	361
Replanting expenditure	(2,027)	(1,738)	(3,933)	(4,917)
Selling and distribution costs	(128)	(117)	(252)	(242)
Administrative expenses				
- General administrative expenses	(3,888)	(3,434)	(7,372)	(6,581)
- Other expenses and impairment provision	(278)	(954)	(941)	(2,125)
Profit from operations	18,431	14,009	30,285	21,341
Finance cost	(1,550)	(1,518)	(2,952)	(2,941)
Profit from ordinary activities before taxation	16,881	12,491	27,333	18,400
Taxation	(3,991)	(3,066)	(6,513)	(4,360)
Profit after taxation	<u>12,890</u>	<u>9,425</u>	<u>20,820</u>	<u>14,040</u>
Net profit attributable to:				
Equity holders of the Company	<u>12,890</u>	<u>9,425</u>	<u>20,820</u>	<u>14,040</u>
Net Profit for the period	<u><u>12,890</u></u>	<u><u>9,425</u></u>	<u><u>20,820</u></u>	<u><u>14,040</u></u>
Earnings per share - basic / diluted (sen)	1.49	1.09	2.41	1.62

**The financial year 2010 figures have been restated due to Amendment to FRS 117.*

(The Condensed Consolidated Income Statements 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 September 2010
(The figures have not been audited.)

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	2010	2009*	2010	2009*
	RM'000	RM'000	RM'000	RM'000
Profit for the period	12,890	9,425	20,820	14,040
Reversal of revaluation surplus on written off of biological assets	-	(253)	-	(253)
Total comprehensive income	<u>12,890</u>	<u>9,172</u>	<u>20,820</u>	<u>13,787</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>12,890</u>	<u>9,172</u>	<u>20,820</u>	<u>13,787</u>

**The financial year 2010 figures have been restated due to Amendment to FRS 117.*

(The Condensed Consolidated Statement of Comprehensive Income 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 September 2010
(The figures have not been audited.)

	30 September 2010	31 March 2010*
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	313,422	316,557
Biological assets	475,124	475,124
Deferred tax asset	353	495
Goodwill arising on consolidation	2,982	2,982
Hire purchase receivables	114,716	113,557
Current assets		
Inventories	10,451	8,389
Receivables, deposits and prepayments	14,410	14,094
Hire purchase receivables	48,277	38,548
Tax recoverable	468	458
Deposit, cash and bank balances	28,516	26,411
	<u>102,122</u>	<u>87,900</u>
Total assets	<u>1,008,719</u>	<u>996,615</u>
EQUITY AND LIABILITIES		
Share capital	220,800	220,800
Revaluation and other reserves	446,298	466,298
Retained earnings	109,733	107,695
	<u>796,831</u>	<u>794,793</u>
Less: Treasury shares	(11,658)	(11,658)
Total equity	<u>785,173</u>	<u>783,135</u>
Non-current liabilities		
Borrowings	91,902	100,336
Deferred taxation liabilities	46,585	46,952
	<u>138,487</u>	<u>147,288</u>
Current liabilities		
Payables	23,971	18,317
Bank overdrafts	11,011	3,940
Borrowings	26,694	22,655
Current tax liabilities	6,082	3,979
Dividends payable	17,301	17,301
	<u>85,059</u>	<u>66,192</u>
Total liabilities	<u>223,546</u>	<u>213,480</u>
Total equity and liabilities	<u>1,008,719</u>	<u>996,615</u>
Net Assets per share (RM)	0.9042	0.9018

**The financial year 2010 figures have been restated due to Amendment to FRS 117.
(The Condensed Consolidated Statement of Financial Position 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 September 2010
(The figures have not been audited.)

	Issued and fully paid ordinary shares of RM0.25 each					
	Number of shares RM'000	Nominal value RM'000	Revaluation and other reserves RM'000	Treasury Shares RM'000	Retained earnings RM'000	Total RM'000
At 1 April 2010, as previously reported	883,200	220,800	440,383	(11,658)	107,217	756,742
Effect arising from adoption of FRS 139	-	-	-	-	(1,482)	(1,482)
Effect arising from adoption of Amendment to FRS 117	-	-	25,915	-	479	26,394
As at 1 April 2010, as restated	<u>883,200</u>	<u>220,800</u>	<u>466,298</u>	<u>(11,658)</u>	<u>106,214</u>	<u>781,654</u>
Total comprehensive income	-	-	-	-	20,820	20,820
Final dividends for financial year ended 31 March 2010	-	-	-	-	(17,301)	(17,301)
At 30 September 2010	<u>883,200</u>	<u>220,800</u>	<u>446,298</u>	<u>(11,658)</u>	<u>109,733</u>	<u>785,173</u>
At 1 April 2009, as previously reported	883,200	220,800	440,828	(11,658)	102,240	752,210
Effect arising from adoption of Amendment to FRS 117	-	-	25,915	-	848	26,763
As at 1 April 2009, as restated	<u>883,200</u>	<u>220,800</u>	<u>466,743</u>	<u>(11,658)</u>	<u>103,088</u>	<u>778,973</u>
Total comprehensive income	-	-	(253)	-	14,040	13,787
Final dividends for financial year ended 31 March 2009	-	-	-	-	(17,301)	(17,301)
At 30 September 2009	<u>883,200</u>	<u>220,800</u>	<u>466,490</u>	<u>(11,658)</u>	<u>99,827</u>	<u>775,459</u>

(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 September 2010
(The figures have not been audited.)

	6 Months Ended	
	30 September	
	2010	2009*
	RM'000	RM'000
Net Profit for the financial period	20,820	14,040
Adjustment for items not involving the movement of cash or cash equivalents		
Depreciation of property, plant and equipment	4,206	4,249
(Gain) on disposal of property, plant and equipment	(137)	-
Property, plant and equipment written off	30	-
Allowance for doubtful debts	-	592
Impairment provision for hire purchase receivables	(401)	-
Biological asset written off	-	151
Inventories written down/ (reversal)	(89)	(145)
Interest expense	2,952	2,941
Interest income	(174)	(188)
Taxation	6,513	4,360
	<u>12,900</u>	<u>11,960</u>
	33,720	26,000
Changes in working capital		
Inventories	(1,973)	86
Receivables	(12,322)	(5,449)
Payables	5,656	4,673
	<u>(8,639)</u>	<u>(690)</u>
Cash flow from operations	25,081	25,310
Tax paid	(4,648)	(5,535)
Net cash from operating activities	<u>20,433</u>	<u>19,775</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,100)	(1,947)
Proceed from disposal of property, plant and equipment	137	-
Interest received	174	188
Net cash used in investing activities	<u>(789)</u>	<u>(1,759)</u>
Cash flows from financing activities		
Repayment of term loans	(6,442)	(6,442)
Draw down of term loans	-	25,000
Repayment of block discounting	(6,888)	(6,772)
Draw down of block discounting	8,968	6,321
Interest paid	(2,947)	(2,941)
Dividends paid	(17,301)	(17,301)
Net cash used in financing activities	<u>(24,610)</u>	<u>(2,135)</u>
Net (decrease)/increase in cash and cash equivalents during the financial period	(4,966)	15,881
Cash and cash equivalents at beginning of financial year	22,471	14,244
Cash and cash equivalents at end of financial period	<u><u>17,505</u></u>	<u><u>30,125</u></u>

	6 Months Ended	
	30 September	
	2010	2009*
	RM'000	RM'000
<u>Cash and cash equivalents</u>		
Deposits with a licensed bank	24,586	30,000
Cash and bank balances	3,930	3,409
Bank overdraft	<u>(11,011)</u>	<u>(3,284)</u>
	<u>17,505</u>	<u>30,125</u>

**The financial year 2010 figures have been restated due to Amendment to FRS 117.*

(The Condensed Consolidated Statement of Cash Flow 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 second quarter ended 30 September 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 second quarter ended 30 September 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 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. The classification has been accounted for retrospectively in accordance with the transitional provision. Therefore, the leasehold lands have been restated after taken into consideration the revaluation done in December 2008, which resulted in an increase of leasehold land value amounting to RM34.9 million as at 31 March 2010.

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

	As previously reported 31 March 2010	Effect on adoption of FRS 117	As restated 31 March 2010
	RM'000	RM'000	RM'000
Property, plant and equipment	106,169	210,388	316,557
Prepaid lease payments	175,515	(175,515)	-

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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	Effect on adoption of FRS 139	Balance as at 1 April 2010 (Restated)
	RM’000	RM’000	RM’000
Hire purchase receivables (before allowance / impairment)	159,336	(2,847)	156,489
Allowance for doubtful debts	(7,231)	7,231	-
Impairment provisions	-	(5,904)	(5,904)
Hire purchase receivables	152,105	(1,520)	150,585
Block Discounting	21,650	(38)	21,612

The total effect to the retained earnings due to the adoption of FRS 139 was a decrease of RM1.482 million.

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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 September 2010 was 18.13 million shares.

A6 Dividend Paid

There was no dividend paid during the current financial quarter ended 30 September 2010.

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2010

A7 Segment Reporting

Segment reporting for the year-to-date ended 30.09.2010

	Plantations	Hire Purchase	Consolidated
	RM'000	RM'000	RM'000
External revenue	89,389	17,023	106,412
Result			
Segment results	17,559	12,726	30,285
Finance cost	(1,479)	(1,473)	(2,952)
Profit before tax	16,080	11,253	27,333

Segment reporting for the year-to-date ended 30.09.2009

	Plantations	Hire Purchase	Consolidated
	RM'000	RM'000	RM'000
External revenue	95,038	14,944	109,982
Result			
Segment results	11,505	9,836	21,341
Finance cost	(1,913)	(1,028)	(2,941)
Profit before tax	9,592	8,808	18,400

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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:

	30.09.10	30.09.09
	RM'000	RM'000
Property, plant and equipment :		
Authorised and contracted	<u>5,324</u>	<u>992</u>

A12 Related Party Disclosures

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

A13 Comparative figures

Comparative figures, where applicable, have been modified to conform with the current quarter's presentation.

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2010

B1. Review Of Performance

The Group's total Profit Before Tax (PBT) for FY11-Q2 was RM16.9 mil as compared to RM12.5 mil in FY10-Q2.

This 35% increase in the current quarter Group's PBT was mainly due to:

- a) Plantation Division
PBT increased by 40% to RM10.9 mil(FY11-Q2) as compared to RM7.8 mil (FY10-Q2) due to higher average selling prices and lower production cost.
- b) Hire Purchase Division
PBT improved by 28% to RM6.0 mil (FY11-Q2) as compared to RM4.7 mil (FY10-Q2) mainly due to increase in hire purchase revenue.

	Individual Quarter		Cumulative Quarters	
	3 Months Ended 30 September		6 Months Ended 30 September	
	2010 RM'mil	2009 RM'mil	2010 RM'mil	2009 RM'mil
Revenue				
Plantations	47.8	45.5	89.4	95.0
Hire Purchase	8.8	7.8	17.0	15.0
	56.6	53.3	106.4	110.0
Profit before tax				
Plantations	10.9	7.8	16.1	9.6
Hire Purchase	6.0	4.7	11.2	8.8
	16.9	12.5	27.3	18.4
FFB Statistic				
FFB - Internal (mt)	60,971	58,116	114,124	103,743
FFB - External (mt)	30,169	31,498	55,770	65,884
	91,140	89,614	169,894	169,627
CPO produced (mt)	18,445	18,941	34,806	35,702
PK produced (mt)	4,330	4,621	8,265	8,590
OER (%)	20.24	21.14	20.49	21.05
KER (%)	4.75	5.16	4.86	5.06
CPO average selling price (RM/MT)	2,553	2,428	2,502	2,505
PK average selling price (RM/MT)	1,629	1,054	1,560	1,089

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2010

B2 Comparison of Results with Preceding Quarter

The Group's total Profit Before Tax (PBT) for current quarter was RM16.9 mil as compared to RM10.4 mil of the immediate preceding quarter.

The 63% increase in the Group's PBT was mainly due to:

- a) Plantation Division
PBT increased by 114% from RM5.1 mil to RM10.9 mil as a result of higher average selling prices and higher internal FFB production in the current financial quarter.
- b) Hire Purchase Division
PBT increased by 13% from RM5.3 mil to RM6.0 mil, due to improvement in hire purchase revenue in the current financial quarter.

	Q2 2011	Q1 2011
	RM'	RM'
	Million	Million
Revenue		
Plantations	47.8	41.5
Hire Purchase	8.8	8.2
	56.6	49.7
Profit before tax		
Plantations	10.9	5.1
Hire Purchase	6.0	5.3
	16.9	10.4
FFB Statistic		
FFB - Internal (mt)	60,971	53,153
FFB - External (mt)	30,169	25,601
	91,140	78,754
CPO produced (mt)	18,445	16,361
PK produced (mt)	4,330	3,935
OER (%)	20.24	20.78
KER (%)	4.75	5.00
CPO average selling price (RM/MT)	2,553	2,448
PK average selling price (RM/MT)	1,629	1,481

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2010

B3 Prospects and Outlook

The ongoing replanting programme 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 period ended 30 September 2010 are set out below:

	3 months ended 30/09/2010 RM'000	6 months ended 30/09/2010 RM'000
(a) Income Tax	4,173	6,737
(b) Deferred Taxation	(182)	(224)
	<u>3,991</u>	<u>6,513</u>

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 second quarter ended 30 September 2010

B9 Group Borrowings

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

Type of Borrowing	Due and Payable	As at 30.09.10 Total RM'000	As at 31.03.10 Total RM'000
<u>Plantations</u>			
Bank Overdraft		4,600	1,727
Term Loans	- within 1 year	12,884	12,884
	- later than 1 year and not later than 2 years	37,098	12,884
	- later than 2 years and not later than 5 years	9,917	40,573
		59,899	66,341
<u>Hire Purchase</u>			
Bank Overdraft		6,411	2,212
Term Loans	- within 1 year	2,542	500
	- later than 1 year and not later than 2 years	6,168	5,126
	- later than 2 years and not later than 5 years	18,504	18,504
	- later than 5 years	7,786	10,870
		35,000	35,000
Block Discounting Payables	- within 1 year	11,267	9,271
	- later than 1 year and not later than 5 years	12,430	12,379
		23,697	21,650
<u>Total Group Borrowings</u>			
Bank Overdraft		11,011	3,939
Term Loans		94,899	101,341
Block Discounting Payables		23,697	21,650
		129,607	126,930

All borrowings as at 30 September 2010 were secured.

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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 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 case management on 26 November 2010.

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 second quarter ended 30 September 2010

B12 Dividend

No interim dividend has been declared for the current financial quarter ended 30 September 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	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Net Profit (RM'000)	12,890	9,425	20,820	14,040
Weighted average number of ordinary shares (units)	865,065,461	865,065,461	865,065,461	865,065,461
Basic earnings per share (sen)	1.49	1.09	2.41	1.62

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.