

UNICO-DESA PLANTATIONS BERHAD

(Co. No. 78983-V)

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
30 JUNE 2013**

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the financial period ended 30 June 2013

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30 June		30 June	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	33,816	42,005	33,816	42,005
Cost of sales	<u>(27,335)</u>	<u>(28,357)</u>	<u>(27,335)</u>	<u>(28,357)</u>
Gross Profit	6,481	13,648	6,481	13,648
Other income	202	193	202	193
Replanting expenditure	(3,088)	(3,169)	(3,088)	(3,169)
Administrative expenses	(2,664)	(1,988)	(2,664)	(1,988)
Finance cost	(454)	(495)	(454)	(495)
Profit before taxation	<u>477</u>	<u>8,189</u>	<u>477</u>	<u>8,189</u>
Taxation	(129)	(2,121)	(129)	(2,121)
Profit for the financial period from continuing operations	<u>348</u>	<u>6,068</u>	<u>348</u>	<u>6,068</u>
Discontinued operations				
Profit for the financial period from discontinued operations	-	4,829	-	4,829
Profit for the financial period	<u>348</u>	<u>10,897</u>	<u>348</u>	<u>10,897</u>
Profit for the financial period attributable to:				
Equity holders of the Company	<u>348</u>	<u>10,897</u>	<u>348</u>	<u>10,897</u>
Earnings per share - basic / diluted (sen)				
From continuing operations	0.04	0.70	0.04	0.70
From discontinued operations	-	0.56	-	0.56
	<u>0.04</u>	<u>1.26</u>	<u>0.04</u>	<u>1.26</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2013
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30 June		30 June	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	348	10,897	348	10,897
Total comprehensive income for the financial period	<u>348</u>	<u>10,897</u>	<u>348</u>	<u>10,897</u>
Total comprehensive income for the financial period attributable to: Equity holders of the Company	<u>348</u>	<u>10,897</u>	<u>348</u>	<u>10,897</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

(The figures have not been audited.)

	30 June 2013 RM'000	31 March 2013 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	313,764	315,254
Biological assets	473,822	473,822
Goodwill on consolidation	2,982	2,982
	790,568	792,058
Current assets		
Inventories	10,684	11,676
Receivables, deposits and prepayments	5,868	6,763
Tax recoverable	502	122
Deposits, cash and bank balances	22,835	22,410
	39,889	40,971
Total assets	<u>830,457</u>	<u>833,029</u>
EQUITY AND LIABILITIES		
Share capital	215,000	215,000
Revaluation and other reserves	469,532	469,532
Retained earnings	45,601	45,253
	730,133	729,785
Less: Treasury shares	(1,333)	-
Total equity	728,800	729,785
Non-current liabilities		
Borrowings - interest bearing	22,559	23,353
Deferred tax liabilities	48,717	49,096
	71,276	72,449
Current liabilities		
Payables	12,098	13,198
Borrowings - interest bearing	15,430	14,328
Current tax liabilities	2,853	3,269
	30,381	30,795
Total liabilities	<u>101,657</u>	<u>103,244</u>
Total equity and liabilities	<u>830,457</u>	<u>833,029</u>
Net assets per share (RM)	0.85	0.85

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2013
(The figures have not been audited.)

	Issued and fully paid ordinary shares of RM0.25 each		Revaluation and other reserves RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000				
At 1 April 2013	860,000	215,000	469,532	-	45,253	729,785
Total comprehensive income for the financial period	-	-	-	-	348	348
Purchase of treasury shares	-	-	-	(1,333)	-	(1,333)
At 30 June 2013	<u>860,000</u>	<u>215,000</u>	<u>469,532</u>	<u>(1,333)</u>	<u>45,601</u>	<u>728,800</u>
At 1 April 2012	865,065	216,266	469,524	-	146,642	832,432
Total comprehensive income for the financial period	-	-	-	-	10,897	10,897
At 30 June 2012	<u>865,065</u>	<u>216,266</u>	<u>469,524</u>	<u>-</u>	<u>157,539</u>	<u>843,329</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 2013)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2013
(The figures have not been audited.)

	3 months ended	
	30 June	
	2013	2012
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	348	10,897
- continuing operations	348	6,068
- discontinued operations	-	4,829
Adjustment for items not involving the movement of cash or cash equivalents:		
Property, plant and equipment		
- depreciation	2,015	2,026
- written down	-	150
- written off	1	-
Reversal of Inventories written down	(3)	(231)
Impairment allowance on hire purchase receivables	-	1,083
Interest expense	454	1,283
Interest income	(187)	(147)
Taxation	129	3,737
	2,409	7,901
	2,757	18,798
Changes in working capital		
Inventories	995	(871)
Receivables	895	(7,098)
Payables	(1,100)	5,364
	790	(2,605)
Cash flow from operations	3,547	16,193
Tax paid	(1,376)	(6,917)
Tax refund	72	-
Net cash flow from operating activities	2,243	9,276
Cash flows from investing activities		
Purchase of property, plant and equipment	(526)	(1,781)
Interest received	187	147
Net cash used in investing activities	(339)	(1,634)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2013
(The figures have not been audited.)

	3 months ended	
	30 June	
	2013	2012
	RM'000	RM'000
Cash flows from financing activities		
Repayment of term loans	(2,216)	(3,758)
Repayment of block discounting	-	(4,364)
Draw down of block discounting	-	4,531
Interest paid	(454)	(1,280)
Purchase of treasury shares	(1,333)	-
Dividend paid to shareholders of the Company	-	(17,301)
Net cash used in financing activities	(4,003)	(22,172)
Net decrease in cash and cash equivalents during the financial period	(2,099)	(14,530)
Cash and cash equivalents at beginning of financial year	22,410	31,828
Add : Reclassified to discontinued operations	-	(13)
Cash and cash equivalents at end of financial period	<u>20,311</u>	<u>17,285</u>
<u>Composition of Cash and cash equivalents</u>		
Deposits, cash and bank balances	22,835	17,285
Bank overdraft	(2,524)	-
	<u>20,311</u>	<u>17,285</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

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 2013.

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.

In November 2011, the MASB Board issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 "Agriculture" and IC Interpretation 15 "Agreements for the Construction of Real Estate", including its parent, significant investor and venture (herewith called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. The Group is categorised under Transitioning Entities.

Accordingly, in the financial year beginning 1 April 2013, the Group will continue to apply the Financial Reporting Standards framework.

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 2013 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2013.

On 1 April 2013, the Group adopted the following FRSs and Amendments to FRSs:

FRS 10	Consolidated financial statements
FRS 12	Disclosures of interest in other entities
FRS 13	Fair value measurement
FRS 127 (revised)	Separate financial statements
Amendments to FRS 7	Financial instruments: Disclosures
Amendments to FRS 101	Presentation of items of other comprehensive income
Amendments to FRS 119	Employee benefits

Application of the above standards and amendments to published standards are not expected to have a material impact on the financial statements of the Group.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

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

There were no unusual items that may affect the amount stated in the interim financial statements for the current financial quarter under review.

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 financial quarter under review, the Company repurchased 1,235,300 shares from the open market at an average price of RM1.08 per share and the total repurchase cost was RM1.3 million.

Except for the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares.

A6 Dividend Paid

There was no dividend paid during the current financial quarter ended 30 June 2013.

A7 Segment Reporting

Segmental reporting is not applicable as the Group activities confined to a single operating segment namely cultivation of oil palm and palm oil milling in Sabah, Malaysia.

A8 Subsequent Events

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

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

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 statement of financial position as at 31 March 2013.

A11 Capital Commitments

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

	30.06.2013	30.06.2012
	RM'000	RM'000
Property, plant and equipment:		
Authorised and contracted	<u>2,328</u>	<u>6,067</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 2013

B1 Review Of Performance

The performance of the Group are as below:-

Profit before tax (PBT) decreased by 94% to RM0.5 mil (FY2014-Q1) as compared to RM8.2 mil (FY2013-Q1). Although there is a slight improvement in the FFB production for the quarter under review, it was offset by the significant lower average CPO and PK selling prices that were caused by the lower global market prices for oil palm products.

	Individual Quarter		Cumulative Quarters	
	3 Months Ended		3 Months Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'mil	RM'mil	RM'mil	RM'mil
Revenue				
Plantations	33.8	42.0	33.8	42.0
Profit before tax				
Plantations	0.5	8.2	0.5	8.2
FFB Statistic				
FFB - Internal (mt)	45,895	44,007	45,895	44,007
FFB - External (mt)	18,679	12,697	18,679	12,697
	<u>64,574</u>	<u>56,704</u>	<u>64,574</u>	<u>56,704</u>
Other Statistics				
CPO produced (mt)	13,115	11,666	13,115	11,666
PK produced (mt)	2,982	2,806	2,982	2,806
OER (%)	20.31	20.57	20.31	20.57
KER (%)	4.62	4.95	4.62	4.95
CPO average selling price (RM/mt)	2,212	3,152	2,212	3,152
PK average selling price (RM/mt)	1,152	1,874	1,152	1,874

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

B2 Comparison of Results with Preceding Quarter

The performance of the Group are as below:-

Profit before tax decreased by 94% from RM7.7 mil to RM0.5 mil mainly due to lower FFB production during the traditional low crop season and higher manuring cost of RM3.3 million incurred for the quarter under review.

	Individual Quarter	
	3 Months Ended	
	30.06.2013	31.03.2013
	RM'mil	RM'mil
Revenue		
Plantations	33.8	38.2
Profit before tax		
Plantations	0.5	7.7
FFB Statistic		
FFB - Internal (mt)	45,895	58,925
FFB - External (mt)	18,679	21,065
	<u>64,574</u>	<u>79,990</u>
Other Statistics		
CPO produced (mt)	13,115	16,019
PK produced (mt)	2,982	3,893
OER (%)	20.31	20.03
KER (%)	4.62	4.87
CPO average selling price (RM/mt)	2,212	2,173
PK average selling price (RM/mt)	1,152	1,107

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

B3 Prospects and Outlook

The oil palm industry will continue to face challenges such as fluctuations in oil palm commodities prices and changing weather pattern. The overall profitability of the Group is very much dependent on crude palm oil prices and also biological aspect of the palm which are mainly not within our control.

In view of the continuous low oil palm commodities prices and growing inflationary pressure on the production cost, the operating environment will be challenging in short term especially when the Group strive to keep the pace of the replanting programme for the long term sustainability.

Unless there is a significant improvement on the oil palm commodities prices, the Board anticipates the profit for the current financial year will not be able to match with the previous financial year.

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 June 2013 are set out below:

	3 months ended 30.06.2013 RM'000
- Income Tax	508
- Deferred Taxation	(379)
	<u>129</u>

The effective tax rate of the Group for the current period was higher than the statutory tax rate due to certain expenses are not deductible for tax purposes.

B6 Status of Corporate Proposals Announced

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 2013

B7 Group Borrowings

	As at 30.06.2013 RM'000	As at 31.03.2013 RM'000
Bank Overdraft	2,524	-
Term Loans		
- within 1 year	12,906	14,328
- later than 1 year	22,559	23,353
	<u>35,465</u>	<u>37,681</u>
	<u>37,989</u>	<u>37,681</u>

All borrowings as at 30 June 2013 were secured.
The Group does not have any borrowings that are denominated in foreign currency.

B8 Pending Material Litigation

There are no material litigations.

B9 Dividend

No interim dividend has been declared for the current financial quarter ended 30 June 2013.

B10 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.

	Quarter ended 30.06.2013	Quarter ended 30.06.2012	Year to date ended 30.06.2013	Year to date ended 30.06.2012
Profit after taxation from continuing operations (RM'000)	348	6,068	348	6,068
Profit after taxation from discontinued operations (RM'000)	-	4,829	-	4,829
Weighted average number of ordinary shares (units)	859,923,087	865,065,461	859,923,087	865,065,461
Basic earnings per share (sen)				
From continuing operations	0.04	0.70	0.04	0.70
From discontinued operations	-	0.56	-	0.56
	<u>0.04</u>	<u>1.26</u>	<u>0.04</u>	<u>1.26</u>

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2013

B11 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2013 was not qualified.

B12 Profit Before Taxation

3 months ended
30.06.2013
RM'000

Profit before taxation is stated after charging/(crediting):

Interest Income	(187)
Other income including investment income	(15)
Interest expense	454
Depreciation and amortization	2,015
Reversal of inventories written down	(3)

B13 Retained Earnings

The following analysis of realised and unrealised retained earnings is prepared in accordance with the guidance issued by the Malaysian Institute of Accountants in the prescribed format by Bursa Malaysia Securities Berhad.

	As at 30.06.2013 RM'000	As at 31.03.2013 RM'000
Total retained earnings of the Group and its subsidiaries		
- Realised	112,048	112,656
- Unrealised	(6,968)	(7,330)
	<u>105,080</u>	<u>105,326</u>
Consolidation adjustments	(59,479)	(60,073)
Total retained earnings	<u>45,601</u>	<u>45,253</u>