

UNICO-DESA PLANTATIONS BERHAD

(Co. No. 78983-V)

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

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 September		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	39,061	37,538	72,877	79,543
Cost of sales	(29,129)	(25,244)	(56,464)	(53,601)
Gross Profit	9,932	12,294	16,413	25,942
Other income	195	428	397	621
Replanting expenditure	(4,095)	(4,278)	(7,183)	(7,447)
Administrative expenses	(2,130)	(2,518)	(4,794)	(4,506)
Finance cost	(416)	(472)	(870)	(967)
Profit before taxation	3,486	5,454	3,963	13,643
Taxation	(941)	(1,577)	(1,070)	(3,698)
Profit for the financial period from continuing operations	2,545	3,877	2,893	9,945
Discontinued operations				
Loss for the financial period from discontinued operations	-	(5,941)	-	(1,112)
Profit/(Loss) for the financial period	2,545	(2,064)	2,893	8,833
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company	2,545	(2,064)	2,893	8,833
Earnings/(Loss) per share - basic / diluted (sen)				
From continuing operations	0.30	0.45	0.34	1.15
From discontinued operations	-	(0.69)	-	(0.13)
	0.30	(0.24)	0.34	1.02

(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 OTHER COMPREHENSIVE INCOME
For the financial period ended 30 September 2013
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 September		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period	2,545	(2,064)	2,893	8,833
Other comprehensive loss:				
Reversal of revaluation surplus on write off of property, plant and equipment	-	(176)	-	(176)
Total comprehensive income/(loss) for the financial period	<u>2,545</u>	<u>(2,240)</u>	<u>2,893</u>	<u>8,657</u>
Total comprehensive income/(loss) for the financial period attributable to: Equity holders of the Company	<u>2,545</u>	<u>(2,240)</u>	<u>2,893</u>	<u>8,657</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 September 2013

(The figures have not been audited.)

	30 September 2013 RM'000	31 March 2013 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	312,294	315,254
Biological assets	473,822	473,822
Goodwill on consolidation	2,982	2,982
	789,098	792,058
Current assets		
Inventories	9,430	11,676
Receivables, deposits and prepayments	8,864	6,763
Tax recoverable	404	122
Deposits, cash and bank balances	101	22,410
	18,799	40,971
Total assets	<u>807,897</u>	<u>833,029</u>
EQUITY AND LIABILITIES		
Share capital	215,000	215,000
Revaluation and other reserves	469,532	469,532
Retained earnings	26,693	45,253
	711,225	729,785
Less: Treasury shares	(3,055)	-
Total equity	708,170	729,785
Non-current liabilities		
Borrowings - interest bearing	17,598	23,353
Deferred tax liabilities	48,568	49,096
	66,166	72,449
Current liabilities		
Payables	12,611	13,198
Borrowings - interest bearing	18,091	14,328
Current tax liabilities	2,859	3,269
	33,561	30,795
Total liabilities	99,727	103,244
Total equity and liabilities	<u>807,897</u>	<u>833,029</u>
Net assets per share (RM)	0.83	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 September 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	-	-	-	-	2,893	2,893
Purchase of treasury shares	-	-	-	(3,055)	-	(3,055)
Final dividend for financial year ended 31 March 2013	-	-	-	-	(21,453)	(21,453)
At 30 September 2013	<u>860,000</u>	<u>215,000</u>	<u>469,532</u>	<u>(3,055)</u>	<u>26,693</u>	<u>708,170</u>
At 1 April 2012	865,065	216,266	469,524	-	146,642	832,432
Total comprehensive income for the financial period	-	-	(176)	-	8,833	8,657
Final dividend for financial year ended 31 March 2012	-	-	-	-	(21,627)	(21,627)
At 30 September 2012	<u>865,065</u>	<u>216,266</u>	<u>469,348</u>	<u>-</u>	<u>133,848</u>	<u>819,462</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 September 2013
(The figures have not been audited.)

	6 months ended	
	30 September	
	2013	2012
	RM'000	RM'000
Cash flows from operating activities		
Profit for the financial period	2,893	8,833
- continuing operations	2,893	9,945
- discontinued operations	-	(1,112)
Adjustment for items not involving the movement of cash or cash equivalents:		
Property, plant and equipment		
- depreciation	4,040	4,039
- written down	-	150
- written off	1	429
Inventories Written down / (reversal of Inventories written down)	8	(110)
Adjustment to reflect the proposed Initial Public Offer price	-	9,835
Impairment allowance on hire purchase receivables	-	2,846
Interest expense	870	2,542
Interest income	(325)	(237)
Taxation	1,070	6,649
	5,664	26,143
	8,557	34,976
Changes in working capital		
Inventories	2,238	(3,806)
Receivables	(2,101)	(14,414)
Payables	(587)	5,311
	(450)	(12,909)
Cash flow from operations	8,107	22,067
Tax paid	(2,474)	(11,536)
Tax refund	184	942
Net cash flow from operating activities	5,817	11,473
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,081)	(4,538)
Interest received	325	237
Net cash used in investing activities	(756)	(4,301)

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

	6 months ended	
	30 September	
	2013	2012
	RM'000	RM'000
Cash flows from financing activities		
Repayment of term loans	(8,164)	(7,516)
Drawdown of revolving credit	5,000	-
Repayment of block discounting	-	(8,693)
Draw down of block discounting	-	7,201
Interest paid	(870)	(2,536)
Purchase of treasury shares	(3,055)	-
Dividend paid to shareholders of the Company	(21,453)	(17,301)
Net cash used in financing activities	(28,542)	(28,845)
Net decrease in cash and cash equivalents during the financial period	(23,481)	(21,673)
Cash and cash equivalents at beginning of financial year	22,410	31,828
Add : Reclassified to discontinued operations	-	1,907
Cash and cash equivalents at end of financial period	<u>(1,071)</u>	<u>12,062</u>
<u>Composition of Cash and cash equivalents</u>		
Deposits, cash and bank balances	101	12,250
Bank overdraft	(1,172)	(188)
	<u>(1,071)</u>	<u>12,062</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 second quarter ended 30 September 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 Malaysian Accounting Standards Board ("MASB") announced the issuance of the new MFRS framework that is applicable to entities other than private entities. However, the MASB deferred the effective date of MFRS Framework for transitioning entities (i.e. entities affected by MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*) from 1 January 2013 to 1 January 2015. The Group would subsequently adopt the MFRS Framework for the financial year ending 31 Mar 2016 as it is a transitioning entity.

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 second quarter ended 30 September 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 1,654,700 shares from the open market at an average price of RM1.04 per share and the total repurchase cost was RM1.72 million.

The total treasury shares held by the Company as at 30 September 2013 was 2,890,000 shares.

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

On 18 September 2013, the Company paid a single tier final dividend of 2.5 sen per ordinary share of RM0.25 share on 858,120,000 ordinary shares amounting to RM21.5 million. The dividend, which was in respect of the financial year ended 31 March 2013 was approved by the members at the AGM.

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.

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2013

A8 Subsequent Events

On 2 October 2013, IOI Plantation Sdn Bhd ("IOI Plantation") acquired 339,000,000 Unico-Desa Plantations Bhd ("Unico") shares, representing approximately 39.55% of the issued and paid-up share capital of Unico (excluding 2,890,000 treasury shares). The acquisition was effected via a direct business transaction with the substantial shareholders of Unico.

Following the acquisition, IOI Plantation's shareholdings in Unico has exceeded 33% of the voting shares in Unico. Pursuant to Section 218(2) of the Capital Markets and Services Act 2007 and Section 9(1), Part III of the Malaysian Code on Take-Overs and Mergers 2010 ("Code"), IOI Plantation is obligated to extend a conditional take-over offer to acquire all the remaining Unico shares not already held by the IOI Plantation amounting to 518,110,000 shares, representing approximately 60.45% of the issued and paid-up share capital of Unico (excluding 2,890,000 treasury shares)("Offer Shares"), for a cash offer price of RM1.17 per share ("Offer Price").

RHB Investment Bank, on behalf of IOI Plantation, had on 2 October 2013 served the Notice on the Board in respect of IOI Plantation's offer to acquire all the remaining Unico shares not already held by IOI Plantation (excluding treasury shares) at the Offer Price. IOI Plantation does not intend to maintain the listing status of Unico on the Official List.

On 8 October 2013, the Board (save for the Interested Directors) announced that it does not intend to seek an alternative person to make a take-over offer for the Offer Shares. Pursuant to Section 15 of the Code, Unico had on the same date announced the appointment of Hong Leong Investment Bank as the Independent Adviser to advise the Non-Interested Directors and the Shareholders on the fairness and reasonableness of the Offer.

The Offer Document together with the Form were posted to the Shareholders on 23 October 2013. Subsequently the Independent Advice Circular was despatched to the Shareholders on 4 November 2013.

On 11 November 2013, IOI Plantation had hold 76.64% of the voting shares of Unico and thus the Offer has become unconditional as to the acceptances. As a results, the Offer shall remain open for acceptances until 25 November 2013.

Pursuant to Paragraph 9.19(23) of the Listing Requirements and subsequent to the above, Unico is effectively a subsidiary company of IOI Plantation.

Please refer to our Company website or the Bursa Malaysia announcements website for further details.

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

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

	30.09.2013	30.09.2012
	RM'000	RM'000
Property, plant and equipment:		
Authorised and contracted	<u>3,174</u>	<u>4,758</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 second quarter ended 30 September 2013

B1 Review Of Performance

The performance of the Group are as below:-

Year To Date Performance

Profit before tax (PBT) decreased by 71% to RM4.0 mil as compared to RM13.7 mil in FY2013 was due to lower average CPO and PK selling prices.

Current Quarter Performance

Profit before tax (PBT) decreased by 36% to RM3.5 mil (FY2014-Q2) as compared to RM5.5 mil (FY2013-Q2). Although there is an improvement in the FFB production for the quarter under review, it was offset by the significant lower average CPO and PK selling prices.

	Individual Quarter		Cumulative Quarters	
	3 Months Ended		6 Months Ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'mil	RM'mil	RM'mil	RM'mil
Revenue				
Plantations	39.1	37.5	72.9	79.5
Profit before tax				
Plantations	3.5	5.5	4.0	13.7
FFB Statistic				
FFB - Internal (mt)	58,214	50,578	104,109	94,585
FFB - External (mt)	23,140	16,823	41,819	29,520
	<u>81,354</u>	<u>67,401</u>	<u>145,928</u>	<u>124,105</u>
Other Statistics				
CPO produced (mt)	16,638	13,836	29,753	25,502
PK produced (mt)	3,630	2,977	6,612	5,782
OER (%)	20.45	20.53	20.39	20.55
KER (%)	4.46	4.42	4.53	4.66
CPO average selling price (RM/mt)	2,262	2,947	2,239	3,052
PK average selling price (RM/mt)	1,258	1,528	1,210	1,696

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 2013

B2 Comparison of Results with Preceding Quarter

The performance of the Group are as below:-

Profit before tax increased by 600% from RM0.5 mil to RM3.5 mil mainly due to higher internal FFB production and average CPO and PK selling prices for the quarter under review.

	Individual Quarter	
	3 Months Ended	
	30.09.2013	30.06.2013
	RM'mil	RM'mil
Revenue	39.1	33.8
Profit before tax	3.5	0.5
FFB Statistic		
FFB - Internal (mt)	58,214	45,895
FFB - External (mt)	23,140	18,679
	<u>81,354</u>	<u>64,574</u>
Other Statistics		
CPO produced (mt)	16,638	13,115
PK produced (mt)	3,630	2,982
OER (%)	20.45	20.31
KER (%)	4.46	4.62
CPO average selling price (RM/mt)	2,262	2,212
PK average selling price (RM/mt)	1,258	1,152

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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 which are not within our control.

In view of the relatively low oil palm commodities prices and growing inflationary pressure on the production cost, the operating environment will be challenging in the short term especially when the Group strives 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 September 2013 are set out below:

	3 months ended 30.09.2013	6 months ended 30.09.2013
	RM'000	
- Income Tax	1,089	1,597
- Deferred Taxation	(148)	(527)
	<u>941</u>	<u>1,070</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 second quarter ended 30 September 2013

B7 Group Borrowings

	As at 30.09.2013 RM'000	As at 31.03.2013 RM'000
Bank Overdraft	1,172	-
Revolving Credit - within 1 year	5,000	-
Term Loans - within 1 year	11,919	14,328
- later than 1 year	17,598	23,353
	<u>29,517</u>	<u>37,681</u>
	<u>35,689</u>	<u>37,681</u>

All borrowings as at 30 September 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 September 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 30.09.2013	Quarter ended 30.09.2012	Year to date ended 30.09.2013	Year to date ended 30.09.2012
Profit after taxation from continuing operations (RM'000)	2,545	3,877	2,893	9,945
Loss after taxation from discontinued operations (RM'000)	-	(5,941)	-	(1,112)
Weighted average number of ordinary shares (units)	857,845,347	865,065,461	858,878,540	865,065,461
Basic earnings/(loss) per share (sen)				
From continuing operations	0.30	0.45	0.34	1.15
From discontinued operations	-	(0.69)	-	(0.13)
	<u>0.30</u>	<u>(0.24)</u>	<u>0.34</u>	<u>1.02</u>

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

Notes to the Interim Financial Statements
for the second quarter ended 30 September 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 30.09.2013 RM'000	6 months ended 30.09.2013 RM'000
Profit before taxation is stated after charging/(crediting):		
Interest Income	(138)	(325)
Other income including investment income	(57)	(72)
Interest expense	416	870
Depreciation and amortization	2,025	4,040
Inventories written down	11	8

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 30.09.2013 RM'000	As at 31.03.2013 RM'000
Total retained earnings of the Group and its subsidiaries		
- Realised	93,227	112,656
- Unrealised	<u>(6,835)</u>	<u>(7,330)</u>
	86,392	105,326
Consolidation adjustments	<u>(59,699)</u>	<u>(60,073)</u>
Total retained earnings	<u><u>26,693</u></u>	<u><u>45,253</u></u>