

PINEHILL PACIFIC BERHAD

(formerly known as Multi Vest Resources Berhad)

(Company No.: 000222 D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2011**

The figures have not been audited

	Note	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		31/03/11 RM'000	31/03/10 RM'000	31/03/11 RM'000	31/03/10 RM'000
Revenue	9	12,086	7,482	38,177	31,626
Cost of sales		(4,310)	(3,074)	(12,327)	(12,588)
Gross profit		7,776	4,408	25,850	19,038
Distribution costs		(85)	(65)	(360)	(417)
Administration expenses		(3,905)	(4,801)	(17,194)	(12,866)
Other operating income		-	1	33	13
		3,786	(457)	8,329	5,768
Finance costs		(1,812)	(3,218)	(5,416)	(9,996)
Finance income		-	5	4	35
Profit/(Loss) before tax	9	1,974	(3,670)	2,917	(4,193)
Income taxation expenses	19	(853)	(18)	(2,303)	(230)
Profit/(Loss) for the period		1,121	(3,688)	614	(4,423)
Profit/(Loss) for the period attributable to:					
Equity holders of the company		1,260	(3,348)	2,619	(3,657)
Minority interests		(139)	(340)	(2,005)	(766)
		1,121	(3,688)	614	(4,423)
Earnings per share, attributable to equity holders of the company (sen):					
Basic	27	0.84	(2.23)	1.75	(2.44)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 31 MARCH 2011**

The figures have not been audited

	Note	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		31/03/11 RM'000	31/03/10 RM'000	31/03/11 RM'000	31/03/10 RM'000
Profit/(Loss) for the period		1,121	(3,688)	614	(4,423)
Currency translation difference arising from consolidation (equity portion)		(47)	9	396	(350)
Total Comprehensive income		<u>1,074</u>	<u>(3,679)</u>	<u>1,010</u>	<u>(4,773)</u>
Total comprehensive income attributable to:					
Equity holders of the company		1,225	(3,342)	2,909	(3,916)
Minority interests		(151)	(337)	(1,899)	(857)
		<u>1,074</u>	<u>(3,679)</u>	<u>1,010</u>	<u>(4,773)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position As At 31 March 2011

	Note	Unaudited as at 31/03/11 RM'000	Audited as at 30/06/10 RM'000 (restated)
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	10	63,850	66,300
Prepaid Lease payments		22,919	22,273
Biological assets		311,244	308,131
		398,013	396,704
Current assets			
Inventories		2,578	1,142
Trade receivables		812	541
Other current assets		735	935
Cash and bank balances		3,683	4,137
		7,808	6,755
Total assets		405,821	403,459
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the company			
Share capital		74,902	149,804
Share premium		-	200,612
Revaluation reserve		74,446	74,446
Exchange reserve		272	(124)
Retained earnings		(31,082)	(309,215)
		118,538	115,523
Minority interests		77,838	79,737
Total equity		196,376	195,260
Non-current liabilities			
Long term borrowings		93,578	89,559
Deferred tax liabilities		87,514	87,514
		181,092	177,073
Current liabilities			
Trade and other payables		16,662	17,578
Short term borrowings		5,739	6,271
Current tax payable		5,952	7,277
		28,353	31,126
Total liabilities		209,445	208,199
Total equity and liabilities		405,821	403,459

Net assets per share attributable to ordinary equity holders of the company (RM)

0.79

0.77

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity for the Quarter Ended 31 March 2011

The figures have not been audited

	Equity Attributable to Equity Holders of the Company----- ----- ----- ----- ----- ----- -----							
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Nine Months Ended 31 March 2011								
At 1 July 2010	149,804	200,612	74,446	(124)	(309,215)	115,523	79,737	195,260
Capital reduction and utilisation of share premium	(74,902)	(200,612)	-	-	275,514	-	-	-
Total comprehensive income for the period	-	-	-	396	2,619	3,015	(1,899)	1,116
At 31 March 2011	74,902	-	74,446	272	(31,082)	118,538	77,838	196,376
Nine Months Ended 31 March 2010								
At 1 July 2009	149,804	200,612	73,510	219	(302,400)	121,745	81,714	203,459
Total comprehensive income for the period	-	-	-	(350)	(4,047)	(4,397)	(857)	(5,254)
At 31 March 2010	149,804	200,612	73,510	(131)	(306,447)	117,348	80,857	198,205

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement Of Cash Flow for the Quarter 31 March 2011

The figures have not been audited

	9 Months Ended	
	31/03/11	31/03/10
	RM'000	RM'000
Net cash from operating activities	10,365	5,368
Net cash used in investing activities	(7,736)	(6,179)
Net cash (used in)/from financing activities	(2,173)	5,994
Net increase in cash and cash equivalents	456	5,183
Cash and cash equivalents at beginning of financial period	4,137	429
Effects of foreign exchange rate changes	(910)	(1,225)
Cash and cash equivalents at end of financial period	<u>3,683</u>	<u>4,387</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at	As at
	31/03/11	31/03/10
	RM'000	RM'000
Bank balances and cash	757	1,494
Deposits with licensed banks	2,926	2,893
	<u>3,683</u>	<u>4,387</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and are prepared in accordance with the requirements of 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 30 June 2010. These explanatory notes, attached to the interim financial statements, provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2010.

2. Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2010 except for the adoption of the new / revised Financial Reporting Standards (FRS). Amendments to FRSs and Issues Committee ("IC") Interpretations that are effective for financial year beginning 1 July 2010.

On 1 July 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based Payment: Vesting Condition and Cancellation
Amendments to FRS 5	Non Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Balance Sheet Date
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 1 and FRS 127	First-Time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly-Controlled Equity or Associate

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Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosure and Reassessment of Embedded Derivatives
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 101, FRS 117 and FRS 139, the application of the above FRSs, Amendments to FRS and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 101: Presentation of Financial Statement (FRS 101)

Prior to 1 January 2010, the components of a set of financial statements consisted of a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

Upon the adoption of the revised FRS 101, a set of financial statements shall now comprise a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements. The statement of comprehensive income consists of profit or loss and other comprehensive income for the period. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income.

The comparative financial information on the consolidated statement of comprehensive income have been re-presented as summarized below so that it is in conformity with the revised standard:

	Consolidated Income Statement As previously reported RM'000	Effects on adoption of FRS 101 RM'000	Consolidated Statement of Comprehensive Income As restated RM'000
Profit for the period	(4,423)	-	(4,423)
Other comprehensive income			
Exchange loss on translation of a foreign operation		(350)	(350)
Total comprehensive income			(4,773)

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(b) Amendment to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land that normally had an indefinite economic life and where title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land was accounted for as prepaid lease payments that were amortised over the lease term in accordance with the pattern of benefits provided.

Upon the adoption of the Amendment to FRS 117 in relation to classification of lease of land, the Group reassessed the classification of a leasehold land as a finance lease or an operating lease based on the extend of risks and rewards associated with the land. The Group has determined that all leasehold land of the Group in Malaysia are in substance finance leases and has reclassified its leasehold land from prepaid land lease payments to property, plant and equipment.

The reclassifications has been made retrospectively and does not affect the profit and loss for the current quarter ended 31 March 2011 and the preceding year corresponding quarter ended 31 March 2010.

The effects of the reclassification on the consolidated statement of financial position as at 30 June 2010 are as follows:

	Consolidated Balance Sheet <u>As previously reported</u> RM'000	Effects on adoption of FRS 117 RM'000	Consolidated Statement of Financial Position <u>As restated</u> RM'000
Property, plant and Equipment	11,995	54,305	66,300
Prepaid lease payments	76,578	(54,305)	22,273

(c) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

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Financial assets

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and AFS investments.

(i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables. EIR amortisation and impairment losses are recognised in profit and loss.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, and are carried at amortised cost.

3. Qualification On preceding Financial Statements

The preceding annual financial statements of the Group as at 30 June 2010 were reported on without any qualification.

4. Seasonal or Cyclical Factors

There was no variation of financial results from the immediate preceding quarter to the current quarter due to seasonal or cyclical factors except for the production of fresh fruit bunches ("FFB").

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

There was no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows.

6. Changes In Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

7. Changes In Debt And Equity Securities

There was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial under review.

8. Dividend Paid

There were no dividends paid during the current quarter.

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9. Segment Information

Analysis by activity of the Group:

	Current Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/03/11	31/03/10	31/03/11	31/03/10
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Plantation				
- Malaysia	12,086	7,482	38,175	31,626
- Indonesia	-	-	2	-
	<u>12,086</u>	<u>7,482</u>	<u>38,177</u>	<u>31,626</u>
Investment holding	-	-	-	-
	<u>12,086</u>	<u>7,482</u>	<u>38,177</u>	<u>31,626</u>
Profit/(Loss) before tax:				
Plantation Malaysia	4,687	1,220	16,445	9,208
Plantation Indonesia	(551)	(1,111)	(6,791)	(1,819)
	<u>4,136</u>	<u>109</u>	<u>9,654</u>	<u>7,389</u>
Investment holding	(350)	(566)	(1,325)	(1,621)
	<u>3,786</u>	<u>(457)</u>	<u>8,329</u>	<u>5,768</u>
Finance expense	(1,812)	(3,218)	(5,416)	(9,996)
Finance income	-	5	4	35
	<u>1,974</u>	<u>(3,670)</u>	<u>2,917</u>	<u>(4,193)</u>

10. Valuation Of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward and without amendment from the previous annual financial statement.

11. Material Events Subsequent To The Interim Period

There was no material events subsequent to the end of the period reported that have not been reflected in the financial statements.

12. Changes In The Composition of the Group

There is no changes in the composition of the Group for the current quarter including business combination, disposal of subsidiaries and long term investments and discontinuing operations.

13. Contingent Liabilities And Contingent Assets

The movement in contingent liability from the last balance sheet date is as follow:

	31/03/11	31/03/10
	RM'000	RM'000
Corporate Guarantee	98,433	92,670
Total	<u>98,433</u>	<u>92,670</u>

14. Capital Commitments

There is no capital commitment from the last balance sheet date.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of Performance

The performance of the Group was mainly contributed by the plantation subsidiaries.

The profit before taxation and minority interests of the plantation subsidiaries for the current quarter were due to the factors as mentioned in note 16.

16. Comparison With Preceding Quarter Results & Financial Year Todate

The group recorded RM1.97 million profit before taxation and minority interests for the current quarter as compared to profit of RM2.34 million in the preceding quarter.

The slight decline in performance is mainly due to reduction in the FFB produced by 4% as compared to the preceding quarter.

For financial year todate, the Group recorded a profit before taxation and minority interests of RM2.9 million for current financial period ended 31 March 2011 as compared to a loss of RM4.2 million for the previous financial period ended 31 March 2010. The improvement in Group profit is mainly due to the increase in average CPO price per metric tonne by 34% from average RM2,294 to RM3,085.

17. Current Year Prospect

The average CPO price for the current quarter was RM3,702 per metric tonne, which was higher compared to the average of immediate preceding quarter of RM3,158 per metric tonne. The current average CPO price is about RM3,300 per metric tonne. We expect the performance of the group to be challenging in the coming months due to changes in weather pattern that affects our FFB production.

18. Variances From Profit Forecast And Shortfall In Profit Guarantee

Not applicable since the company has not committed to any profit forecast and profit guarantee.

19. Taxation

Income tax expense comprises the following:

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/03/11 RM'000	31/03/10 RM'000	31/03/11 RM'000	31/03/10 RM'000
Malaysian taxation:				
Group Companies				
Current period provision	860	18	2,198	230
(Over)/Under provision in prior years	(7)	-	105	-
Total	<u>853</u>	<u>18</u>	<u>2,303</u>	<u>230</u>

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20. Profits / (Losses) On Sale Of Unquoted Investment And/Or Properties

There is no sale of unquoted investments and/or properties for the current quarter and financial period-to-date.

21. Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial period-to-date.

22. Status of Corporate Proposals

There were no corporate proposals for the current quarter.

23. Group Borrowings

The borrowings and debt securities of the Group as at the end of the reporting period are as follows:

	RM'000
<u>Short-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	5,739
<u>Long-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	93,578

24. Off Balance Sheet Financial Instruments

There was no financial instrument with off-balance sheet risk as at the date of issue of the quarterly report.

25. Material Litigation

There was no pending material litigation of the group since the last annual balance sheet date up to the date of this report.

26. Dividend Payable

No dividend has been recommended or declared for the current quarter.

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27. Earnings per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/03/11	31/03/10	31/03/11	31/03/10
(a) Basic				
Profit/(Loss) attributable to ordinary equity holders of the company (RM'000)	1,260	(3,348)	2,619	(3,657)
Weighted average number of ordinary shares in issue ('000)	149,804	149,804	149,804	149,804
Basic earnings/(loss) per share (sen)	0.84	(2.23)	1.75	(2.44)

28. Disclosure of Realised and Unrealised Retained Profits/(Accumulated Losses)

	Current financial period 31/03/11 RM'000	As at the end of last financial year 30/06/10 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(27,545)	(307,622)
- Unrealised	(3,537)	(1,593)
	<u>(31,082)</u>	<u>(309,215)</u>

29. Authorisation For Issue Off The Interim Financial Statements

The current interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2011.