



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	8	10,488	13,457	22,738	26,091
Cost of sales		(4,600)	(6,216)	(9,431)	(11,642)
Gross profit		5,888	7,241	13,307	14,449
Distribution costs		(79)	(129)	(193)	(275)
Administration expenses		(5,790)	(2,966)	(9,354)	(9,664)
Other operating income		144	31	144	33
Finance costs		163	4,177	3,904	4,543
Finance income		(2,091)	(1,843)	(4,143)	(3,604)
		7	2	8	4
<b>(Loss)/Profit before tax</b>	8	(1,921)	2,336	(231)	943
Taxation	18	(567)	(345)	(1,629)	(1,450)
<b>(Loss)/Profit for the period</b>		<u>(2,488)</u>	<u>1,991</u>	<u>(1,860)</u>	<u>(507)</u>
(Loss)/Profit for the period attributable to:					
Owners of the parent		(1,210)	2,297	(204)	1,359
Minority interests		(1,278)	(306)	(1,656)	(1,866)
		<u>(2,488)</u>	<u>1,991</u>	<u>(1,860)</u>	<u>(507)</u>
<b>(Loss)/Earning per share, attributable to owners of the parent (sen):</b>					
Basic	26	(0.81)	1.53	(0.14)	0.91

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit for the period</b>	(2,488)	1,991	(1,860)	(507)
Currency translation difference arising from consolidation (equity portion)	1,155	(23)	372	443
<b>Total comprehensive (expense)/income for the period</b>	<u>(1,333)</u>	<u>1,968</u>	<u>(1,488)</u>	<u>(64)</u>
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the parent	(299)	2,280	90	1,684
Minority interests	(1,034)	(312)	(1,578)	(1,748)
	<u>(1,333)</u>	<u>1,968</u>	<u>(1,488)</u>	<u>(64)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	Unaudited as at 31/12/11 RM'000	Audited as at 30/06/11 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	63,188	64,256
Land use rights		22,114	22,142
Biological assets		319,040	313,350
		404,342	399,748
<b>Current assets</b>			
Inventories		1,498	2,117
Trade receivables		562	467
Other current assets		1,064	601
Cash and bank balances		6,064	4,267
		9,188	7,452
<b>TOTAL ASSETS</b>		<b>413,530</b>	<b>407,200</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		74,902	74,902
Revaluation reserve		74,446	74,446
Exchange reserve		365	71
Retained earnings		(29,791)	(29,587)
		119,922	119,832
<b>Minority interests</b>		80,126	81,704
<b>Total equity</b>		200,048	201,536
<b>Non-current liabilities</b>			
Long-term borrowings		99,780	94,422
Deferred tax liabilities		75,321	75,321
		175,101	169,743
<b>Current liabilities</b>			
Trade and other payables		21,065	18,101
Short-term borrowings		7,764	6,715
Current tax payable		9,552	11,105
		38,381	35,921
<b>Total liabilities</b>		213,482	205,664
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>413,530</b>	<b>407,200</b>
Net assets per share attributable to owners of the parent (RM)		0.80	0.80

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



## PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011

	<----- Equity Attributable to Owners of the Parent ----->					<u>Total</u> RM'000	<u>Minority</u> <u>Interests</u> RM'000	<u>Total</u> <u>Equity</u> RM'000
	<u>Share</u> <u>Capital</u> RM'000	<u>Share</u> <u>Premium</u> RM'000	<u>Revaluation</u> <u>Reserve</u> RM'000	<u>Exchange</u> <u>Reserve</u> RM'000	<u>Retained</u> <u>Earnings</u> RM'000			
<b>Balance as at 1 July 2011</b>	74,902	-	74,446	71	(29,587)	119,832	81,704	201,536
Total comprehensive (expense)/income for the period	-	-	-	294	(204)	90	(1,578)	(1,488)
<b>Balance as at 31 December 2011</b>	74,902	-	74,446	365	(29,791)	119,922	80,126	200,048
<b>Balance as at 1 July 2010</b>	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/(expense) for the period	-	-	-	443	1,359	1,802	(1,748)	54
<b>Balance as at 31 December 2010</b>	74,902	-	74,446	319	(32,342)	117,325	77,989	195,314

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011

	6 Months Ended	
	31/12/2011 RM'000	31/12/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(231)	943
Adjustments for :		
Non-cash items	4,169	3,986
Non-operating items	5,362	7,149
Operating profit before working capital changes	9,300	12,078
Working capital changes:-		
Net change in current assets	268	(2,148)
Net change in current liabilities	928	(457)
Cash generated from operating activities	10,496	9,473
Interest income	8	4
Tax paid	(2,252)	(1,664)
Net cash generated from operating activities	8,252	7,813
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other investments	(8,752)	(3,641)
Net cash used in investing activities	(8,752)	(3,641)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(4,143)	(3,604)
Drawdown of HP	-	141
Drawdown of term loan	8,829	5,265
Repayment of term loan	(2,324)	(2,503)
Repayment of hire purchase creditors	(99)	(106)
Net cash generated from/(used in) financing activities	2,264	(807)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,764	3,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4,267	4,137
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	33	(2,401)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,064	5,100

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

	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
Cash and bank balances	2,885	2,174
Deposits with licensed banks	3,179	2,926
	6,064	5,100

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

### *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 2011. 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 2011.

#### **2. Qualification on preceding Financial Statements**

The preceding annual financial statements of the Group as at 30 June 2011 were reported on without any qualification.

#### **3. 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”).

#### **4. 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.

#### **5. 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.

#### **6. Changes In Debt and Equity Securities**

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

#### **7. Dividends Paid**

There were no dividends paid during the current quarter.



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## 8. Segment Information

Analysis by activity of the Group:

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
<b>Revenue:</b>				
Plantation				
- Malaysia	10,451	13,455	22,671	26,089
- Indonesia	37	2	66	2
	<u>10,488</u>	<u>13,457</u>	<u>22,738</u>	<u>26,091</u>
Investment holding	-	-	-	-
	<u>10,488</u>	<u>13,457</u>	<u>22,738</u>	<u>26,091</u>
<b>(Loss)/Profit before tax:</b>				
Plantation Malaysia	3,523	5,845	9,455	11,758
Plantation Indonesia	<u>(2,863)</u>	<u>(1,250)</u>	<u>(4,561)</u>	<u>(6,240)</u>
	660	4,595	4,894	5,518
Investment holding	<u>(496)</u>	<u>(418)</u>	<u>(990)</u>	<u>(975)</u>
	164	4,177	3,904	4,543
Finance expense	(2,091)	(1,843)	(4,143)	(3,604)
Finance income	7	2	8	4
	<u>(1,921)</u>	<u>2,336</u>	<u>(231)</u>	<u>943</u>

## 9. Valuation of Property, Plant & Equipment

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

## 10. 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.

## 11. Changes In The Composition of the Group

There were no changes in the composition of the Group during the current quarter.



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### 12. Contingent Liabilities And Contingent Assets

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

	31/12/2011 RM'000	31/12/2010 RM'000
Corporate Guarantee	-	124,865
<b>Total</b>	<u>-</u>	<u>124,865</u>

During the current quarter, the Group's maximum exposure to credit risk is represented by a nominal amount of RM113,704,000 relating to a corporate guarantee provided by the Group to financial institutions for credit facilities granted to a subsidiary.

### 13. Capital Commitments

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

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

### 14. 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 15.

### 15. Comparison With Preceding Quarter Results And Financial Period Todate

The Group recorded RM1.9 million loss before taxation and minority interests for the current quarter as compared to profit of RM1.7 million in the preceding quarter. The difference is mainly due to the unrealised foreign exchange loss and the reduction in average selling price of 4% from RM3,085 to RM2,974 per metric tonne for the current quarter as compared to the preceding quarter.

The Group recorded a loss before taxation and minority interests of RM0.23 million for current financial period ended 31 December 2011 as compared to a profit of RM0.94 million for the previous financial period ended 31 December 2010. The decline in performance is mainly due to the foreign exchange loss.

### 16. Current Year Prospect

The average CPO price for the current quarter was RM2,974 per metric tonne, which was lower compared to the average of immediate preceding quarter of RM3,085 per metric tonne. The current average CPO price is about RM3,074 per metric tonne. We expect the performance of the Group in the coming months to be subjected to the fluctuation in CPO price and foreign exchange rate.





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## 17. Variance From Profit Forecast And Shortfall In Profit Guarantee

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

## 18. Income Tax Expense

Income tax expense comprises the following:

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	567	233	1,629	1,338
Over/(Under) provision in prior years	-	112	-	112
<b>Total</b>	<b>567</b>	<b>345</b>	<b>1,629</b>	<b>1,450</b>

## 19. Profit/(Loss) 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.

## 20. Quoted Securities

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

## 21. Status of Corporate Proposals

There were no corporate proposals for the current quarter.

## 22. Group Borrowings

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

	RM'000
<b><u>Short-term borrowings</u></b>	
Secured	
Denominated in Ringgit Malaysia	7,557
<b><u>Long-term borrowings</u></b>	
Secured	
Denominated in Ringgit Malaysia	99,113



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### 23. (Loss)/Profit before tax

The following items have been included in arriving at (loss)/profit before tax :

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Interest income	(7)	(2)	(8)	(4)
Interest expenses	2,091	1,843	4,143	3,604
Depreciation and amortisation	2,144	1,999	4,169	3,986
Foreign exchange (gain)/loss	1,476	(84)	1,315	3,582
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

### 24. 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.

### 25. Dividend Payable

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

### 26. (Loss)/Earning Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Basic				
(Loss)/Profit attributable to owners of the parent (RM'000)	<u>(1,210)</u>	<u>2,297</u>	<u>(204)</u>	<u>1,359</u>
Weighted average number of ordinary shares in issue ('000)	<u>149,804</u>	<u>149,804</u>	<u>149,804</u>	<u>149,804</u>
Basic (loss)/earning per share (sen)	<u>(0.81)</u>	<u>1.53</u>	<u>(0.14)</u>	<u>0.91</u>



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

	<b>Current Financial Period RM'000</b>	<b>As At The End Of Last Financial Year RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(25,769)	(26,821)
- Unrealised	(4,022)	(2,767)
	<u>(29,791)</u>	<u>(29,587)</u>

### 28. Comparatives

Certain comparatives as at 31 December 2010 have been restated in order to conform with the audited financial statements for the year ended 30 June 2011 and for the current quarter's presentation:

	<b>As previously stated RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated RM'000</b>
<b>Statements of comprehensive income</b>			
Cost of sales	8,017	3,625	11,642
Administrative expenses	<u>13,289</u>	<u>(3,625)</u>	<u>9,664</u>

The restatement of comparatives of the Group is due to the reclassification of amortisation of land and depreciation of machineries from administrative expenses to cost of sales.

### 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 29 February 2012.