



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
		30/06/2012	30/06/2011	30/06/2012	30/06/2011
		RM'000	RM'000	RM'000	RM'000
Revenue	8	10,787	12,176	43,293	50,353
Cost of sales		(5,334)	(5,287)	(18,853)	(23,050)
Gross profit		5,453	6,889	24,440	27,303
Distribution costs		(116)	(98)	(397)	(458)
Administration expenses		(4,606)	(4,640)	(21,720)	(16,397)
Other operating income		58	61	220	94
Finance costs		789	2,212	2,543	10,542
Finance income		(1,881)	(2,567)	(8,169)	(7,983)
		33	95	46	98
(Loss)/Profit before tax	8	(1,059)	(260)	(5,580)	2,657
Taxation	18	(2,207)	5,784	(5,437)	3,481
(Loss)/Profit for the period		<u>(3,266)</u>	<u>5,524</u>	<u>(11,017)</u>	<u>6,138</u>
(Loss)/Profit for the period attributable to:					
Owners of the parent		(3,952)	1,495	(6,737)	4,114
Minority interests		686	4,029	(4,280)	2,024
		<u>(3,266)</u>	<u>5,524</u>	<u>(11,017)</u>	<u>6,138</u>
(Loss)/Earning per share, attributable to owners of the parent (sen):					
Basic	26	(2.64)	1.00	(4.50)	2.75

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 30 JUNE 2012

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(3,266)	5,524	(11,017)	6,138
Currency translation difference arising from consolidation (equity portion)	(264)	(201)	1,133	249
Total comprehensive (expense)/income for the period	<u>(3,530)</u>	<u>5,323</u>	<u>(9,884)</u>	<u>6,387</u>
Total comprehensive (expense)/income attributable to:				
Owners of the parent	(4,168)	1,346	(5,852)	4,309
Minority interests	638	3,977	(4,032)	2,078
	<u>(3,530)</u>	<u>5,323</u>	<u>(9,884)</u>	<u>6,387</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 30 JUNE 2012

	Note	Unaudited as at 30/06/12 RM'000	Audited as at 30/06/11 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	62,104	64,256
Land use rights		21,931	22,142
Biological assets		325,942	313,350
		409,977	399,748
Current assets			
Inventories		2,840	2,117
Trade receivables		353	467
Other current assets		823	601
Cash and bank balances		3,754	4,267
		7,770	7,452
TOTAL ASSETS		417,747	407,200
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Revaluation reserve		74,446	74,446
Exchange reserve		956	71
Retained earnings		(36,322)	(29,587)
		113,982	119,832
Minority interests		77,559	81,704
Total equity		191,541	201,536
Non-current liabilities			
Long-term borrowings		101,185	94,422
Deferred tax liabilities		74,277	75,321
		175,462	169,743
Current liabilities			
Trade and other payables		25,849	18,101
Short-term borrowings		8,978	6,715
Current tax payable		15,917	11,105
		50,744	35,921
Total liabilities		226,206	205,664
TOTAL EQUITY AND LIABILITIES		417,747	407,200
Net assets per share attributable to owners of the parent (RM)		0.76	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 30 JUNE 2012

	<----- Equity Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->		Revaluation <u>Reserve</u> RM'000	Exchange <u>Reserve</u> RM'000	Retained <u>Earnings</u> RM'000	<u>Total</u> RM'000	Minority <u>Interests</u> RM'000	
<u>Share</u> <u>Capital</u> RM'000	<u>Share</u> <u>Premium</u> RM'000							
Balance as at 1 July 2011	74,902	-	74,446	71	(29,587)	119,832	81,704	201,536
Total comprehensive income/(expense) for the period	-	-	-	885	(6,737)	(5,852)	(4,032)	(9,884)
Dividend paid by subsidiaries	-	-	-	-	-	-	(112)	(112)
Balance as at 30 June 2012	74,902	-	74,446	956	(36,324)	113,980	77,560	191,540
Balance as 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/(expense) for the period	-	-	-	195	4,114	4,309	2,078	6,387
Dividend paid by subsidiaries	-	-	-	-	-	-	(112)	(112)
Balance as at 30 June 2011	74,902	-	74,446	71	(29,587)	119,832	81,703	201,535

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 30 JUNE 2012

	12 Months Ended	
	30/6/2012	30/6/2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(5,580)	2,657
Adjustments for :		
Non-cash items	8,169	7,983
Non-operating items	12,655	9,313
Operating profit before working capital changes	<u>15,244</u>	<u>19,953</u>
Working capital changes:-		
Net change in current assets	(695)	(581)
Net change in current liabilities	5,599	497
Cash generated from operating activities	<u>20,148</u>	<u>19,869</u>
Interest income	46	98
Tax paid	(739)	(4,884)
Net cash generated from operating activities	<u>19,455</u>	<u>15,083</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(20,677)	(11,734)
Net cash used in investing activities	<u>(20,677)</u>	<u>(11,734)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(8,169)	(7,983)
Dividend paid by subsidiaries to minority interest	(112)	(112)
Drawdown of HP	-	-
Drawdown of term loan	15,734	10,795
Repayment of term loan	(6,520)	(5,564)
Repayment of hire purchase creditors	(188)	(200)
Net cash generated from/(used in) financing activities	<u>745</u>	<u>(3,064)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(477)	285
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4,267	4,137
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(36)	(155)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>3,754</u>	<u>4,267</u>

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

	As at 30/6/2012 RM'000	As at 30/6/2011 RM'000
Cash and bank balances	466	524
Deposits with licensed banks	3,288	3,743
	<u>3,754</u>	<u>4,267</u>

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

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 12 Months Ended	
	30/06/2012 RM000	30/06/2011 RM000	30/06/2012 RM000	30/06/2011 RM000
Revenue:				
Plantation				
- Malaysia	10,665	12,176	43,073	50,351
- Indonesia	122	-	220	2
	<u>10,787</u>	<u>12,176</u>	<u>43,293</u>	<u>50,353</u>
Investment holding	-	-	-	-
	<u>10,787</u>	<u>12,176</u>	<u>43,293</u>	<u>50,353</u>
(Loss)/Profit before tax:				
Plantation Malaysia	5,769	3,553	17,144	19,999
Plantation Indonesia	<u>(5,131)</u>	<u>(1,157)</u>	<u>(13,509)</u>	<u>(7,948)</u>
	638	2,396	3,635	12,051
Investment holding	<u>152</u>	<u>(184)</u>	<u>(1,092)</u>	<u>(1,509)</u>
	790	2,212	2,543	10,542
Finance expense	(1,881)	(2,567)	(8,169)	(7,983)
Finance income	<u>33</u>	<u>95</u>	<u>46</u>	<u>98</u>
	<u>(1,058)</u>	<u>(260)</u>	<u>(5,580)</u>	<u>2,657</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 other than the disposal by Pinehill Plantations (M) Sdn Bhd, a subsidiary of the company, of two (2) parcels of Freehold Land for a total cash consideration of RM16,684,063 as announced on 3 August 2012. The said disposal is expected to result a gain after minority interest of RM8.8 million.

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:

	30/6/2012	30/6/2011
	RM'000	RM'000
Corporate Guarantee	109,378	98,433
Total	109,378	98,433

During the current quarter, the Group's maximum exposure to credit risk is represented by a nominal amount of RM109,377,963 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 loss 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 RM1.06 million loss before taxation and minority interests for the current quarter as compared to loss of RM4.29 million in the preceding quarter. The difference is mainly due to the unrealised foreign exchange gain of RM3.8 million arising from strengthening of Indonesian Rupiah.

The Group recorded a loss before taxation and minority interests of RM5.58 million for current financial period ended 30 June 2012 as compared to a profit of RM2.66 million for the previous financial period ended 30 June 2011. The decline in performance is mainly due to the foreign exchange loss, general increased in staff costs and mature oil palm expenses in Indonesia plantation.

16. Current Year Prospect

The average CPO price for the current quarter was RM3,169 per metric tonne, which was higher compared to the average of immediate preceding quarter of RM3,133 per metric tonne. The current average CPO price is about RM2,881 per metric tonne. We expect the performance of the Group in the coming months to be challenging depending on CPO price and foreign exchange fluctuation.



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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

	3 Months Ended		12 Months Ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	(3,252)	(5,183)	(6,414)	(7,381)
Over/(Under) provision in prior years	-	(1,226)	(68)	(1,331)
	<u>(3,252)</u>	<u>(6,409)</u>	<u>(6,482)</u>	<u>(8,712)</u>
Deferred tax benefits/(expense)				
Current year	1,045	12,193	1,045	12,193
	<u>1,045</u>	<u>12,193</u>	<u>1,045</u>	<u>12,193</u>
Total	<u>(2,207)</u>	<u>5,784</u>	<u>(5,437)</u>	<u>3,481</u>

The deferred tax benefits in prior year ended 30/06/2011 included RM11 million benefits arising from reduction in tax rate in Indonesia from 30% to 25%.

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.



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22. 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	8,754
<u>Long-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	100,624

23. (Loss)/Profit before tax

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(33)	(95)	(46)	(98)
Interest expenses	1,881	2,568	8,169	7,983
Depreciation and amortisation	2,463	2,260	8,758	8,092
Foreign exchange (gain)/loss	(677)	(770)	3,878	1,174
	=====	=====	=====	=====

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



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	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
Basic				
(Loss)/Profit attributable to owners of the parent (RM'000)	<u>(2,153)</u>	<u>1,495</u>	<u>(4,938)</u>	<u>4,114</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>(1.44)</u>	<u>1.00</u>	<u>(3.30)</u>	<u>2.75</u>

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

	Current Financial Period RM'000	As At The End Of Last Financial Year RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(27,868)	(26,821)
- Unrealised	<u>(6,655)</u>	<u>(2,767)</u>
	<u>(34,523)</u>	<u>(29,587)</u>

28. Comparatives

Certain comparatives as at 30 June 2011 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:

	RM'000	RM'000	RM'000
Statements of comprehensive income			
Cost of sales	16,047	7,003	23,050
Administrative expenses	<u>23,400</u>	<u>(7,003)</u>	<u>16,397</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 28 August 2012.