



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
		RM'000	RM'000	RM'000	RM'000
Revenue	8	5,890	9,769	25,296	32,506
Cost of sales		(4,117)	(4,087)	(13,743)	(13,519)
Gross profit		1,773	5,682	11,553	18,987
Distribution costs		(80)	(88)	(310)	(281)
Administration expenses		(5,055)	(7,760)	(17,898)	(17,115)
Other operating income		32	17	9,389	162
Finance costs		(3,330)	(2,149)	2,734	1,753
Finance income		(2,054)	(2,145)	(6,406)	(6,288)
		4	5	26	13
Profit/(Loss) before tax	8	(5,380)	(4,289)	(3,646)	(4,522)
Taxation	18	(1,745)	(1,600)	(3,104)	(3,230)
Profit/(Loss) for the period		<u>(7,125)</u>	<u>(5,889)</u>	<u>(6,750)</u>	<u>(7,752)</u>
Profit/(Loss) for the period attributable to:					
Owners of the parent		(8,444)	(2,581)	(1,427)	(2,785)
Minority interests		1,319	(3,308)	(5,323)	(4,967)
		<u>(7,125)</u>	<u>(5,889)</u>	<u>(6,750)</u>	<u>(7,752)</u>
Earning/(loss) per share, attributable to owners of the parent (sen):	26				
Basic		(5.64)	(1.72)	(0.95)	(1.86)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 MARCH 2013

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(7,126)	(5,889)	(6,750)	(7,752)
Currency translation difference arising from consolidation (equity portion)	(58)	1,025	1,909	1,397
Total comprehensive income/(expense) for the period	<u>(7,184)</u>	<u>(4,864)</u>	<u>(4,841)</u>	<u>(6,355)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(8,491)	(1,774)	76	(1,685)
Minority interests	1,307	(3,090)	(4,917)	(4,670)
	<u>(7,184)</u>	<u>(4,864)</u>	<u>(4,841)</u>	<u>(6,355)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 MARCH 2013

	Note	Unaudited as at 31/03/13 RM'000	Audited as at 30/06/12 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	9	52,892	62,104
Land use rights		21,595	21,931
Biological assets		321,921	325,942
		396,408	409,977
Current assets			
Inventories		2,344	2,840
Trade receivables		389	352
Other current assets		989	825
Cash and bank balances		376	3,754
		4,098	7,771
TOTAL ASSETS		400,506	417,748
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Revaluation reserve		74,446	74,446
Exchange reserve		2,460	956
Retained earnings		(37,752)	(36,323)
		114,056	113,981
Minority interests		72,643	77,559
Total equity		186,699	191,540
Non-current liabilities			
Long-term borrowings		99,705	101,185
Deferred tax liabilities		74,277	74,277
		173,982	175,462
Current liabilities			
Trade and other payables		18,078	25,851
Short-term borrowings		5,461	8,978
Current tax payable		16,286	15,917
		39,825	50,746
Total liabilities		213,807	226,208
TOTAL EQUITY AND LIABILITIES		400,506	417,748
Net assets per share attributable to owners of the parent (RM)		0.76	0.76

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 MARCH 2013

	<----- 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			
Balance as at 1 July 2012	74,902	-	74,446	956	(36,323)	113,981	77,559	191,540
Total comprehensive (expense)/income for the period	-	-	-	1,504	(1,428)	76	(4,917)	(4,841)
Balance as at 31 March 2013	74,902	-	74,446	2,460	(37,751)	114,057	72,642	186,699
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	-	-	-	1,101	(2,786)	(1,685)	(4,670)	(6,355)
Balance as at 31 March 2012	74,902	-	74,446	1,172	(32,373)	118,147	77,034	195,181

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



PINEHILL PACIFIC BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

	9 Months Ended	
	31/03/2013 RM'000	31/03/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(3,646)	(4,522)
Adjustments for :		
Non-cash items	6,593	6,295
Non-operating items	1,439	10,701
Operating profit before working capital changes	<u>4,386</u>	<u>12,474</u>
Working capital changes:-		
Net change in current assets	487	9
Net change in current liabilities	(9,333)	737
Cash generated from operating activities	<u>(4,460)</u>	<u>13,220</u>
Interest income	26	13
Tax paid	(1,170)	(286)
Net cash generated from operating activities	<u>(5,604)</u>	<u>12,947</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	13,346	(14,065)
Net cash used in investing activities	<u>13,346</u>	<u>(14,065)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(5,290)	(6,288)
Drawdown of term loan	104,389	13,586
Repayment of term loan	(109,378)	(3,933)
Repayment of hire purchase creditors	(8)	(149)
Net cash generated from/(used in) financing activities	<u>(10,287)</u>	<u>3,216</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,545)	2,098
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,754	4,267
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(833)	(1,685)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>376</u>	<u>4,680</u>

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

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
	Cash and bank balances	346
Deposits with licensed banks	30	3,329
	<u>376</u>	<u>4,680</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 31 MARCH 2013

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 2012. 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 2012.

2. Qualification on preceding Financial Statements

The preceding annual financial statements of the Group as at 30 June 2012 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 9 Months Ended	
	31/03/13 RM'000	31/03/2012 RM'000	31/03/13 RM'000	31/03/2012 RM'000
Revenue:				
Plantation				
- Malaysia	5,847	9,737	24,983	32,408
- Indonesia	43	32	313	98
	<u>5,890</u>	<u>9,769</u>	<u>25,296</u>	<u>32,506</u>
Investment holding	-	-	-	-
	<u>5,890</u>	<u>9,769</u>	<u>25,296</u>	<u>32,506</u>
Profit/(Loss) before tax:				
Plantation Malaysia	823	1,920	15,224	11,375
Plantation Indonesia	(3,818)	(3,816)	(11,621)	(8,378)
	<u>(2,995)</u>	<u>(1,896)</u>	<u>3,603</u>	<u>2,997</u>
Investment holding	(335)	(253)	(869)	(1,244)
	<u>(3,330)</u>	<u>(2,149)</u>	<u>2,734</u>	<u>1,753</u>
Finance expense	(2,054)	(2,145)	(6,406)	(6,288)
Finance income	4	5	26	13
	<u>(5,380)</u>	<u>(4,289)</u>	<u>(3,646)</u>	<u>(4,522)</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

During the current quarter, the Group's maximum exposure to credit risk is represented by a nominal amount of RM104,388,789 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 RM5.38 million losses before taxation and minority interests for the current quarter as compared to RM5.19 million gains before taxation and minority interests in the preceding quarter, a decrease of RM10.57 million. The decreases are mainly due to the followings:

1. Gain on disposal of the freehold land of RM9.30 million for preceding quarter,
2. Banking facility cost of RM2.44 million, and
3. Decrease in both FFB production and CPO price by 26% for the current quarter

The Group recorded a loss before taxation and minority interests of RM3.65 million for current financial period ended 31 March 2013 as compared to a loss of RM4.52 million for the previous financial period ended 31 March 2012, an increase of RM0.87 million. Despite decrease of CPO price and FFB production by 20% and 18% respectively, banking facility cost of RM2.44 million and unrealised forex loss of RM0.97 million, the Group's improvement in profits is mainly due to gain on disposal of the freehold land of RM9.30 million.



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16. Current Year Prospect

The average CPO price for the current quarter was RM2,279 per metric tonne, which was higher compared to the average of immediate preceding quarter of RM2,190 per metric tonne. The current average CPO price is about RM2,261 per metric tonne. We expect the performance of the Group in the coming months to be challenging depending on CPO price, weather conditions and foreign exchange fluctuation.

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 9 Months Ended	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	1,763	1,532	3,122	3,162
Over/(Under) provision in prior years	(18)	68	(18)	68
Total	<u>1,745</u>	<u>1,600</u>	<u>3,104</u>	<u>3,230</u>

19. Profit/(Loss) On Sale Of Unquoted Investment And / Or Properties

There is a no sale of unquoted investments and/or other 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	5,461
<u>Long-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	99,705

23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of issue of the quarterly report.

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. Earnings/(Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Basic				
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>(8,445)</u>	<u>(2,581)</u>	<u>(1,428)</u>	<u>(2,785)</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 earning/(loss) per share (sen)	<u><u>(5.64)</u></u>	<u><u>(1.72)</u></u>	<u><u>(0.95)</u></u>	<u><u>(1.86)</u></u>



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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	(25,683)	(29,680)
- Unrealised	<u>(12,069)</u>	<u>(6,644)</u>
	<u><u>(37,752)</u></u>	<u><u>(36,324)</u></u>

28. 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 30 March 2013.