



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
		30/06/2013	30/06/2012	30/06/2013	30/06/2012
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	9	5,673	10,787	30,969	43,293
Cost of sales		(3,352)	(5,334)	(17,095)	(18,853)
Gross profit		2,321	5,453	13,874	24,440
Distribution costs		(72)	(116)	(383)	(397)
Administration expenses		(3,045)	(4,606)	(20,942)	(21,720)
Other operating income		999	58	10,388	220
Finance costs		203	789	2,937	2,543
Finance income		1,605	(1,881)	(4,801)	(8,169)
		30	33	56	46
<b>Profit/(Loss) before tax</b>	24	1,838	(1,059)	(1,808)	(5,580)
Taxation	19	681	(2,207)	(2,424)	(5,437)
<b>Profit/(Loss) for the period</b>		<u>2,519</u>	<u>(3,266)</u>	<u>(4,232)</u>	<u>(11,017)</u>
Profit/(Loss) for the period attributable to:					
Owners of the parent		996	(3,952)	(432)	(6,737)
Minority interests		1,523	686	(3,800)	(4,280)
		<u>2,519</u>	<u>(3,266)</u>	<u>(4,232)</u>	<u>(11,017)</u>
<b>Earning/(loss) per share, attributable to owners of the parent (sen):</b>	28				
Basic		0.66	(2.64)	(0.29)	(4.50)

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 30 JUNE 2013

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) for the period</b>	2,519	(3,266)	(4,232)	(11,017)
Currency translation difference arising from consolidation (equity portion)	(23)	(264)	1,887	1,133
<b>Total comprehensive income/(expense) for the period</b>	<u>2,496</u>	<u>(3,530)</u>	<u>(2,345)</u>	<u>(9,884)</u>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the parent	564	(4,168)	640	(5,852)
Minority interests	1,932	638	(2,985)	(4,032)
	<u>2,496</u>	<u>(3,530)</u>	<u>(2,345)</u>	<u>(9,884)</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 30 JUNE 2013

	Note	Unaudited as at 30/06/13 RM'000	Restated Audited as at 30/06/12 RM'000	Audited as at 30/06/12 RM'000
<b><u>ASSETS</u></b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	246,528	64,609	62,104
Land use rights		15,376	21,931	21,931
Merchantable forest resources		141,484	144,333	-
Biological assets		118,724	108,004	325,942
		<u>522,112</u>	<u>338,877</u>	<u>409,977</u>
<b>Current assets</b>				
Inventories		2,730	2,840	2,840
Trade receivables		381	353	353
Other current assets		1,518	823	823
Cash and bank balances		2,358	3,754	3,754
		<u>6,987</u>	<u>7,770</u>	<u>7,770</u>
<b>TOTAL ASSETS</b>		<b><u>529,099</u></b>	<b><u>346,647</u></b>	<b><u>417,747</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Equity attributable to owners of the parent</b>				
Share capital		74,902	74,902	74,902
Revaluation reserve		209,167	74,446	74,446
Exchange reserve		2,027	956	956
Retained earnings		(63,774)	(63,343)	(36,322)
		<u>222,322</u>	<u>86,961</u>	<u>113,982</u>
<b>Minority interests</b>		<u>57,589</u>	<u>52,551</u>	<u>77,559</u>
<b>Total equity</b>		<u>279,911</u>	<u>139,512</u>	<u>191,541</u>
<b>Non-current liabilities</b>				
Long-term borrowings	23	99,663	101,185	101,185
Deferred tax liabilities		100,430	55,205	74,277
		<u>200,093</u>	<u>156,390</u>	<u>175,462</u>
<b>Current liabilities</b>				
Trade and other payables		24,948	25,850	25,849
Short-term borrowings	23	7,029	8,978	8,978
Current tax payable		17,118	15,917	15,917
		<u>49,095</u>	<u>50,745</u>	<u>50,744</u>
<b>Total liabilities</b>		<u>249,188</u>	<u>207,135</u>	<u>226,206</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>529,099</u></b>	<b><u>346,647</u></b>	<b><u>417,747</u></b>
Net assets per share attributable to owners of the parent (RM)		1.48	0.58	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 30 JUNE 2013

	<----- Equity Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->		<u>Revaluation Reserve</u> RM'000	<u>Exchange Reserve</u> RM'000	<u>Retained Earnings</u> RM'000	<u>Total</u> RM'000	<u>Minority Interests</u> RM'000	
<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000							
<b>Twelve Months Ended 30 June 2013</b>								
<b>At 1 July 2012</b>								
As previously stated	74,902	-	74,446	956	(36,322)	113,982	77,559	191,541
Prior year adjustment					(27,020)	(27,020)	(25,008)	(52,028)
At July 2012 ( re-stated)	74,902	-	74,446	956	(63,342)	86,962	52,551	139,513
Revaluation surplus	-	-	134,721	-	-	134,721	49,302	184,023
Total comprehensive income/(expense) for the period	-	-	-	1,071	(432)	639	(44,152)	(43,513)
Dividend paid by subsidiaries	-	-	-	-	-	-	(112)	(112)
<b>At 30 June 2013</b>	74,902	-	209,167	2,027	(63,774)	222,322	57,589	279,911
<b>At 1 July 2011</b>	74,902	-	74,446	71	(29,587)	119,832	81,704	201,536
Total comprehensive income/(expense) for the period	-	-	-	885	(6,735)	(5,850)	(4,033)	(9,883)
Dividend paid by subsidiaries	-	-	-	-	-	-	(112)	(112)
<b>At 30 June 2012</b>	74,902	-	74,446	956	(36,322)	113,982	77,559	191,541

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

(Company No.: 000222-D)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2013

	12 months ended	
	30/6/2013 RM'000	30/6/2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(1,808)	(5,580)
Adjustments for :		
Non-cash items	11,985	8,169
Non-operating items	(547)	12,655
Operating profit before working capital changes	9,630	15,244
Working capital changes:-		
Net change in current assets	(419)	(695)
Net change in current liabilities	(3,268)	5,599
Cash generated from operating activities	5,943	20,148
Interest income	56	46
Tax paid	(1,517)	(739)
Net cash generated from operating activities	4,482	19,455
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other investments	(262)	(20,677)
Net cash used in investing activities	(262)	(20,677)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(4,801)	(8,169)
Dividend paid by subsidiaries to minority interest	-	(112)
Drawdown of term loan	107,016	15,734
Repayment of term loan	(110,422)	(6,520)
Repayment of hire purchase creditors	(66)	(188)
Net cash generated from/(used in) financing activities	(8,273)	745
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,053)	(477)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,754	4,267
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2,658	(36)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,359	3,754

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

	As at 30/6/2013 RM'000	As at 30/6/2012 RM'000
	Cash and bank balances	2,329
Deposits with licensed banks	30	3,288
	2,359	3,754

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.



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JUNE 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. Prior Year Adjustments**

During the financial year, the followings are prior year adjustments made to the retained earnings

	Net of Deferred Tax	MI	Net PYA
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of Merchantable Forest Reserve	49,923	(24,029)	25,894
Amortisation of Land Use Rights	8,045	(3,832)	4,213
Capitalisation of loan interest to PDE	(5,941)	2,853	(3,088)
	<b>52,028</b>	<b>(25,008)</b>	<b>27,020</b>



## PINEHILL PACIFIC BERHAD

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### 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 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.

### 8. Dividends Paid

There were no dividends paid during the current quarter.

### 9. Segment Information

Analysis by activity of the Group:

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/6/2013 RM'000	30/6/2012 RM'000	30/6/2013 RM'000	30/6/2012 RM'000
<b>Revenue:</b>				
Plantation				
- Malaysia	5,631	10,665	30,614	43,073
- Indonesia	42	122	355	220
	<u>5,673</u>	<u>10,787</u>	<u>30,969</u>	<u>43,293</u>
Investment holding	-	-	-	-
	<u>5,673</u>	<u>10,787</u>	<u>30,969</u>	<u>43,293</u>
<b>Profit/(Loss) before tax:</b>				
Plantation Malaysia	(854)	5,769	14,370	17,144
Plantation Indonesia	1,373	(5,131)	(10,248)	(13,509)
	<u>519</u>	<u>638</u>	<u>4,122</u>	<u>3,635</u>
Investment holding	(316)	152	(1,185)	(1,092)
	<u>203</u>	<u>790</u>	<u>2,937</u>	<u>2,543</u>
Finance expense	1,605	(1,881)	(4,801)	(8,169)
Finance income	30	33	56	46
	<u>1,838</u>	<u>(1,058)</u>	<u>(1,808)</u>	<u>(5,580)</u>



## PINEHILL PACIFIC BERHAD

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### 10. 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 except revaluation of estate lands in Teluk Intan to RM238.8 million resulting a revaluation surplus of RM135million .

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

### 13. Contingent Liabilities And Contingent Assets

During the current quarter, the Group's maximum exposure to credit risk is represented by a nominal amount of RM106,691,491 relating to a corporate guarantee provided by the Group to financial institutions for credit facilities granted to a subsidiary.

### 14. 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***

### 15. 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.

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

The Group recorded RM1.8 million profits before taxation and minority interests for the current quarter as compared to RM5.4 million loss before taxation and minority interests in the preceding quarter, an increase of RM7.2 million. Despite of amortisation of forest reserve of RM1.4 million, the improvement in profits is mainly due to the followings:

1. Capitalisation of borrowing cost to plantation development cost in Indonesia amounting to RM3.7million,
2. Capitalization of Banking facility cost of RM2.44 million as prepaid expenses, and
3. Capitalisation of general charges to plantation development cost in Indonesia amounting to RM2.7million





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The Group recorded a loss before taxation and minority interests of RM1.8 million for current financial period ended 30 June 2013 as compared to a loss of RM4.5 million for the previous financial period ended 30 June 2012, an improvement of RM2.7 million. Despite decrease of CPO price and FFB production by 21% and 8% respectively and amortisation of forest reserve of RM1.4million, the Group's reduction in losses is mainly due to the followings

1. gain on disposal of the freehold land of RM9.30 million.
2. Capitalisation of borrowing cost to plantation development cost in Indonesia amounting to RM3.7million,
3. Capitalization of Banking facility cost of RM2.44 million as prepaid expenses, and
4. Capitalisation of general charges to plantation development cost in Indonesia amounting to RM2.7 million

### 17. Current Year Prospect

The average CPO price for the current quarter was RM2,430 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 RM2,230 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.

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

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

### 19. Income Tax Expense

Income tax expense comprises the following:

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/6/2013 RM'000	30/6/2012 RM'000	30/6/2013 RM'000	30/6/2012 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	1,187	(3,252)	4,309	(6,414)
Over/(Under) provision in prior years	(4)	-	(22)	(68)
<b>Total</b>	<b>1,183</b>	<b>(3,252)</b>	<b>4,287</b>	<b>(6,482)</b>
Deferred tax benefits/(expense)				
Current year	(1,863)	1,045	(1,863)	1,045
<b>Total</b>	<b>(680)</b>	<b>(2,207)</b>	<b>2,424</b>	<b>(5,437)</b>



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### 20. 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.

### 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
<b><u>Short-term borrowings</u></b>	
Secured	
Denominated in Ringgit Malaysia	7,028,754
<b><u>Long-term borrowings</u></b>	
Secured	
Denominated in Ringgit Malaysia	99,662,665

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

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(30)	(33)	(56)	(46)
Interest expenses	(1,605)	1,881	4,801	8,169
Depreciation and amortisation	1,773	2,463	8,366	8,758
Foreign exchange (gain)/loss	(573)	(677)	4,905	3,878
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## PINEHILL PACIFIC BERHAD

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### 25. 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.

### 26. 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.

### 27. Dividend Payable

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

### 28. Earnings/(Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
Basic				
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>996</u>	<u>(3,952)</u>	<u>(432)</u>	<u>(6,737)</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>0.66</u></u>	<u><u>(2.64)</u></u>	<u><u>(0.29)</u></u>	<u><u>(4.50)</u></u>

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

	Current Financial Period RM'000	Restated As At The End Of Last Financial Year RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(51,795)	(49,256)
- Unrealised	<u>(11,549)</u>	<u>(6,644)</u>
	<u>(63,344)</u>	<u>(55,900)</u>



## PINEHILL PACIFIC BERHAD

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### **30. 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 August 2013.