



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DEC 2015

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RM'000	RM'000	RM'000	RM'000
Revenue	8	5,650	6,145	13,018	14,722
Cost of sales		(6,028)	(7,434)	(12,993)	(14,859)
Gross profit		(378)	(1,289)	25	(137)
Distribution costs		(85)	(91)	(205)	(219)
Administration expenses		920	2,431	6,447	(873)
Other operating income		52	7	52	7
Finance costs		509	1,058	6,319	(1,222)
Finance income		(1,133)	(1,262)	(2,300)	(2,443)
		1	4	1	5
Profit/(Loss) before tax	8	(623)	(200)	4,020	(3,660)
Taxation	18	(5)	(15)	(133)	(140)
Profit/(Loss) for the period		<u>(628)</u>	<u>(215)</u>	<u>3,887</u>	<u>(3,800)</u>
Profit/(Loss) for the period attributable to:					
Owners of the parent		(146)	(44)	4,891	(3,231)
Minority interests		(482)	(171)	(1,004)	(569)
		<u>(628)</u>	<u>(215)</u>	<u>3,887</u>	<u>(3,800)</u>
Earning/(loss) per share, attributable to owners of the parent (sen):	27				
Basic		(0.10)	(0.03)	3.26	(2.16)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 DEC 2015

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(628)	(215)	3,887	(3,800)
Currency translation difference arising from consolidation (equity portion)	(1,099)	(1,602)	(3,884)	(1,562)
Total comprehensive income/(expense) for the period	<u>(1,727)</u>	<u>(1,817)</u>	<u>3</u>	<u>(5,362)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(976)	(1,236)	1,955	(4,366)
Minority interests	(751)	(581)	(1,952)	(996)
	<u>(1,727)</u>	<u>(1,817)</u>	<u>3</u>	<u>(5,362)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 DEC 2015

	Note	Unaudited as at 31/12/15 RM'000	Audited as at 30/06/15 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	9	215,917	221,749
Land use rights		19,399	18,267
Biological assets		137,571	129,850
		<u>372,887</u>	<u>369,866</u>
Current assets			
Inventories		902	1,136
Trade receivables		731	774
Other current assets		2,443	1,740
Cash and bank balances		1,008	377
		<u>5,084</u>	<u>4,027</u>
TOTAL ASSETS		<u>377,971</u>	<u>373,893</u>
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Revaluation reserve		211,126	211,126
Exchange reserve		2,678	5,614
Retained earnings		(177,939)	(182,830)
		<u>110,767</u>	<u>108,812</u>
Minority interests		<u>(604)</u>	<u>1,348</u>
Total equity		<u>110,163</u>	<u>110,160</u>
Non-current liabilities			
Long-term borrowings		118,054	112,711
Deferred tax liabilities		56,497	56,497
Amount due to a Corporate Shareholder		26,660	26,660
Amount due to a Director		7,557	7,557
Retirement benefit obligations		636	582
		<u>209,404</u>	<u>204,007</u>
Current liabilities			
Trade and other payables		33,342	27,405
Short-term borrowings		5,283	12,383
Current tax payable		19,291	19,548
Amount due to a Directors		488	390
		<u>58,404</u>	<u>59,726</u>
Total liabilities		<u>267,808</u>	<u>263,733</u>
TOTAL EQUITY AND LIABILITIES		<u>377,971</u>	<u>373,893</u>
Net assets per share attributable to owners of the parent (RM)		0.74	0.73

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 DEC 2015

	← Equity Attributable to Owners of the Parent →							Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Distributable		
Balance as at 1 July 2015	74,902	-	211,126	5,614	(182,830)	108,812	1,348	110,160	
Total comprehensive (expense)/income for the period	-	-	-	(2,936)	4,891	1,955	(1,952)	3	
Balance as at 31 Dec 2015	74,902	-	211,126	2,678	(177,939)	110,767	(604)	110,163	
Balance as at 1 July 2014	74,902	-	211,126	6,335	(172,224)	120,139	4,027	124,166	
Goodwill arising of acquisition subsidiary	-	-	-	-	42	42	-	42	
Adjusted balance as at 1 July 2014	74,902	-	211,126	6,335	(172,182)	120,181	4,027	124,208	
Total comprehensive income/(expense) for the period	-	-	-	(1,135)	(3,231)	(4,366)	(996)	(5,362)	
Balance as at 31 Dec 2014	74,902	-	211,126	5,200	(175,413)	115,815	3,031	118,846	

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 DEC 2015

	6 Months Ended	
	31/12/2015 RM'000	31/12/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	4,020	(3,660)
Adjustments for :		
Non-cash items	8,731	8,902
Non-operating items	(9,124)	(5,218)
Operating profit before working capital changes	3,627	24
Working capital changes:-		
Net change in current assets	(426)	790
Net change in current liabilities	7,093	4,228
Cash generated from operating activities	10,294	5,042
Interest income	2	5
Tax paid	(391)	(1,504)
Net cash generated from operating activities	9,905	3,543
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(3,658)	(8,770)
Net cash used in investing activities	(3,658)	(8,770)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(4,035)	(457)
Drawdown of term loan	1,649	10,995
Repayment of term loan	(6,428)	(8,204)
Repayment of hire purchase creditors	(56)	(71)
Net cash generated from/(used in) financing activities	(8,870)	2,263
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,623)	(2,964)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	377	1,242
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	3,254	2,827
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,008	1,105

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

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Cash and bank balances	974	1,070
Deposits with licensed banks	34	35
	1,008	1,105

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 DEC 2015

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 2015. 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 2015.

2. Qualification on preceding Financial Statements

The preceding annual financial statements of the Group as at 30 June 2015 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.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

8. Segment Information

Analysis by activity of the Group:

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Revenue:				
Plantation				
- Malaysia	5,580	5,913	12,895	14,160
- Indonesia	70	232	123	562
	<u>5,650</u>	<u>6,145</u>	<u>13,018</u>	<u>14,722</u>
Investment holding	-	-	-	-
	<u>5,650</u>	<u>6,145</u>	<u>13,018</u>	<u>14,722</u>
Profit/(Loss) before tax:				
Plantation Malaysia	(412)	(290)	1,344	(862)
Plantation Indonesia	1,002	1,574	5,131	(80)
	<u>590</u>	<u>1,284</u>	<u>6,475</u>	<u>(942)</u>
Investment holding	(80)	(226)	(155)	(280)
	<u>510</u>	<u>1,058</u>	<u>6,320</u>	<u>(1,222)</u>
Finance expense	(1,133)	(1,262)	(2,300)	(2,443)
Finance income	-	4	-	5
	<u>(623)</u>	<u>(200)</u>	<u>4,020</u>	<u>(3,660)</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.

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 RM123,096,803 relating to a corporate guarantee provided by the Group to financial institutions for credit facilities granted to a subsidiary.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

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 To date

Current Quarter

The Group reported RM0.6 million loss before taxation and minority interests in the current quarter as compared to RM4.6 million profit before taxation and minority interests in the immediate preceding quarter. The reduction in profit of RM5.2 million was due to reduction of gain in unrealised foreign exchange by RM4.5 million and lower FFB production.

Year to Date

As compared to corresponding six month period of the financial year, the Group reported RM4.0 million profit before taxation and minority interests for current financial period compared to RM3.6 million loss in the corresponding period of the last financial year. As a result, an improvement of RM7.6 million was recorded.

The improvement is mainly due to the strengthening of Rupiah against RM by RM6.2 million gain in unrealised foreign exchange.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

16. Current Year Prospect

The average CPO price for the current quarter was RM2,124 per metric tonne, which was higher compared to the average of immediate preceding quarter of RM2,010 per metric tonne. The current average CPO price is about RM2,447 per metric tonne. We expect the performance of the Group in the coming months to be challenging depending on Crude Palm Oil (“CPO”) production, CPO price 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 6 Months Ended	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	5	15	133	140
Total	<u>5</u>	<u>15</u>	<u>133</u>	<u>140</u>

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.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

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	19,866
<u>Long-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	103,471

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. (Loss)/Profit before tax

	Current Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Interest Income	(1)	(4)	(1)	(5)
Interest Expenses	1,133	1,262	2,300	2,443
Depreciation and amortisation	4,242	4,441	8,731	8,901
Foreign exchange (gain)/loss	(3,447)	(5,445)	(11,416)	(5,213)

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.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

26. Dividend Payable

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

27. Earnings / (Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Basic				
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>(146)</u>	<u>(44)</u>	<u>4,891</u>	<u>(3,231)</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>(0.10)</u></u>	<u><u>(0.03)</u></u>	<u><u>3.26</u></u>	<u><u>(2.16)</u></u>

28. 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	(168,720)	(162,195)
- Unrealised	<u>(9,219)</u>	<u>(20,635)</u>
	<u><u>(177,939)</u></u>	<u><u>(182,830)</u></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 29 February 2016.