



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
		RM'000	RM'000	RM'000	RM'000
Revenue	8	5,281	5,469	18,299	20,191
Cost of sales		(5,570)	(6,637)	(18,563)	(21,496)
Gross profit		(289)	(1,168)	(264)	(1,305)
Distribution costs		(73)	(76)	(278)	(295)
Administration expenses		(9,339)	(1,815)	(2,892)	(2,688)
Other operating income		1	7	53	14
Finance costs		(9,700)	(3,052)	(3,381)	(4,274)
Finance income		(2,188)	(1,224)	(4,488)	(3,667)
		1	3	2	8
Profit/(Loss) before tax	8	(11,887)	(4,273)	(7,867)	(7,933)
Taxation	18	(88)	(358)	(221)	(498)
Profit/(Loss) for the period		(11,975)	(4,631)	(8,088)	(8,431)
Profit/(Loss) for the period attributable to:					
Owners of the parent		(12,361)	(3,667)	(7,470)	(6,898)
Minority interests		386	(964)	(618)	(1,533)
		(11,975)	(4,631)	(8,088)	(8,431)
Earning/(loss) per share, attributable to owners of the parent (sen):	27				
Basic		(8.25)	(2.45)	(4.99)	(4.60)

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 31 MARCH 2016

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(11,975)	(4,631)	(8,088)	(8,431)
Currency translation difference arising from consolidation (equity portion)	2,381	(330)	(1,503)	(1,892)
Total comprehensive income/(expense) for the period	<u>(9,594)</u>	<u>(4,961)</u>	<u>(9,591)</u>	<u>(10,323)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(10,561)	(3,879)	(8,606)	(8,245)
Minority interests	967	(1,082)	(985)	(2,078)
	<u>(9,594)</u>	<u>(4,961)</u>	<u>(9,591)</u>	<u>(10,323)</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 MARCH 2016

	Note	Unaudited as at 31/03/16 RM'000	Audited as at 30/06/15 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	9	295,617	221,749
Land use rights		18,744	18,267
Biological assets		132,941	129,850
		447,302	369,866
Current assets			
Inventories		1,035	1,136
Trade receivables		915	774
Other current assets		2,772	1,740
Cash and bank balances		1,830	377
		6,552	4,027
TOTAL ASSETS		453,854	373,893
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Revaluation reserve		270,194	211,126
Exchange reserve		4,478	5,614
Retained earnings		(190,300)	(182,830)
		159,274	108,812
Minority interests		4,223	1,348
Total equity		163,497	110,160
Non-current liabilities			
Long-term borrowings		110,427	112,711
Deferred tax liabilities		76,369	56,497
Amount due to a Corporate Shareholder		26,660	26,660
Amount due to a Director		7,557	7,557
Retirement benefit obligations		605	582
		221,618	204,007
Current liabilities			
Trade and other payables		35,054	27,405
Short-term borrowings		14,188	12,383
Current tax payable		496	19,548
Amount due to a Directors		19,001	390
		68,739	59,726
Total liabilities		290,357	263,733
TOTAL EQUITY AND LIABILITIES		453,854	373,893
Net assets per share attributable to owners of the parent (RM)		1.06	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 MARCH 2016

	<----- Equity Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->							
	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<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>Total Equity</u> RM'000
Balance as at 1 July 2015	74,902	-	211,126	5,614	(182,830)	108,812	1,348	110,160
Revaluation surplus	-	-	59,068	-	-	59,068	3,860	62,928
Total comprehensive (expense)/income for the period	-	-	-	(1,136)	(7,470)	(8,606)	(985)	(9,591)
Balance as at 31 Mar 2016	74,902	-	270,194	4,478	(190,300)	159,274	4,223	163,497
Balance as at 1 July 2014	74,902	-	211,126	6,335	(172,224)	120,139	4,027	124,166
Total comprehensive income/(expense) for the period	-	-	-	(1,402)	(6,843)	(8,245)	(2,078)	(10,323)
Balance as at 31 Mar 2015	74,902	-	211,126	4,933	(179,067)	111,894	1,949	113,843

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 MARCH 2016

	9 Months Ended	
	31/03/2016 RM'000	31/03/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(7,867)	(7,933)
Adjustments for :		
Non-cash items	13,753	13,860
Non-operating items	(56)	(6,450)
Operating profit before working capital changes	<u>5,830</u>	<u>(523)</u>
Working capital changes:-		
Net change in current assets	(1,071)	674
Net change in current liabilities	8,677	9,711
Cash generated from operating activities	<u>13,436</u>	<u>9,862</u>
Interest income	2	8
Tax paid	(768)	(1,804)
Net cash generated from operating activities	<u>12,670</u>	<u>8,066</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(4,452)	(12,447)
Net cash used in investing activities	<u>(4,452)</u>	<u>(12,447)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(6,667)	(809)
Drawdown of term loan	3,733	13,077
Repayment of term loan	(6,378)	(12,669)
Repayment of hire purchase creditors	(83)	(71)
Net cash generated from/(used in) financing activities	<u>(9,395)</u>	<u>(472)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,177)	(4,853)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	377	1,242
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2,630	4,173
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,830</u>	<u>562</u>

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

	As at 31/03/2016 RM'000	As at 31/03/2015 RM'000
Cash and bank balances	1,796	528
Deposits with licensed banks	34	34
	<u>1,830</u>	<u>562</u>

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 MARCH 2016

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 9 Months Ended	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Revenue:				
Plantation				
- Malaysia	5,063	5,450	17,958	19,610
- Indonesia	218	19	341	581
	<u>5,281</u>	<u>5,469</u>	<u>18,299</u>	<u>20,191</u>
Investment holding	-	-	-	-
	<u>5,281</u>	<u>5,469</u>	<u>18,299</u>	<u>20,191</u>
Profit/(Loss) before tax:				
Plantation Malaysia	(3,682)	(2,082)	(2,338)	(2,944)
Plantation Indonesia	(5,930)	(874)	(799)	(953)
	<u>(9,612)</u>	<u>(2,956)</u>	<u>(3,137)</u>	<u>(3,897)</u>
Investment holding	(88)	(96)	(244)	(377)
	<u>(9,700)</u>	<u>(3,052)</u>	<u>(3,381)</u>	<u>(4,274)</u>
Finance expense	(2,188)	(1,224)	(4,488)	(3,667)
Finance income	1	3	2	8
	<u>(11,887)</u>	<u>(4,273)</u>	<u>(7,867)</u>	<u>(7,933)</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 except revaluation of estate lands in Teluk Intan to RM290.4 million resulting a revaluation surplus of RM59 million.

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 RM124,398,347 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 RM11.9 million loss before taxation and minority interests in the current quarter as compared to RM0.6 million loss before taxation and minority interests in the immediate preceding quarter. The increase in loss of RM11.3 million was mainly due to the weakening of Rupiah against RM by RM10.3 million.

Year to Date

As compared to corresponding nine month period of the financial year, there is no significant variance between the loss before taxation and minority interests for current financial period of RM7.88 million as compared to RM7.93 million loss in the corresponding period of the last financial year.

16. Current Year Prospect

The average CPO price for the current quarter was RM2,374 per metric tonne, which was higher compared to the average of immediate preceding quarter of RM2,124 per metric tonne. The current average CPO price is about RM2,663 per metric tonne. Fresh Fruits Bunch ("FFB") is expected to decrease in this year and may continue into year 2017 as a result of dry weather and low rainfall caused by El Nino. We expect the performance of the Group in the coming months to be challenging depending on FFB production, CPO price and foreign exchange fluctuation.



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

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	
	31/3/2016 RM'000	31/3/2015 RM'000	31/3/2016 RM'000	31/3/2015 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	88	358	221	498
Total	<u>88</u>	<u>358</u>	<u>221</u>	<u>498</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	14,187,610
<u>Long-term borrowings</u>	
Secured	
Denominated in Ringgit Malaysia	110,427,462

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		9 Months Ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
Interest Income	(1)	(3)	(2)	(8)
Interest Expenses	2,188	1,224	4,488	3,667
Depreciation and amortisation	4,368	4,495	13,099	13,396
Foreign exchange (gain)/loss	6,884	(1,229)	(4,533)	(6,442)

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.

26. Dividend Payable

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



PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

27. Earnings / (Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Basic				
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>(12,361)</u>	<u>(3,667)</u>	<u>(7,470)</u>	<u>(6,898)</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>(8.25)</u></u>	<u><u>(2.45)</u></u>	<u><u>(4.99)</u></u>	<u><u>(4.60)</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	(174,198)	(162,195)
- Unrealised	<u>(16,102)</u>	<u>(20,635)</u>
	<u><u>(190,300)</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 27 May 2016.