



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
		31/3/2020	31/3/2019	31/3/2020	31/3/2019
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	8	180	4,043	1,545	13,790
Cost of sales		(2,014)	(8,235)	(8,493)	(25,349)
Gross loss		(1,834)	(4,192)	(6,948)	(11,559)
Distribution costs		-	(87)	(35)	(286)
Administration expenses		3,434	(1,949)	(1,465)	(5,927)
Other operating income		32	63	142,075	134
<b>Profit/(Loss) before interest &amp; tax</b>		1,632	(6,165)	133,627	(17,638)
Finance costs		-	(2,196)	89	(6,687)
Finance income		1,047	2	4,212	2
<b>Profit/(Loss) before tax</b>	8	2,679	(8,359)	137,928	(24,323)
Taxation	19	48	54	(36,821)	54
<b>Profit/(Loss) for the period</b>	8	2,727	(8,305)	101,107	(24,269)
Profit/(Loss) for the period attributable to:					
Owners of the parent		2,914	(7,495)	96,247	(21,830)
Non-controlling interests		(187)	(810)	4,860	(2,439)
		2,727	(8,305)	101,107	(24,269)
<b>Earning/(Loss) per share, attributable to owners of the parent (sen):</b>	28				
Basic		1.95	(5.00)	64.25	(14.57)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2019 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 2020

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM000	RM000	RM000	RM000
<b>Profit/(Loss) for the period</b>	2,727	(8,305)	101,107	(24,269)
Currency translation difference arising from consolidation (equity portion)	(6,657)	153	(3,214)	(6,910)
<b>Total comprehensive (expense)/income for the period</b>	<b>(3,930)</b>	<b>(8,152)</b>	<b>97,893</b>	<b>(31,179)</b>
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the parent	(5,205)	(7,328)	88,407	(25,611)
Non-controlling interests	1,275	(824)	9,486	(5,568)
	<b>(3,930)</b>	<b>(8,152)</b>	<b>97,893</b>	<b>(31,179)</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2019 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 2020

	Note	Unaudited as at 31/3/2020 RM'000	Audited 30/6/2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	353	803
Land use rights		18,317	19,875
Biological assets - Bearer Plants		63,945	72,932
		82,615	93,610
<b>Current assets</b>			
Inventories		122	585
Assets held for sale		-	252,032
Produce growing on bearer plants		8	296
Trade receivables		201	375
Other current assets		213	558
Short term investments		129,328	-
Cash and bank balances		859	232
		130,731	254,078
<b>TOTAL ASSETS</b>		<b>213,346</b>	<b>347,688</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		74,902	74,902
Revaluation reserve		-	257,771
Exchange reserve		268	8,108
Retained earnings		129,335	(276,629)
		204,505	64,152
<b>Non-controlling interests</b>		(3,289)	(10,418)
<b>Total equity</b>		<b>201,216</b>	<b>53,734</b>
<b>Non-current liabilities</b>			
Long-term borrowings		-	131
Deferred tax liabilities		1,609	56,814
Amount due to a former Corporate Shareholder		-	26,660
Amount due to a Director		-	7,632
		1,609	91,237
<b>Current liabilities</b>			
Trade and other payables		10,521	51,093
Short-term borrowings		-	126,798
Current tax payable		-	24,126
Amount due to Directors		-	700
		10,521	202,717
<b>Total liabilities</b>		12,130	293,954
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>213,346</b>	<b>347,688</b>
Net assets per share attributable to owners of the parent (RM)		1.37	0.43

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.



## PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

←----- Equity Attributable to Owners of the Parent ----->

	<u>Share Capital</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>Non-controlling Interests</u> RM'000	<u>Total Equity</u> RM'000
<b>Balance as at 01 July 2019</b>	74,902	257,771	8,108	(276,629)	64,152	(10,418)	53,734
Decreased in deferred taxation previously recognised on revaluation	-	-	-	51,946	51,946	-	51,946
Reversal in revaluation due to disposal of assets	-	(257,771)	-	257,771	-	-	-
Total comprehensive income for the period	-	-	(7,840)	96,247	88,407	9,486	97,893
Dividend paid by subsidiaries	-	-	-	-	-	(2,357)	(2,357)
<b>Balance as at 31 March 2020</b>	<b>74,902</b>	<b>-</b>	<b>268</b>	<b>129,335</b>	<b>204,505</b>	<b>(3,289)</b>	<b>201,216</b>
<b>At 1 January 2018, as previously reported</b>	74,902	257,771	10,233	(231,816)	111,090	(3,684)	107,406
Effect of change in accounting policy ("MFRS 141")	-	-	-	590	590	36	626
<b>At 1 January 2018, as restated</b>	<b>74,902</b>	<b>257,771</b>	<b>10,233</b>	<b>(231,226)</b>	<b>111,680</b>	<b>(3,648)</b>	<b>108,032</b>
Total comprehensive expense for the period	-	-	(3,781)	(38,158)	(41,939)	(5,568)	(47,507)
<b>Balance as at 31 March 2019</b>	<b>74,902</b>	<b>257,771</b>	<b>6,452</b>	<b>(269,384)</b>	<b>69,741</b>	<b>(9,216)</b>	<b>60,525</b>

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2019 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 2020

	9 Months Ended	
	31/03/2020 RM'000	31/03/2019 RM'000 Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	137,928	(24,323)
Adjustments for :		
Depreciation and amortisation	3,246	18,125
Property, plant and equipment written off	135	52
Interest income	(4,212)	(2)
Interest expenses	(89)	6,687
Gain on disposal of property, plant and equipment	(27)	-
Gain on disposal of plantation assets	(141,949)	-
Operating loss before working capital changes	(4,969)	539
Net change in receivables	840	(402)
Net change in payables	(82,618)	2,643
Net change in inventories	463	310
Cash generated from operating activities	(86,283)	3,089
Interest received	4,212	2
Interest paid	89	(6,687)
Tax paid	(60,979)	(198)
Net cash used in operating activities	(142,961)	(3,794)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(48)	(147)
Net (placement)/withdrawal of short term investments	(129,328)	-
Proceeds from disposal of plantation assets	401,074	-
Proceeds from disposal of property, plant and equipment	29	50
Net cash generated from/(used in) investing activities	271,727	(98)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(126,683)	-
Repayment of hire purchase creditors	(247)	(101)
Net cash used in financing activities	(126,930)	(101)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,836	(3,993)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	232	1,910
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	(1,210)	3,147
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	859	1,064

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

	As at 31/03/2020 RM'000	As at 31/03/2019 RM'000
Cash and bank balances	467	1,029
Deposits with licensed banks	392	35
	859	1,064

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020

### *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 MFRS 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 2019. 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 2019.

#### **2. Auditor's Report on Preceding Annual Financial Statements**

There were no key audit matters that relate to the material uncertainty related to going concern for the financial year ended 30 Jun 2019.

#### **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 amounts 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.



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## 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.

## 8. Segment Information

The Group's segment information for the financial period ended 31 Mar 2020 is as follows:

### 1) Major Business Segments

#### 9 months ended 31 March 2020

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	1,545	-	-	1,545
Inter-segment	-	-	-	-
Total Revenue	1,545	-	-	1,545
<b>SEGMENT RESULTS</b>				
Profit/(Loss) from operations	138,564	(725)	-	137,839
Finance costs	89	-	-	89
Profit/(Loss) before taxation	138,653	(725)	-	137,928
Taxation	(36,821)	-	-	(36,821)
Profit/(Loss) after taxation	101,832	(725)	-	101,107

#### **Financial Position**

#### **9 months ended 31 March 2020**

Total segment assets	213,795	25	(474)	213,346
Total segment liabilities	10,697	298	1,135	12,130



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## 8. Segment Information (cont'd)

### 1) Major Business Segments (cont'd)

#### 9 months ended 31 March 2019

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	13,790	-	-	13,790
Total Revenue	<u>13,790</u>	<u>-</u>	<u>-</u>	<u>13,790</u>
<b>SEGMENT RESULTS</b>				
Loss from operations	(16,642)	(994)	-	(17,636)
Finance costs	(6,687)	-	-	(6,687)
Loss before taxation	<u>(23,329)</u>	<u>(994)</u>	<u>-</u>	<u>(24,323)</u>
Taxation	54	-	-	54
Loss after taxation	<u>(23,275)</u>	<u>(994)</u>	<u>-</u>	<u>(24,269)</u>

#### **Financial Position**

#### **9 months ended 31 March 2019**

Total segment assets	<u>392,337</u>	<u>24</u>	<u>(38,941)</u>	<u>353,420</u>
Total segment liabilities	<u>81,972</u>	<u>40,485</u>	<u>170,437</u>	<u>292,894</u>

### 2) Geographical Segments

Revenue based on geographical location of the Group's customers is as follows:

GROUP	Current Year	Preceding Year
	31/3/2020	31/3/2019
	RM'000	RM'000
Malaysia	957	13,449
Indonesia	588	341
<b>Total</b>	<u>1,545</u>	<u>13,790</u>





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## 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

Upon completion of the Disposal as stated in Note 22, the Group is considered as an Affected Listed Issuer under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company is in the process of evaluating potential investments as part of the regularisation plan.

Other than the above, there were 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

There were no contingent liabilities and contingent assets that have not been reflected in the financial statements.

## 13. Capital Commitments

There is no capital commitment from the last balance sheet date.

## 14. Related Party Transactions

There is no related party transaction entered into by the Company and/or its subsidiaries during the financial period to-date.

## 15. Review of Performance

The performance of the Group was mainly contributed by the plantation subsidiaries.

The profit before taxation and non-controlling interests of the plantation subsidiaries for the current quarter were due to the factors as mentioned in note 16.



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### ***PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD***

#### **16. Comparison With Preceding Quarter Results And Comparison With Financial Period To-date**

##### Current Quarter

The Group reported profit before taxation and non-controlling interests of RM2.68 million in the current quarter as compared to loss before taxation and non-controlling interests of RM15.28 million in the immediate preceding quarter. The variance of RM17.96 million is mainly contributed by:

- Reduction on the gain from the sales of subsidiaries plantation assets by RM12.5 million in the immediate preceding quarter due to release of retention sum as announced on 11 Jun 2019; and
- Waiver of charges on late tax payment for its subsidiaries of RM4.62 million

##### Year to Date

As compared to corresponding cumulative quarter ended 31 Mar 2019, the Group reported profit before taxation and non-controlling interests of RM137.93 million for current the financial period as compared to loss before taxation and non-controlling interests of RM24.32 million in the corresponding period of the last financial year. The variance of RM162.25 million is mainly contributed by:

- Net gain from the sales of subsidiaries plantation assets by RM141.95 million
- Decrease in depreciation and amortisation of the assets sold by RM14.88 million
- Decrease in finance costs due to full settlement of term loan on 17 July 2019 by RM6.78 million
- Decrease in sale of crude oil palm due to disposal of subsidiaries plantations by RM11.98 million; and
- Waiver of charges on late tax payment for its subsidiaries of RM4.62 million

#### **17. Current Year Prospect**

The Covid-19 pandemic and movement restrictions has affected the Group's operations in Indonesia, whereby workers are not able to travel to the estates on regular basis and transportation of fresh fruits bunch ("FFB") to the mills is also restricted. This will affect the revenue from sale of FFB.

We expect the outlook of the Group to be extremely challenging caused by the global economic slowdown as a result of the pandemic. The Board of Directors continues to monitor the situation closely and will take appropriate and timely actions to minimise any adverse financial impact arising from this situation.



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### 17. Current Year Prospect (cont'd)

In relation to the above, Bursa Malaysia has issued a circular dated 26 March 2020 on the additional relief measures to alleviate the impact of Covid-19, the requisite time for submission of a regularisation plan by Listed Issuers which trigger the criteria under Paragraph 8.03A or 8.04 (Practice Note 17) of the Listing Requirements has been extended from 12 months to 24 months from the date of the First Announcement.

Therefore, the Company has approximately 15 months until 3rd September 2021 to submit a regularisation plan to the relevant authorities for approval.

### 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		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Real property gain tax	-	-	36,869	-
Over provision in prior year	(48)	(54)	(48)	(54)
<b>Total</b>	<b>(48)</b>	<b>(54)</b>	<b>36,821</b>	<b>(54)</b>

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

As stated in Note 22, the Disposal was successfully completed with a gain from sales of subsidiaries plantation assets of RM141.95 million.

Other than the above, 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.



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### 22. Status of Corporate Proposals

On 21 September 2018, subsidiaries of the Company entered into three separate conditional sale and purchase agreements with United Plantations Berhad to dispose the plantation assets located in the district of Hilir Perak, Perak, measuring approximately 8,999.13 acres, for a total cash consideration of RM413,574,302 (hereinafter referred to as “the Disposal”). As announced, the Disposal was completed on 3 September 2019.

The status of the utilisation of proceed from the Disposal of RM413.574 million as at 31 March 2020 was as follows:

	<b>Proposed utilisation as per circular to shareholder @27/12/2018 RM'000</b>	<b>Actual utilisation @31/3/2020 RM'000</b>	<b>Proceeds balance @31/3/2020 RM'000</b>
Repayment of bank borrowings	126,700	(126,700)	-
Payment to creditors	111,700	(101,144)	10,556
Funding of oil palm business in Indonesia	95,000	(1,695)	93,305
Dividend to minority shareholders of a subsidiary	2,400	(1,399)	1,001
Working capital	19,274	(343)	18,931
Supplementary agreements as announced on 11 Jun 2019	12,500	(12,500)	-
Estimated expenses in relation to proposed disposal	46,000	(45,940)	60
	<b>413,574</b>	<b>(289,721)</b>	<b>123,853</b>

### 23. Group Borrowings

The borrowings and debt securities of the Group as at the end of the reporting period are as follows:

	<b>As at 31/03/2020 RM'000</b>	<b>As at 31/03/2019 RM'000</b>
<b><u>Short-term borrowings</u></b>		
Secured Denominated in Ringgit Malaysia	-	126,799
<b><u>Long-term borrowings</u></b>		
Secured Denominated in Ringgit Malaysia	-	160



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### 24. 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.

### 25. Profit/(Loss) Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,047)	(2)	(4,212)	(2)
Interest expenses	-	2,196	(89)	6,687
Gain on disposal of property, plant and equipment	(5)	-	(27)	-
Loss/(Gain) on disposal of plantation assets	-	-	(141,949)	-
Depreciation and amortisation	1,022	5,821	3,246	18,126
Property, plant and equipment written off	-	-	135	-

### 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.



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

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Basic				
Profit/(Loss) attributable to owners of the parent (RM'000)	2,914	(7,495)	96,247	(21,830)
Weighted average number of ordinary shares in issue ('000)	149,804	149,804	149,804	149,804
Basic earnings/(loss) per share (sen)	<u>1.95</u>	<u>(5.00)</u>	<u>64.25</u>	<u>(14.57)</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 10 June 2020.