



# PINEHILL PACIFIC BERHAD

(Company No.: 000222-D)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPT 2020

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 3 Months Ended	
		30/9/2020	30/9/2019	30/9/2020	30/9/2019
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	8	265	1,163	265	1,163
Cost of sales		(2,478)	(4,473)	(2,478)	(4,473)
Gross loss		(2,213)	(3,310)	(2,213)	(3,310)
Distribution costs		-	(35)	-	(35)
Administration expenses		(1,389)	(2,667)	(1,389)	(2,667)
Real Property Gain Tax		-	(36,870)	-	(36,870)
Other operating income		239	154,438	239	154,438
<b>(Loss)/Profit before interest &amp; tax</b>		(3,363)	111,556	(3,363)	111,556
Finance costs		-	90	-	90
Finance income		658	2,016	658	2,016
<b>(Loss)/Profit before tax</b>	8	(2,705)	113,662	(2,705)	113,662
Taxation	19	-	-	-	-
<b>(Loss)/Profit for the period</b>		(2,705)	113,662	(2,705)	113,662
(Loss)/Profit for the period attributable to:					
Owners of the parent		(2,102)	107,347	(2,102)	107,347
Non-controlling interests		(603)	6,315	(603)	6,315
		(2,705)	113,662	(2,705)	113,662
<b>(Loss)/Earning per share, attributable to owners of the parent (sen):</b>	28				
Basic		(1.40)	71.66	(1.40)	71.66

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

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 3 Months Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit for the period</b>	(2,705)	113,662	(2,705)	113,662
Currency translation difference arising from consolidation (equity portion)	(4,723)	(66)	(4,723)	(66)
<b>Total comprehensive (expense)/income for the period</b>	<u>(7,428)</u>	<u>113,596</u>	<u>(7,428)</u>	<u>113,596</u>
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the parent	(7,793)	107,281	(7,793)	107,281
Non-controlling interests	365	6,315	365	6,315
	<u>(7,428)</u>	<u>113,596</u>	<u>(7,428)</u>	<u>113,596</u>

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

	Note	Unaudited as at 30/09/20 RM'000	Audited 30/06/20 RM'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	66,353	70,959
Right-of-use assets		18,936	19,969
		85,289	90,928
<b>Current assets</b>			
Inventories		301	258
Produce growing on bearer plants		28	4
Trade receivables		200	168
Other receivables		390	442
Short term deposits		123,703	126,033
Cash and bank balances		444	829
		125,066	127,734
<b>TOTAL ASSETS</b>		<b>210,355</b>	<b>218,662</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		74,902	74,902
Exchange reserve		4,027	9,718
Retained earnings		127,099	129,201
		206,028	213,821
<b>Non-controlling interests</b>		(4,502)	(4,867)
<b>Total equity</b>		201,526	208,954
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,568	1,568
		1,568	1,568
<b>Current liabilities</b>			
Trade and other payables		7,277	8,136
Current tax payable		(16)	4
		7,261	8,140
<b>Total liabilities</b>		8,829	9,708
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>210,355</b>	<b>218,662</b>
Net assets per share attributable to owners of the parent (RM)		1.38	1.43

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2020 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 30 SEPT 2020

	<----- Equity Attributable to Owners of the Parent ----->						
	<u>Share Capital</u> RM'000	<u>Revaluation Reserve</u> RM'000	<u>Translation 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 2020</b>	74,902	-	9,718	129,201	213,821	(4,867)	208,954
Total comprehensive (expense)/income for the period	-	-	(5,691)	(2,102)	(7,793)	365	(7,428)
<b>Balance as at 30 Sept 2020</b>	74,902	-	4,027	127,099	206,028	(4,502)	201,526
<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	-	3,143	3,143
Total comprehensive (expense)/income for the period	-	-	(66)	107,347	107,281	6,315	113,596
Dividend paid by subsidiaries	-	-	-	-	-	(2,357)	(2,357)
<b>Balance as at 30 Sept 2019</b>	74,902	-	8,042	140,435	223,379	(3,317)	220,062

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

	3 Months Ended	
	30/09/2020 RM'000	30/09/2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(2,705)	150,532
Adjustments for :		
Depreciation and amortisation	913	1,138
Property, plant and equipment written off	-	135
Interest income	(658)	(2,016)
Interest expenses	-	(90)
Gain on disposal of property, plant and equipment	-	(21)
Gain on disposal of plantation assets	-	(154,399)
Operating loss before working capital changes	<u>(2,450)</u>	<u>(4,721)</u>
Net change in receivables	(2)	(12,176)
Net change in payables	(893)	(30,736)
Net change in inventories	(44)	491
Cash generated from operating activities	<u>(3,389)</u>	<u>(47,142)</u>
Interest received	658	2,016
Interest paid	-	90
Tax paid	(20)	(41,445)
Net cash used in from operating activities	<u>(2,751)</u>	<u>(86,481)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(62)	(9)
Net placement of short term deposits	2,329	(60,035)
Proceeds from disposal of plantation assets	-	401,103
Net cash generated from investing activities	<u>2,267</u>	<u>341,059</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	-	(126,683)
Repayment of hire purchase creditors	-	(203)
Net cash used in financing activities	<u>-</u>	<u>(126,886)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(484)	127,692
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	829	232
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	99	(2,348)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>444</u>	<u>125,576</u>

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

	As at 30/09/2020 RM'000	As at 30/09/2019 RM'000
Cash and bank balances	444	125,541
Pledged deposits with licensed banks	-	35
	<u>444</u>	<u>125,576</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2020 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 30 SEPT 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 2020. 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 2020.

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

There was no key audit matters that relate to the material uncertainty related to going concern for the financial year ended 30 Jun 2020.

#### **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.



# PINEHILL PACIFIC BERHAD

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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 was no dividend paid during the current quarter.

## 8. Segment Information

The Group's segment information for the financial period ended 30 September 2020 is as follows:

### 1) Major Business Segments

#### 3 months ended 30 Sept 2020

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	265	-	-	265
Total revenue	265	-	-	265
<b>SEGMENT RESULTS</b>				
Loss from operations	(2,628)	(77)	-	(2,705)
Finance costs	-	-	-	-
Loss before taxation	(2,628)	(77)	-	(2,705)
Taxation	-	-	-	-
Loss after taxation	(2,628)	(77)	-	(2,705)
<b>Financial Position</b>				
<b>3 months ended 30 Sept 2020</b>				
Total segment assets	210,961	14	(620)	210,355
Total segment liabilities	7,594	303	932	8,829



# PINEHILL PACIFIC BERHAD

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## 8. Segment Information (Cont'd)

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

#### 3 months ended 30 Sept 2019

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	1,163	-	-	1,163
Total revenue	<u>1,163</u>	<u>-</u>	<u>-</u>	<u>1,163</u>
<b>SEGMENT RESULTS</b>				
Profit/(Loss) from operations	151,007	(565)	-	150,442
Finance costs	90	-	-	90
Profit/(Loss) before taxation	<u>151,097</u>	<u>(565)</u>	<u>-</u>	<u>150,532</u>
Taxation	-	-	-	-
Profit/(Loss) after taxation	<u>151,097</u>	<u>(565)</u>	<u>-</u>	<u>150,532</u>
<b>Financial Position</b>				
<b>3 months ended 30 Sept 2019</b>				
Total segment assets	<u>291,589</u>	<u>14</u>	<u>191</u>	<u>291,794</u>
Total segment liabilities	<u>49,546</u>	<u>791</u>	<u>21,395</u>	<u>71,732</u>

### 2) Geographical Segments

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

Geographical Segments	Current Year 30/09/2020 RM'000	Preceding Year 30/09/2019 RM'000
GROUP		
Malaysia	-	958
Indonesia	265	205
<b>Total</b>	<u>265</u>	<u>1,163</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.





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### 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

Related party transactions have been entered into in the normal course of business and have been established on terms and conditions that are not more favourable to the related parties. The significant related party transactions of the Group are as follows:

Transaction with a company in which certain Directors have financial interests	Current Quarter 3 Months Ended	
	30/09/2020 RM'000	30/09/2019 RM'000
Office rental	<u>63</u>	<u>63</u>



## PINEHILL PACIFIC BERHAD

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### 15. Review of Performance

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

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

### ***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 Of Financial Period Todate

#### Preceding Quarter

The Group reported a loss before taxation and non-controlling interests of RM2.71 million in the current quarter as compared to loss before taxation and non-controlling interests of RM36.44 million in the immediate preceding quarter. The positive variances of RM33.74 million is mainly due to reclassification of real property gain tax on sales of plantation assets of RM36.87 million from taxation to operating expenses.

#### Period To Date

As compared to the corresponding quarter of the period ended 30 Jun 2020, the Group reported negative variances of RM116.37 million, which are mainly contributed by:

- One-off gain on the sales of plantation assets of RM154.40 million in the first quarter of financial period ended 30 Jun 2020; and
- Real property gain tax on the sale of plantations assets of RM36.87 million.

### 17. Current Year Prospect

Whilst the Government has gradually eased the restriction and businesses are allowed to operate under strict standard operating procedures, the Board of Directors foresee that this financial year will be challenging largely due to the Covid-19 pandemic that has adversely impacted the economy and interrupted supply chain for all industries.

Nevertheless, the Group remain focus on its estates rehabilitation program in Indonesia, while taking initiatives and steps to mitigate the interruption in the business operation caused by Covid-19 pandemic. The Group will also continue to seek viable opportunities in order to regularise the Company's status of Affected Listed Issuer.



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### 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 3 Months Ended	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

There is 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

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.



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### 22. Status of Corporate Proposals (Cont'd)

The status of the utilisation of proceed from the Disposal of RM413.574 million as at 30 Sept 2020 was as follows:

	<b>Proposed utilisation as per circular to shareholder @27/12/2018 RM'000</b>	<b>Actual utilisation @30/9/2020 RM'000</b>	<b>Proceeds balance @30/9/2020 RM'000</b>
Repayment of bank borrowings	126,700	(126,700)	-
Payment to creditors	111,700	(102,707)	8,993
Funding of oil palm business in Indonesia	95,000	(4,870)	90,130
Dividend to minority shareholders of a subsidiary	2,400	(2,400)	-
Working capital	19,274	(1,735)	17,539
Supplementary agreements as announced on 11 Jun 2019	12,500	(12,500)	-
Estimated expenses in relation to proposed disposal	46,000	(46,000)	-
	<b>413,574</b>	<b>(296,912)</b>	<b>116,662</b>

### 23. Group Borrowings

There is no borrowings and debt securities of the Group as at the end of the reporting period.

### 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.



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

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(658)	(2,016)	(658)	(2,016)
Interest expenses	-	(90)	-	(90)
Gain on disposal of assets held for sale	-	(154,399)	-	(154,399)
Real property gain tax	-	36,870	-	36,870
Depreciation and amortisation	913	1,138	913	1,138
Property, plant and equipment written off	-	135	-	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.



## PINEHILL PACIFIC BERHAD

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

	Current Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Basic				
(Loss)/Profit attributable to owners of the parent (RM'000)	<u>(2,102)</u>	<u>107,347</u>	<u>(2,102)</u>	<u>107,347</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 (loss)/earning per share (sen)	<u>(1.40)</u>	<u>71.66</u>	<u>(1.40)</u>	<u>71.66</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 30 November 2020.