



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUN 2021

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
		RM'000	RM'000	RM'000	RM'000
Revenue	9	370	226	1,105	1,771
Cost of sales		(2,546)	(979)	(10,429)	(9,472)
Gross loss		(2,176)	(753)	(9,324)	(7,701)
Distribution costs		-	-	-	(35)
Administration expenses		(1,656)	(6,249)	(6,239)	(7,714)
Real Property Gain Tax		-	-	-	(36,870)
Other operating income		29	6,629	352	148,704
(Loss)/Profit before interest & tax		(3,803)	(373)	(15,211)	96,384
Finance costs		-	(92)	-	(3)
Finance income		833	893	2,720	5,105
(Loss)/Profit before tax	9	(2,970)	428	(12,491)	101,486
Taxation	21	-	(406)	(8)	(357)
(Loss)/Profit for the period		(2,970)	22	(12,499)	101,129
(Loss)/Profit for the period attributable to:					
Owners of the parent		(2,329)	(124)	(9,883)	96,123
Non-controlling interests		(641)	146	(2,616)	5,006
		(2,970)	22	(12,499)	101,129
(Loss)/Earning per share, attributable to owners of the parent (sen):	30				
Basic		(1.55)	(0.08)	(6.60)	64.17

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.



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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUN 2021

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(2,970)	22	(12,499)	101,129
Currency translation difference arising from consolidation (equity portion)	374	7,725	(2,547)	4,511
Decrease in fair value of other investments at fair value through other comprehensive income	(1,530)	-	(1,530)	-
Total comprehensive (loss)/profit for the period	<u>(4,126)</u>	<u>7,747</u>	<u>(16,576)</u>	<u>105,640</u>
Total comprehensive (loss)/profit attributable to:				
Owners of the parent	(3,385)	9,326	(14,590)	97,733
Non-controlling interests	(740)	(1,579)	(1,985)	7,907
	<u>(4,125)</u>	<u>7,747</u>	<u>(16,575)</u>	<u>105,640</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.



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUN 2021

	Note	Unaudited as at 30/06/2021 RM'000	Audited 30/06/2020 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	10	65,745	70,959
Right-of-use assets		19,150	19,969
Other investments	11	59,618	-
		<u>144,513</u>	<u>90,928</u>
Current assets			
Inventories		641	258
Produce growing on bearer plants		27	4
Trade receivables		278	168
Other receivables		474	442
Short term deposits		54,748	126,033
Cash and bank balances		417	829
		<u>56,585</u>	<u>127,734</u>
TOTAL ASSETS		<u>201,098</u>	<u>218,662</u>
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Other reserve		(1,446)	-
Exchange reserve		6,455	9,718
Retained earnings		119,319	129,202
		<u>199,230</u>	<u>213,822</u>
Non-controlling interests		<u>(6,935)</u>	<u>(4,867)</u>
Total equity		<u>192,295</u>	<u>208,955</u>
Non-current liabilities			
Deferred tax liabilities		1,568	1,568
		<u>1,568</u>	<u>1,568</u>
Current liabilities			
Trade and other payables		7,235	8,135
Current tax payable		-	4
		<u>7,235</u>	<u>8,139</u>
Total liabilities		<u>8,803</u>	<u>9,707</u>
TOTAL EQUITY AND LIABILITIES		<u>201,098</u>	<u>218,662</u>
Net assets per share attributable to owners of the parent (RM)		1.33	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.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUN 2021

	<----- Equity Attributable to Owners of the Parent ----->							
	<u>Share Capital</u> RM'000	<u>Revaluation Reserve</u> RM'000	<u>Other Reserve</u> RM'000	<u>Translation Reserve</u> RM'000	<u>Retained Earnings</u> RM'000	<u>Total</u> RM'000	<u>Non-controllin Interests</u> RM'000	
Balance as at 01 July 2020	74,902	-	-	9,718	129,202	213,822	(4,867)	208,955
Total comprehensive loss for the period	-	-	(1,446)	(3,263)	(9,883)	(14,592)	(1,985)	(16,577)
Dividend paid by a subsidiary	-	-	-	-	-	-	(83)	(83)
Balance as at 30 Jun 2021	74,902	-	(1,446)	6,455	119,319	199,230	(6,935)	192,295
Balance as at 01 July 2019	74,902	257,771	-	8,108	(276,629)	64,152	(10,418)	53,734
Decreased in deferred taxation previously recognised on revaluation	-	-	-	-	51,937	51,937	-	51,937
Reversal in revaluation due to disposal of assets	-	(257,771)	-	-	257,771	-	-	-
Total comprehensive income for the period	-	-	-	1,610	96,123	97,733	7,907	105,640
Dividend paid by a subsidiary	-	-	-	-	-	-	(2,356)	(2,356)
Balance as at 30 Jun 2020	74,902	-	-	9,718	129,202	213,822	(4,867)	208,955

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.



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUN 2021

	12 Months Ended	
	30/06/2021 RM'000	30/06/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(12,491)	101,486
Adjustments for :		
Depreciation and amortisation	3,638	3,917
Property, plant and equipment written off	-	137
Interest income	(2,720)	(5,105)
Interest expenses	-	18
Gain on disposal of property, plant and equipment	(17)	(26)
Gain on disposal of plantation assets	-	(141,949)
Operating loss before working capital changes	(11,590)	(41,522)
Net change in receivables	(132)	651
Net change in payables	(822)	(45,914)
Net change in inventories	(383)	328
Cash generated from operating activities	(12,927)	(86,457)
Interest received	2,720	5,105
Interest paid	-	(18)
Tax paid	(37)	(61,401)
Net cash used in from operating activities	(10,244)	(142,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(193)	(95)
Additional costs on right-of-use assets	(86)	-
Net placement of short term deposits and other investments	11,666	(126,033)
Proceeds from disposal of plantation assets	-	401,074
Proceeds from disposal of property, plant and equipment	17	29
Payment of dividend to non-controlling interests of a subsidiary	(83)	(2,356)
Net cash generated from investing activities	11,321	272,619
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	-	(126,683)
Repayment of hire purchase creditors	-	(247)
Net cash used in financing activities	-	(126,930)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	1,077	2,917
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	829	197
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(1,489)	(2,285)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	417	829
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30/06/2021	30/06/2020
	RM'000	RM'000
Cash and bank balances	417	829
	417	829

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUN 2021

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. Accounting Policies

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 July 2020.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

New MFRSs, amendments/improvements to MFRSs, new IC Interpretations (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Amendments to MFRSs effective after 1 January 2022:

Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018-2020



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Amendments to MFRSs effective after 1 January 2023:

* MFRS 17	Insurance Contracts
* Amendments to MFRS 4	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
* Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRSs – Effective Date Deferred Indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group's and the Company's operations.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group and of the Company in future periods.

3. 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.

4. 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").

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.



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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 was no dividend paid during the current quarter.

9. Segment Information

The Group's segment information for the financial period ended 30 Jun 2021 is as follows:

1) Major Business Segments

12 months ended 30 Jun 2021

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	1,105	-	-	1,105
Total revenue	<u>1,105</u>	<u>-</u>	<u>-</u>	<u>1,105</u>
SEGMENT RESULTS				
Loss from operations	(11,864)	(627)	-	(12,491)
Finance costs	-	-	-	-
Loss before taxation	<u>(11,864)</u>	<u>(627)</u>	<u>-</u>	<u>(12,491)</u>
Taxation	(8)	-	-	(8)
Loss after taxation	<u>(11,872)</u>	<u>(627)</u>	<u>-</u>	<u>(12,499)</u>
Financial Position				
12 months ended 30 Jun 2021				
Total segment assets	<u>200,729</u>	<u>18</u>	<u>351</u>	<u>201,098</u>
Total segment liabilities	<u>6,510</u>	<u>374</u>	<u>1,919</u>	<u>8,803</u>



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9. Segment Information (Cont'd)

1) Major Business Segments (cont'd)

12 months ended 30 Jun 2020

Group	Plantations	Investment	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE				
External revenue	1,771	-	-	1,771
Total revenue	<u>1,771</u>	<u>-</u>	<u>-</u>	<u>1,771</u>
SEGMENT RESULTS				
Profit/(Loss) from operations	102,300	(811)	-	101,489
Finance costs	(3)	-	-	(3)
Profit/(Loss) before taxation	<u>102,297</u>	<u>(811)</u>	<u>-</u>	<u>101,486</u>
Taxation	(357)	-	-	(357)
Profit/(Loss) after taxation	<u>101,940</u>	<u>(811)</u>	<u>-</u>	<u>101,129</u>
Financial Position				
12 months ended 30 Jun 2020				
Total segment assets	<u>219,183</u>	<u>20</u>	<u>(541)</u>	<u>218,662</u>
Total segment liabilities	<u>8,370</u>	<u>310</u>	<u>1,027</u>	<u>9,707</u>

2) Geographical Segments

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

Geographical Segments

GROUP	Current Year	Preceding Year
	30-Jun-21	30-Jun-20
	RM'000	RM'000
Malaysia	-	957
Indonesia	1,105	814
Total	<u>1,105</u>	<u>1,771</u>



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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.

11. Other Investments

Other investments comprise investment in income fund managed by a licensed asset management company which is classified at fair value through comprehensive income as the contractual cash flows of the investment are solely principal and interest.

	2021 RM'000	2020 RM'000
As at July	-	-
Additions	61,148	-
Fair value changes transferred to Other Comprehensive Income	(1,530)	-
As at 30 June	<u>59,618</u>	<u>-</u>

The investment in income fund is not held for trading purposes and its value is subject to fluctuation of the fund markets. Subsequent to the financial year end, the fair value changes have reversed.

12. Material Events Subsequent To The Interim Period

Upon completion of the Disposal as stated in Note 24, the Group is considered as an Affected Listed Issuer under Chapter 8.03A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company is continuing its ongoing process of proactively identifying, shortlisting and 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.

13. Changes In The Composition of the Group

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



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14. Contingent Liabilities And Contingent Assets

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

15 Capital Commitments

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

16. 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:

	Current Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Transaction with a company in which certain Directors have financial interests				
Office rental	21	21	252	252

17. Review of Performance

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

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 18.



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

18. Comparison With Preceding Quarter Results And Comparison Of Financial Period To Date

Preceding Quarter

The Group reported a loss before taxation and non-controlling interests of RM2.91 million in the current quarter as compared to loss before taxation and non-controlling interests of RM3.30 million in the immediate preceding quarter. The reduction in losses of RM0.39 million is contributed by interest income received from other investments incurred in the current quarter.

Period To Date

During the current period to date, the Group has a significant reduction in profits from operation due to the loss of income from the plantation assets that was disposed as disclosed in Note 24, coupled with the ongoing estates rehabilitation expenses in Indonesia.

The disposal of the plantation assets has generated a net gain of RM105.05 million in the financial period ended 30 Jun 2020.

19. Current Year Prospect

The Board recognizes that COVID-19 pandemic has caused serious impact on the global and regional economy during the current financial year ended 30 June 2021. The Group was not spared by the pandemic where its rehabilitation program in Indonesian plantation was affected with severe shortage of labour and disruption to the supply of materials due to movement restrictions in Indonesia.

The on-going pandemic and the recurring movement control orders have also affected the Group's effort of assessing potential investments in order to regularise its status as an Affected Listed Issuer. On 13 August 2021, the Group has submitted an application for extension of time to submit a regularisation plan pursuant to paragraph 8.03A of the Main Market Listing Requirements to Bursa Malaysia Securities Berhad.

Despite the challenges, the Board will continue to remain vigilant and resilient on dealing with any potential adverse impact arising from COVID-19 pandemic in the next financial year. Barring any unforeseen circumstances, the Group will remain focus on completing the plantation rehabilitation program and the effort to regularise its status as an Affected Listed Issuer.



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20. Variance From Profit Forecast And Shortfall In Profit Guarantee

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

21. Income Tax Expense

Income tax expense comprises the following:

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Malaysian taxation:				
Current tax expenses				
Current period provision	-	(72)	-	(72)
Under provision in prior years	-	(387)	(8)	(338)
	<u>-</u>	<u>(459)</u>	<u>(8)</u>	<u>(410)</u>
Deferred tax benefits/(expense)				
Current year	-	53	-	53
	<u>-</u>	<u>53</u>	<u>-</u>	<u>53</u>
Total	<u>-</u>	<u>(406)</u>	<u>(8)</u>	<u>(357)</u>

22. 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.



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23. Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial period-to-date.

24. 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 30 Jun 2021 was as follows:

	Proposed utilisation as per circular to shareholder @ 27/12/2018 RM'000	Actual utilisation @ 30/06/2021 RM'000	Proceeds balance @ 30/06/2021 RM'000
Repayment of bank borrowings	126,700	(126,700)	-
Payment to creditors	111,700	(103,908)	7,792
Funding of oil palm business in Indonesia	95,000	(9,786)	85,214
Dividend to minority shareholders of a subsidiary	2,400	(2,400)	-
Working capital	19,274	(4,818)	14,456
Supplementary agreements as announced on 11 Jun 2019	12,500	(12,500)	-
Estimated expenses in relation to proposed disposal	46,000	(46,000)	-
	413,574	(306,112)	107,462

25. Group Borrowings

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



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26. 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.

27. (Loss)/Profit Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(834)	(893)	(2,720)	(5,105)
Interest expenses	-	92	-	3
Gain on disposal of property, plant and equipment	(17)		(17)	(27)
Gain on disposal of assets held for sale	-	-	-	(141,949)
Real property gain tax	-	36,870	-	36,870
Depreciation and amortisation	825	671	3,638	3,918
Property, plant and equipment written off	-	2	-	137

28. 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.

29. Dividend Payable

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



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30. Earnings / (Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Basic				
(Loss)/Profit attributable to owners of the parent (RM'000)	<u>(2,329)</u>	<u>(124)</u>	<u>(9,883)</u>	<u>96,123</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>(1.55)</u>	<u>(0.08)</u>	<u>(6.60)</u>	<u>64.17</u>

31. 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 24 August 2021.