



# PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		RM'000	RM'000	RM'000	RM'000
Revenue	7	132	376	324	749
Cost of sales		(2,551)	(2,130)	(4,678)	(4,581)
Gross loss		(2,419)	(1,754)	(4,354)	(3,832)
Administration expenses		(1,355)	(1,457)	(4,528)	(2,955)
Other operating income		34	24	66	45
<b>Loss before interest &amp; tax</b>		(3,740)	(3,187)	(8,816)	(6,742)
Finance income		566	729	958	1,018
Finance costs		(2)	-	(5)	-
<b>Loss before tax</b>	7	(3,176)	(2,458)	(7,863)	(5,724)
Taxation	18	-	-	-	-
<b>Loss after tax</b>		(3,176)	(2,458)	(7,863)	(5,724)
Loss after tax attributable to:					
Owners of the parent		(2,540)	(1,971)	(6,531)	(4,641)
Non-controlling interests		(636)	(487)	(1,332)	(1,083)
		(3,176)	(2,458)	(7,863)	(5,724)
<b>Loss per share, attributable to owners of the parent (sen):</b>	26				
Basic		(1.70)	(1.32)	(4.36)	(3.10)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<b>Loss after tax</b>	(3,176)	(2,458)	(7,863)	(5,724)
Currency translation difference arising from consolidation (equity portion)	(4,467)	41	(2,362)	913
Increase in fair value of other investments at fair value through other comprehensive income	-	(291)	2,150	(39)
<b>Total comprehensive loss</b>	<u>(7,643)</u>	<u>(2,708)</u>	<u>(8,075)</u>	<u>(4,850)</u>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent	(8,267)	(2,276)	(7,825)	(3,431)
Non-controlling interests	624	(432)	(250)	(1,419)
	<u>(7,643)</u>	<u>(2,708)</u>	<u>(8,075)</u>	<u>(4,850)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



# PINEHILL PACIFIC BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	Unaudited as at 31/12/2022 RM'000	Audited 30/06/2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	60,527	64,210
Right-of-use assets		19,908	19,856
Other investment	9	-	29,557
		80,435	113,623
<b>Current assets</b>			
Inventories		808	809
Biological assets		10	4
Trade and other receivables		780	816
Tax recoverable		33	33
Short term deposits		95,062	76,288
Cash and bank balances		5,437	273
		102,130	78,223
<b>TOTAL ASSETS</b>		<b>182,565</b>	<b>191,846</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		74,902	74,902
Other reserve		5,494	6,788
Retained earnings		100,410	111,435
		180,806	193,125
<b>Non-controlling interests</b>		(10,725)	(9,310)
<b>Total equity</b>		170,081	183,815
<b>Non-current liabilities</b>			
Lease liability		41	50
Deferred tax liabilities		1,568	1,568
		1,609	1,618
<b>Current liabilities</b>			
Trade and other payables		10,861	6,398
Lease liability		14	15
		10,875	6,413
<b>Total liabilities</b>		12,484	8,031
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>182,565</b>	<b>191,846</b>
Net assets per share attributable to owners of the parent (RM)		1.21	1.29

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



## PINEHILL PACIFIC BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	<u>Share Capital</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-controlling Interests</u> RM'000	<u>Total Equity</u> RM'000
<b>Balance as at 01 July 2022</b>	74,902	(2,127)	8,915	111,435	193,125	(9,310)	183,815
Total comprehensive income/(loss) for the period	-	2,127	(3,421)	(6,531)	(7,825)	(250)	(8,075)
Dividend for financial year 30 June 2022 - Final	-	-	-	(4,494)	(4,494)	-	(4,494)
Dividend paid by a subsidiary	-	-	-	-	-	(1,165)	(1,165)
<b>Balance as at 31 December 2022</b>	<b>74,902</b>	<b>-</b>	<b>5,494</b>	<b>100,410</b>	<b>180,806</b>	<b>(10,725)</b>	<b>170,081</b>
<b>Balance as at 01 July 2021</b>	74,902	(1,445)	6,455	119,318	199,230	(6,935)	192,295
Total comprehensive income/(loss) for the period	-	(39)	1,249	(4,641)	(3,431)	(1,419)	(4,850)
<b>Balance as at 31 December 2021</b>	<b>74,902</b>	<b>(1,484)</b>	<b>7,704</b>	<b>114,677</b>	<b>195,799</b>	<b>(8,354)</b>	<b>187,445</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 2022 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 DECEMBER 2022

	<b>6 Months Ended</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(7,863)	(5,724)
Adjustments for :		
Depreciation and amortisation	1,909	1,848
Interest income	(960)	(1,018)
Loss on fair value on other reserve	1,828	-
Finance cost	5	-
Operating loss before working capital changes	<u>(5,081)</u>	<u>(4,894)</u>
Net change in receivables	31	184
Net change in payables	(32)	18
Net change in inventories	(65)	(104)
Cash used in operating activities	<u>(5,147)</u>	<u>(4,796)</u>
Interest received	960	1,018
Finance cost	(5)	-
Net cash used in operating activities	<u>(4,192)</u>	<u>(3,778)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(177)	(101)
Additional of right-of-use assets	(760)	-
Net placement of short term investments	10,782	3,812
Payment of dividend to non-controlling interests of a subsidiary	(1,165)	-
Net cash generated from investing activities	<u>8,680</u>	<u>3,711</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase creditors	(10)	-
Net cash used in financing activities	<u>(10)</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,478	(67)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	273	417
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	686	(58)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>5,437</u>	<u>292</u>

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

	<b>As at</b>	<b>As at</b>
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	5,437	292
	<u>5,437</u>	<u>292</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2022 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 DECEMBER 2022

### ***PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 2022. 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 2022.

The significant accounting policies and methods of computation adopted for the quarterly report are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2022.

The Group has adopted the following amendments to MFRS that came into effect on 1 January 2022 which did not have any significant impact on the unaudited quarterly report upon their application.

- |  |   |
|--|---|
| • Amendments to MFRS 3                         | Reference to Conceptual Framework                 |
| • Amendments to MFRS 116                       | Proceeds before Intended Use                      |
| • Amendments to MFRS 137                       | Onerous Contracts – Cost of Fulfilling a Contract |
| • Annual improvements to MFRSs 2018-2020 Cycle |   |

Amendments to MFRS that is applicable to the Group but not yet effective

The Malaysian Accounting Standards Board has issued the following amendments to MFRS of which are effective for the financial year beginning on or after 1 January 2023. The Group did not early adopt these amendments to MFRS and they are not expected to have a significant effect on its consolidated financial statements:

- |  |  |
|--|--|
| • Amendments to MFRS 101                               | Classification of Liabilities as Current or Non-Current                          |
| • Amendments to MFRS 101 and MFRS Practice Statement 2 | Disclosure of Accounting Policies  |
| • Amendments to MFRS 108                               | Definition of Accounting Estimates   |
| • Amendments to MFRS 112                               | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |



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### **2. 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”).

### **3. 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.

### **4. 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.

### **5. Changes In Debt and Equity Securities**

There were 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 year under review.

### **6. Dividends Paid**

There was no dividend paid during the current quarter.



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## 7. Segment Information

The Group's segment information for the financial year ended 31 December 2022 is as follows:

### 1) Major Business Segments

#### 6 months ended 31 December 2022

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	324	-	-	324
Total revenue	324	-	-	324
<b>SEGMENT RESULTS</b>				
Loss before taxation	(7,644)	(219)	-	(7,863)
Taxation	-	-	-	-
Loss after taxation	(7,644)	(219)	-	(7,863)

#### **Financial Position** 6 months ended 31 December 2022

Total segment assets	177,556	19,996	(14,987)	182,565
Total segment liabilities	21,021	388	(13,419)	7,990

#### 6 months ended 31 December 2021

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>SEGMENT REVENUE</b>				
External revenue	748	-	-	748
Total revenue	748	-	-	748
<b>SEGMENT RESULTS</b>				
Loss before taxation	(5,365)	(359)	-	(5,724)
Taxation	-	-	-	-
Loss after taxation	(5,365)	(359)	-	(5,724)

#### **Financial Position** 6 months ended 31 December 2021

Total segment assets	196,325	8	(26)	196,307
Total segment liabilities	8,410	454	-	8,864





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## 7. Segment Information (Cont'd)

### 2) Geographical Segments

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

#### Geographical Segments

<b>GROUP</b>	<b>Current Year 31/12/2022 RM'000</b>	<b>Previous Year 31/12/2021 RM'000</b>
Indonesia	324	748
<b>Total</b>	<b>324</b>	<b>748</b>

## 8. 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.

## 9. Other Investments

	<b>As Dec 22 RM'000</b>	<b>As Dec 21 RM'000</b>
Financial assets designated at fair value through other comprehensive income	Nil	29,900

## 10. Material Events Subsequent To The Interim Period

Upon completion of the Disposal as stated in Note 23, 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 remain focus on continuous identifying and evaluating potential plantation businesses as part of the regularisation plan.

Other than the above, there were no material events subsequent to the end of the year reported that have not been reflected in the financial statements.



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### 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:

	<b>Current Quarter</b>	
	<b>6 Months Ended</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Transaction with a company in which certain Directors have financial interests		
Office rental	126	126



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

#### **15. Review of Group's Performance**

##### **Performance of the current quarter against the preceding year corresponding quarter (2Q 2023 vs 2Q 2022)**

The Group recorded revenue of RM132,000 for the current quarter which is lower than the preceding year corresponding quarter of RM375,000. The lower in revenue was mainly contributed by lower volume of fresh fruits bunches ("FFB") and average selling prices in Indonesia.

Loss after tax ("LAT") for the current quarter was RM3.18 million, an increase of RM0.72 million as compared to the preceding year corresponding quarter of RM2.46 million loss mainly due to lower sales and increase in rehabilitation cost in Indonesia.

##### **Performance of the current 6 months quarter against the preceding year corresponding 6 months quarter (year-to-date "YTD" December 2022 vs YTD December 2021)**

The Group recorded a total revenue of RM324,000 for YTD December 2022, a 56.7% decrease compared to corresponding YTD December 2021, on the back of lower volume of FFB and average selling prices in Indonesia.

YTD December 2022 LAT was RM7.86 million, an increase of RM2.14 million as compared to YTD December 2021 impacted by the fair value loss on the other investments of RM1.8 million.

#### **16. Current Year Prospect**

Indonesia's crude palm oil export regulations were tightened in order to meet the demands of the next Ramadan/Raya season in April. As a result of the tight regulations, Indonesia imposed domestic market obligation requiring palm oil exporters to sell a portion of their output locally in return for export permits.

Since the Central Bank of Malaysia raised its key overnight policy rate to 2.75% on 3 November 2022, the Malaysian economy continue to stem from a weaker than expected global growth, higher risk aversion in global financial markets amid more aggressive monetary policy tightening in major economies, further escalation of geopolitical conflicts, and worsening supply chain disruptions. On the price front, headline inflation is likely elevated and a still weak ringgit had made living costs untenable for low and middle incomes households.

In view to the above, we remained cautious and placed emphasize on more restrictive spending and evaluation on viable plantation businesses whilst continue the completion of the rehabilitation program in Indonesia.



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**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:

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months Ended</b>		<b>6 Months Ended</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian taxation:				
Current tax expenses				
Current year provision	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**19. 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.

**20. Quoted Securities**

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



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### 21. 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 December 2022 was as follows:

	<b>Proposed utilisation as per circular to shareholder @ 27/12/2018 RM'000</b>	<b>Actual utilisation @ 31/12/2022 RM'000</b>	<b>Proceeds balance @ 31/12/2022 RM'000</b>
Repayment of bank borrowings	126,700	(126,700)	-
Payment to creditors	111,700	(111,700)	-
Funding of oil palm business in Indonesia			
-rehabilitation program and working capital	51,000	(18,794)	32,206
-construction of palm oil mill	44,000	-	44,000
Dividend to minority shareholders of a subsidiary	2,400	(2,361)	39
Working capital	19,274	-	19,274
Supplementary agreements as announced on 11 Jun 2019	12,500	(12,500)	-
Estimated expenses in relation to proposed disposal	46,000	(45,988)	12
Net interest income	-	4,867	4,867
	<b>413,574</b>	<b>(313,176)</b>	<b>100,398</b>

### 22. Group Borrowings

Group borrowings as at 31 December 2022 are as follows:

<b>Lease Liability</b>	<b>As at 31/12/2022 RM'000</b>	<b>As at 31/12/2021 RM'000</b>
<u>Hire Purchase</u>		
Short term	14	-
Long term	41	-
<b>Total</b>	<b>55</b>	<b>-</b>



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### 23. Loss Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 months Ended		6 Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(569)	(729)	(960)	(1,018)
Loss on fair value on other reserve	-	-	1,828	-
Depreciation and amortisation	932	926	1,909	1,848
Finance cost	2	-	5	-

### 24. Material Litigation

There is no material litigation as at the date of this report.

### 25. Dividend Payable

The Board has on 24 August 2022, proposed a single-tier first and final dividend of 3.0 sen per ordinary share in respect of financial year ended 30 June 2022. The proposed dividend was duly approved by shareholders at the Annual General Meeting dated on 19 December 2022 and paid on 6 January 2023.



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

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Basic				
Loss attributable to owners of the parent (RM'000)	<u>(2,540)</u>	<u>(1,971)</u>	<u>(6,531)</u>	<u>(4,641)</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 per share (sen)	<u>(1.70)</u>	<u>(1.32)</u>	<u>(4.36)</u>	<u>(3.10)</u>

### 27. Qualification of Preceding Audited Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 30 June 2022.

### 28. 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 February 2023.