



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
		31/03/2023	31/03/2022	31/03/2023	31/03/2022
		RM'000	RM'000	RM'000	RM'000
Revenue	7	233	316	557	1,064
Cost of sales		(2,505)	(1,023)	(7,183)	(5,604)
Gross loss		(2,272)	(707)	(6,626)	(4,540)
Administration expenses		(1,361)	(1,608)	(5,889)	(4,562)
Other operating income		51	200	117	245
Loss before interest & tax		(3,582)	(2,115)	(12,398)	(8,857)
Finance income		631	272	1,589	1,290
Finance costs		(3)	-	(8)	-
Loss before tax	7	(2,954)	(1,843)	(10,817)	(7,567)
Taxation	18	-	(1)	-	(1)
Loss after tax		(2,954)	(1,844)	(10,817)	(7,568)
Loss after tax attributable to:					
Owners of the parent		(2,337)	(1,605)	(8,868)	(6,246)
Non-controlling interests		(617)	(239)	(1,949)	(1,322)
		<u>(2,954)</u>	<u>(1,844)</u>	<u>(10,817)</u>	<u>(7,568)</u>
Loss per share, attributable to owners of the parent (sen):	26				
Basic		(1.56)	(1.07)	(5.92)	(4.17)

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 MARCH 2023

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 9 Months Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Loss after tax	(2,954)	(1,844)	(10,817)	(7,568)
Currency translation difference arising from consolidation (equity portion)	3,031	(325)	669	1,298
Increase in fair value of other investments at fair value through other comprehensive income	-	564	2,150	282
Total comprehensive loss	<u>77</u>	<u>(1,605)</u>	<u>(7,998)</u>	<u>(5,988)</u>
Total comprehensive loss attributable to:				
Owners of the parent	1,452	(1,268)	(6,373)	(4,279)
Non-controlling interests	(1,375)	(337)	(1,625)	(1,709)
	<u>77</u>	<u>(1,605)</u>	<u>(7,998)</u>	<u>(5,988)</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 MARCH 2023

	Note	Unaudited as at 31/03/2023 RM'000	Audited 30/06/2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	62,092	64,210
Right-of-use assets		20,852	19,856
Other investment	9	-	29,557
		82,944	113,623
Current assets			
Inventories		679	809
Biological assets		32	4
Trade and other receivables		1,033	816
Tax recoverable		33	33
Short term deposits		92,568	76,288
Cash and bank balances		496	273
		94,841	78,223
TOTAL ASSETS		177,785	191,846
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Other reserve		9,283	6,788
Retained earnings		98,073	111,435
		182,258	193,125
Non-controlling interests		(12,100)	(9,310)
Total equity		170,158	183,815
Non-current liabilities			
Lease liability		39	50
Deferred tax liabilities		1,568	1,568
		1,607	1,618
Current liabilities			
Trade and other payables		6,005	6,398
Lease liability		15	15
		6,020	6,413
Total liabilities		7,627	8,031
TOTAL EQUITY AND LIABILITIES		177,785	191,846
Net assets per share attributable to owners of the parent (RM)		1.22	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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

	<----- Equity Attributable to Owners of the Parent ----->						
	<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
Balance as at 01 July 2022	74,902	(2,127)	8,915	111,435	193,125	(9,310)	183,815
Total comprehensive income/(loss) for the period	-	2,127	368	(8,868)	(6,373)	(1,625)	(7,998)
Dividend for financial year 30 June 2022 - Final	-	-	-	(4,494)	(4,494)	-	(4,494)
Dividend paid by a subsidiary	-	-	-	-	-	(1,165)	(1,165)
Balance as at 31 March 2023	74,902	-	9,283	98,073	182,258	(12,100)	170,158
Balance as at 01 July 2021	74,902	(1,445)	6,455	119,318	199,230	(6,935)	192,295
Total comprehensive income/(loss) for the period	-	(104)	1,685	(6,245)	(4,664)	(1,709)	(6,373)
Balance as at 31 March 2022	74,902	(1,549)	8,140	113,073	194,566	(8,644)	185,922

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.



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	9 Months Ended	
	31/03/2023 RM'000	31/03/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(10,817)	(7,567)
Adjustments for :		
Depreciation and amortisation	2,853	2,779
Interest income	(1,589)	(1,290)
Loss on fair value on other investment	1,828	-
Finance cost	8	-
Operating loss before working capital changes	(7,717)	(6,078)
Net change in receivables	(245)	109
Net change in payables	(392)	(1,141)
Net change in inventories	130	(95)
Cash used in operating activities	(8,224)	(7,205)
Interest received	1,589	1,290
Finance cost	(8)	-
Net cash used in operating activities	(6,643)	(5,915)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(279)	(83)
Additional of right-of-use assets	(1,183)	(19)
Net placement of short term investments	13,276	6,467
Payment of dividend to non-controlling interests of a subsidiary	(5,660)	-
Net cash generated from investing activities	6,154	6,365
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase creditors	(11)	-
Net cash used in financing activities	(11)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(500)	450
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	273	417
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	723	(455)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	496	412

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

	As at 31/03/2023 RM'000	As at 31/03/2022 RM'000
	Cash and bank balances	496
	496	412

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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

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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7. Segment Information

The Group's segment information for the financial year ended 31 Mar 2023 is as follows:

1) Major Business Segments

9 months ended 31 March 2023

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	557	-	-	557
Total revenue	<u>557</u>	<u>-</u>	<u>-</u>	<u>557</u>
SEGMENT RESULTS				
Loss from operations	(10,375)	(434)	-	(10,809)
Finance costs	(8)	-	-	(8)
Loss before taxation	<u>(10,383)</u>	<u>(434)</u>	<u>-</u>	<u>(10,817)</u>
Loss after taxation	<u>(10,383)</u>	<u>(434)</u>	<u>-</u>	<u>(10,817)</u>

Financial Position

9 months ended 31 March 2023

Total segment assets	<u>177,692</u>	<u>15,195</u>	<u>(15,102)</u>	<u>177,785</u>
Total segment liabilities	<u>20,867</u>	<u>295</u>	<u>(13,535)</u>	<u>7,627</u>

9 months ended 31 March 2022

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	1,064	-	-	1,064
Total revenue	<u>1,064</u>	<u>-</u>	<u>-</u>	<u>1,064</u>
SEGMENT RESULTS				
Loss before taxation	(7,045)	(522)	-	(7,567)
Taxation	(1)	-	-	(1)
Loss after taxation	<u>(7,046)</u>	<u>(522)</u>	<u>-</u>	<u>(7,568)</u>

Financial Position

9 months ended 31 March 2022

Total segment assets	<u>193,678</u>	<u>14</u>	<u>-</u>	<u>193,692</u>
Total segment liabilities	<u>7,486</u>	<u>287</u>	<u>-</u>	<u>7,773</u>



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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

Group	Current Year 31/03/2023 RM'000	Previous Year 31/03/2022 RM'000
Indonesia	557	1,064
Total	557	1,064

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

	As Mar 2023 RM'000	As Mar 2022 RM'000
Financial assets designated at fair value through other comprehensive income	Nil	29,872



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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. The Company has received a letter from Bursa Malaysia where an extension has been given until 02 September 2023 to submit a regulation plan to the relevant authorities for approval.

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:

	Current Quarter	
	9 Months Ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
Transaction with a company in which certain Directors have financial interests		
Office rental	189	189



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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 (3Q 2023 vs 3Q 2022)

The Group recorded revenue of RM233,000 for the current quarter which is lower than the preceding year corresponding quarter of RM316,000. The lower revenue was mainly contributed by lower average selling prices in Indonesia.

Loss after tax ("LAT") for the current quarter was RM2.95 million, an increase of RM1.07 million as compared to the preceding year corresponding quarter of RM1.88 million loss mainly due to lower sales and increase in rehabilitation cost in Indonesia.

Performance of the current 9 months quarter against the preceding year corresponding 6 months quarter (year-to-date "YTD" March 2023 vs YTD March 2022)

The Group recorded a total revenue of RM557,000 for YTD March 2023, a 47.65% decrease compared to corresponding YTD March 2022, on the back of lower volume of FFB (-21%) and lower average selling prices in Indonesia (-33%) coupled with the lack of workers.

YTD March 2023 LAT was RM10.82 million, an increase of RM3.25 million as compared to YTD March 2022 impacted by the fair value loss on the other investments of RM1.8 million, lower revenue and increase in rehabilitation cost in Indonesia.

16. Current Year Prospect

Indonesia's palm oil exports are set to fall in 2023 as it increases the use of tropical oil in biodiesel, reducing the surplus available for overseas sales, the Indonesian Palm Oil Association said on 8 March 2023. There is a shift in the composition of demand from export orientated to more domestic consumption. While exports are forecasted to drop by 7.66% for 2020 – 2025 period, domestic consumption showed considerable increase due to a mandatory biofuel programme. Indonesia in January 2023 launched its biodiesel programme with a mandatory 35% palm oil content, expanding from the previous 30%, raising domestic crude palm oil use by 2 million tonnes to 2.5 million tonnes a year (Source: Reuters, 8 March 2023).

Malaysia just recorded a 5.6% GDP growth for 1Q 2023. Economist and analysts however remain cautious on the whether the GDP growth can be sustained for the rest of the year with many of them still predicting a lower growth rate for the remainder of the year. There continues to be a marked decline in exports as it grew only 2.8% in 1Q 2023 compared to 22% in 1Q 2022 and 11.8% in 4Q 2022 (Source: Malaysian Institute of Economic Research, 15 March 2023).



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16. Current Year Prospect (Cont')

A cautious outlook on its prospects for the year as labour shortage problem and fluctuations in global edible oil prices continue to effect production of fresh fruit bunches (“FFB”). Overall performance still driven by FFB production, the uncertainty is further exacerbated by the disruption in the supply chain of fertilizers, chemicals and fuel, which in turn affects the cost of production.

In view of the above, we remain cautious and place emphasize on more prudent spending and evaluation of viable plantation businesses whilst continuing to complete the rehabilitation programme in Indonesia. We expect the fresh fruit bunch (FFB) yield to improve significantly once we complete the rehabilitation programme and able to recruit and retain sufficient workers, leading to higher revenue and a reduction in the current losses.

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	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
Malaysian taxation:				
Current tax expenses				
Current year provision	-	(1)	-	(1)
Total	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</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.



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20. Quoted Securities

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

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 March 2023 was as follows:

	Proposed utilisation as per circular to shareholder @27/12/2018 RM'000	Actual utilisation @31/03/2023 RM'000	Proceeds balance @31/03/2023 RM'000
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 captial	51,000	(21,157)	29,843
-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	-	4,598	4,598
	413,574	(315,808)	97,766



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22. Group Borrowings

Group borrowings as at 31 March 2023 are as follows:

Lease Liability	As at 31/03/2023	As at 31/03/2022
	RM'000	RM'000
<u>Hire Purchase</u>		
Short term	15	-
Long term	39	-
Total	54	-

23. Loss Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 months Ended		9 Months Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	631	272	1,589	1,290
Gain on disposal of property, plant and equipment	-	137	-	137
Interest expenses	3	-	8	-
Depreciation and amortisation	944	931	2,853	2,779
Loss on fair value on other investment	-	-	1,828	-

24. Material Litigation

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

25. Dividend Payable

There was no dividend payable during the current quarter.



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26. Earnings / (Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Basic				
Loss attributable to owners of the parent (RM'000)	<u>(2,337)</u>	<u>(1,605)</u>	<u>(8,868)</u>	<u>(6,246)</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>(1.56)</u>	<u>(1.07)</u>	<u>(5.92)</u>	<u>(4.17)</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 Of 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 31 May 2023.