



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
		30/06/2023	30/06/2022	30/06/2023	30/06/2022
		RM'000	RM'000	RM'000	RM'000
Revenue	7	356	303	913	1,367
Cost of sales		(2,586)	(2,569)	(9,769)	(8,172)
Gross loss		(2,230)	(2,266)	(8,856)	(6,805)
Administration expenses		(1,252)	(1,350)	(7,141)	(5,908)
Other operating income		60	969	177	1,214
Loss before interest & tax		(3,422)	(2,647)	(15,820)	(11,499)
Finance income		628	573	2,217	1,863
Finance costs		(3)	(2)	(11)	(6)
Loss before tax	7	(2,797)	(2,076)	(13,614)	(9,642)
Taxation	18	-	-	-	(1)
Loss after tax		(2,797)	(2,076)	(13,614)	(9,643)
Loss after tax attributable to:					
Owners of the parent		(2,200)	(1,639)	(11,068)	(7,884)
Non-controlling interests		(597)	(437)	(2,546)	(1,759)
		<u>(2,797)</u>	<u>(2,076)</u>	<u>(13,614)</u>	<u>(9,643)</u>
Loss per share, attributable to owners of the parent (sen):	26				
Basic		(1.47)	(1.09)	(7.39)	(5.26)

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

(191701000026 (000222-D))

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Loss after tax	(2,797)	(2,076)	(13,614)	(9,643)
Currency translation difference arising from consolidation (equity portion)	3,144	37	3,813	1,077
Increase in fair value of other investments at fair value through other comprehensive income	-	400	2,150	682
Total comprehensive loss	<u>347</u>	<u>(1,639)</u>	<u>(7,651)</u>	<u>(7,884)</u>
Total comprehensive loss attributable to:				
Owners of the parent	2,039	(1,020)	(4,334)	(5,509)
Non-controlling interests	(1,692)	(619)	(3,317)	(2,375)
	<u>347</u>	<u>(1,639)</u>	<u>(7,651)</u>	<u>(7,884)</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

(191701000026 (000222-D))

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Unaudited as at 30/06/2023 RM'000	Audited 30/06/2022 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	8	64,318	64,210
Right-of-use assets		22,401	19,856
Other investment	9	-	29,557
		86,719	113,623
Current assets			
Inventories		833	809
Biological assets		15	4
Trade and other receivables		1,026	816
Tax recoverable		33	33
Short term deposits		89,441	76,288
Cash and bank balances		502	273
		91,850	78,223
TOTAL ASSETS		178,569	191,846
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Other reserve		13,522	6,788
Retained earnings		95,877	111,435
		184,301	193,125
Non-controlling interests		(13,792)	(9,310)
Total equity		170,509	183,815
Non-current liabilities			
Lease liability		105	50
Deferred tax liabilities		1,568	1,568
		1,673	1,618
Current liabilities			
Trade and other payables		6,360	6,398
Lease liability		27	15
		6,387	6,413
Total liabilities		8,060	8,031
TOTAL EQUITY AND LIABILITIES		178,569	191,846
Net assets per share attributable to owners of the parent (RM)		1.23	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

(191701000026 (000222-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	<u>Capital</u> RM'000	<u>Reserve</u> RM'000	<u>Reserve</u> RM'000	<u>Earnings</u> RM'000	<u>Total</u> RM'000	<u>Interests</u> RM'000	<u>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	4,607	(11,064)	(4,330)	(3,317)	(7,647)
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 30 June 2023	74,902	-	13,522	95,877	184,301	(13,792)	170,509
Balance as at 01 July 2021	74,902	(1,445)	6,455	119,319	199,231	(6,935)	192,296
Total comprehensive income/(loss) for the period	-	(681)	2,459	(7,884)	(6,106)	(2,375)	(8,481)
Balance as at 30 June 2022	74,902	(2,126)	8,914	111,435	193,125	(9,310)	183,815

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

(191701000026 (000222-D))

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	12 Months Ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(13,614)	(9,642)
Adjustments for :		
Depreciation and amortisation	3,841	3,553
Interest income	(2,217)	(1,864)
Loss on fair value on other investment	1,828	-
Gain on disposal of property, plant and equipment	(17)	(138)
Finance cost	8	6
Operating loss before working capital changes	(10,171)	(8,085)
Net change in receivables	(249)	(74)
Net change in payables	(10)	(682)
Net change in inventories	(24)	(233)
Cash used in operating activities	(10,454)	(9,074)
Interest received	2,217	1,864
Finance cost	(8)	(6)
Net cash used in operating activities	(8,245)	(7,216)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(409)	(60)
Additional of right-of-use assets	(2,192)	(380)
Net placement of short term investments	16,403	8,521
Payment of dividend	(5,660)	(28)
Net cash generated from investing activities	8,142	8,053
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of hire purchase	80	-
Repayment of hire purchase creditors	(13)	-
Net cash used in financing activities	67	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(36)	837
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	273	417
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	265	(981)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	502	273

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

	As at 30/06/2023 RM'000	As at 30/06/2022 RM'000
Cash and bank balances	502	273
	502	273

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

(191701000026 (000222-D))

1. Basis of Preparation (Cont'd)

Effective for financial period beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases – Lease liability in a Sales and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements – Non-Current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

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.



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

7. Segment Information

The Group's segment information for the financial year ended 30 June 2023 is as follows:

1) Major Business Segments

12 months ended 30 June 2023

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	913	-	-	913
Total revenue	913	-	-	913
SEGMENT RESULTS				
Loss from operations	(13,071)	(532)	-	(13,603)
Finance costs	(11)	-	-	(11)
Loss before taxation	(13,082)	(532)	-	(13,614)
Loss after taxation	(13,082)	(532)	-	(13,614)

Financial Position

12 months ended 30 June 2023

Total segment assets	178,547	15,106	(15,084)	178,569
Total segment liabilities	21,275	301	(13,516)	8,060

12 months ended 30 June 2022

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	1,367	-	-	1,367
Total revenue	1,367	-	-	1,367
SEGMENT RESULTS				
Loss before taxation	(8,978)	(664)	-	(9,642)
Taxation	(1)	-	-	(1)
Loss after taxation	(8,979)	(664)	-	(9,643)

Financial Position

12 months ended 30 June 2022

Total segment assets	191,798	-	-	191,798
Total segment liabilities	7,984	-	-	7,984



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

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	Previous Year
	30/06/2023	30/06/2022
	RM'000	RM'000
Indonesia	913	1,367
Total	913	1,367

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 Jun 2023 RM'000	As Jun 2022 RM'000
Financial assets designated at fair value through other comprehensive income	Nil	29,556



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

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. The company has submitted request for extension of time to Bursa Malaysia on 21 August 2023.

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	
	12 Months Ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
Transaction with a company in which certain Directors have financial interests		
Office rental	252	252



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

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 (4Q 2023 vs 4Q 2022)

The Group recorded revenue of RM356,000 for the current quarter which is higher than the preceding year corresponding quarter of RM303,000. The higher revenue was mainly contributed by higher production (55%) in Indonesia despite of lower average selling prices in Indonesia (-24%).

Loss after tax ("LAT") for the current quarter was RM2.80 million, an increase of RM0.72 million as compared to the preceding year corresponding quarter of RM2.08 million loss, mainly due to increase in rehabilitation cost in Indonesia.

Performance of the current 12 months against the preceding year corresponding 12 months (financial year ended "FYE" June 2023 vs FYE June 2022)

The Group recorded a total revenue of RM913,000 for FYE June 2023, a 33.21% decrease compared to corresponding FYE June 2022, on the back of lower average selling prices in Indonesia (-30%) and lower volume of FFB (-5%) due to lack of workers.

FYE June 2023 LAT was RM13.61 million, an increase of RM3.97 million as compared to FYE June 2022 impacted by the fair value loss on the other investments of RM1.8 million, lower revenue and increase in rehabilitation cost in Indonesia. The RM1.8 million fair value loss on other investments is due to drop in bond value as we had invested in a Bond Fund previously. Overall the investment in the Bond Fund resulted in a loss of only RM20,000, after the interest earned over the years since November 2020.

16. Current Year Prospect

Economic growth in Indonesia is projected to moderate to 4.9% in 2023 from 5.3% last year with the normalisation of domestic demand following the post pandemic jump last year, and the projected global economic slowdown. Inflation is easing more quickly than initially anticipated thanks to the decline in global oil prices, an improved harvest, government interventions to ease supply bottlenecks, notably for food, and the appreciation of the Rupiah (Source: World Bank's semi-annual Indonesia Economic Prospects report, June 2023).

YoY the total CPO consumption as at May 2023 increased by 15.4%. Total exports of palm oil products increased by 4.5% in May 2023 compared to the previous month while on a YoY basis total exports increased by 33.5%. CPO prices however were lower in May 2023 at USD940/ton vs USD1,023/ton in May 2022 (Source: Indonesia Palm Oil Association, 21 July 2023).



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

16. Current Year Prospect (Cont')

Malaysia's economy may grow slower in 2Q 2023 weighed down by moderation and contraction across all sectors, according to economists. They expect this to persist throughout the remainder of 2023 but there should be a silver lining from the pick-up in tourism activities and good vibes from the Madani Economy (Source: Malaysian Institute of Economic Research, 11 August 2023).

A cautious outlook on its prospects for the year as fluctuations in global edible oil prices and labour shortage problem 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		Cumulative Quarter	
	3 months Ended		12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Current year provision	-	-	-	(1)
Total	-	-	-	(1)



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

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.

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 30 June 2023 was as follows:

	Proposed utilisation as per circular to shareholder @27/12/2018	Actual utilisation @30/06/2023	Proceeds balance @30/06/2023
	RM'000	RM'000	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 capital	51,000	(24,625)	26,375
-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
Interest income	-	4,541	4,541
Dividends Paid (**)	-	(4,495)	(4,495)
	413,574	(323,828)	89,746

(**) Dividend paid to Pinehill Pacific Berhad's shareholders as approved at the Company's AGM on 19 December 2022.



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

22. Group Borrowings

Group borrowings as at 30 June 2023 are as follows:

Lease Liability	As at 30/06/2023	As at 30/06/2022
	RM'000	RM'000
<u>Hire Purchase</u>		
Short term	27	50
Long term	105	15
Total	132	65

23. Loss Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 months Ended		12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	628	573	2,217	1,863
Gain on disposal of property, plant and equipment	17	-	17	138
Interest expenses	8	2	11	6
Depreciation and amortisation	988	774	3,841	3,553
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.



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

26. Earnings / (Loss) Per Share

	Current Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Basic				
Loss attributable to owners of the parent (RM'000)	<u>(2,200)</u>	<u>(1,639)</u>	<u>(11,068)</u>	<u>(7,884)</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>(1.47)</u>	<u>(1.09)</u>	<u>(7.39)</u>	<u>(5.26)</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 28 August 2023.