



PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 3 Months Ended	
		30/09/2023	30/09/2022	30/09/2023	30/09/2022
		RM'000	RM'000	RM'000	RM'000
Revenue	7	371	192	371	192
Cost of sales		(2,265)	(2,127)	(2,265)	(2,127)
Gross loss		(1,894)	(1,935)	(1,894)	(1,935)
Administration expenses		(1,472)	(3,173)	(1,472)	(3,173)
Other operating income		27	33	27	33
Loss before interest & tax		(3,339)	(5,075)	(3,339)	(5,075)
Finance income		596	391	596	391
Finance costs		(3)	(3)	(3)	(3)
Loss before tax	7	(2,746)	(4,687)	(2,746)	(4,687)
Taxation	17	-	-	-	-
Loss after tax		(2,746)	(4,687)	(2,746)	(4,687)
Loss after tax attributable to:					
Owners of the parent		(2,096)	(3,991)	(2,096)	(3,991)
Non-controlling interests		(650)	(696)	(650)	(696)
		<u>(2,746)</u>	<u>(4,687)</u>	<u>(2,746)</u>	<u>(4,687)</u>
Loss per share, attributable to owners of the parent (sen):	25				
Basic		(1.40)	(2.66)	(1.40)	(2.66)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 30 SEPTEMBER 2023

	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 3 Months Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Loss after tax	(2,746)	(4,687)	(2,746)	(4,687)
Currency translation difference arising from consolidation (equity portion)	(1,295)	2,105	(1,295)	2,105
Increase in fair value of other investments at fair value through other comprehensive income	-	2,150	-	2,150
Total comprehensive loss	<u>(4,041)</u>	<u>(432)</u>	<u>(4,041)</u>	<u>(432)</u>
Total comprehensive loss attributable to:				
Owners of the parent	(4,061)	442	(4,061)	442
Non-controlling interests	20	(874)	20	(874)
	<u>(4,041)</u>	<u>(432)</u>	<u>(4,041)</u>	<u>(432)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 30 SEPTEMBER 2023

	Note	Unaudited as at 30/09/2023 RM'000	Audited 30/06/2023 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	8	62,322	64,148
Right-of-use assets		22,993	22,571
		85,315	86,719
Current assets			
Inventories		640	833
Biological assets		14	15
Trade and other receivables		893	1,026
Tax recoverable		34	34
Short term deposits		85,883	89,442
Cash and bank balances		1,556	502
		89,020	91,852
TOTAL ASSETS		174,335	178,571
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the parent			
Share capital		74,902	74,902
Other reserve		11,557	13,522
Retained earnings		93,780	95,877
		180,239	184,301
Non-controlling interests		(13,772)	(13,792)
Total equity		166,467	170,509
Non-current liabilities			
Lease liability		97	105
Deferred tax liabilities		1,568	1,568
		1,665	1,673
Current liabilities			
Trade and other payables		6,176	6,362
Lease liability		27	27
		6,203	6,389
Total liabilities		7,868	8,062
TOTAL EQUITY AND LIABILITIES		174,335	178,571
Net assets per share attributable to owners of the parent (RM)		1.20	1.23

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 30 SEPTEMBER 2023

	<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 2023	74,902	-	13,522	95,877	184,301	(13,792)	170,509
Total comprehensive income/(loss) for the period	-	-	(1,965)	(2,097)	(4,062)	20	(4,042)
Balance as at 30 September 2023	<u>74,902</u>	<u>-</u>	<u>11,557</u>	<u>93,780</u>	<u>180,239</u>	<u>(13,772)</u>	<u>166,467</u>
Balance as at 01 July 2022	74,902	(2,127)	8,915	111,434	193,124	(9,310)	183,814
Total comprehensive income/(loss) for the period	-	2,127	2,306	(3,991)	442	(874)	(432)
Balance as at 30 September 2022	<u>74,902</u>	<u>-</u>	<u>11,221</u>	<u>107,443</u>	<u>193,566</u>	<u>(10,184)</u>	<u>183,382</u>

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 SEPTEMBER 2023

	3 Months Ended	
	30/09/2023 RM'000	30/09/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,746)	(4,687)
Adjustments for :		
Depreciation and amortisation	985	977
Interest income	(596)	(391)
Loss on fair value on other reserve	-	1,828
Finance cost	3	3
Operating loss before working capital changes	<u>(2,354)</u>	<u>(2,270)</u>
Net change in receivables	134	(62)
Net change in payables	(186)	141
Net change in inventories	192	(143)
Cash used in operating activities	<u>(2,214)</u>	<u>(2,334)</u>
Interest received	596	391
Finance cost	(3)	(3)
Net cash used in operating activities	<u>(1,621)</u>	<u>(1,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25)	(151)
Additional of right-of-use assets	(880)	(295)
Net placement of short term investments	3,558	2,801
Net cash generated from investing activities	<u>2,653</u>	<u>2,355</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase creditors	(5)	(2)
Net cash used in financing activities	<u>(5)</u>	<u>(2)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,027	407
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	502	273
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	27	571
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>1,556</u></u>	<u><u>1,251</u></u>

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

	As at 30/09/2023 RM'000	As at 30/09/2022 RM'000
	Cash and bank balances	<u>1,556</u>
	<u><u>1,556</u></u>	<u><u>1,251</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 SEPTEMBER 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 2023. 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 2023.

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 2023.

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 |
| • Amendments to MFRS 112 Income Taxes | International Tax Reform: Pillar Two Model Rules |



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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

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 30 September 2023 is as follows:

1) Major Business Segments

3 months ended 30 September 2023

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	371	-	-	371
Total revenue	371	-	-	371
SEGMENT RESULTS				
Loss before taxation	(2,625)	(118)	-	(2,743)
Taxation	(3)	-	-	(3)
Loss after taxation	(2,628)	(118)	-	(2,746)

Financial Position 3 months ended 30 September 2023

Total segment assets	174,318	15,061	(15,044)	174,335
Total segment liabilities	20,969	375	(13,476)	7,868

3 months ended 30 September 2022

Group	Plantations RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE				
External revenue	192	-	-	192
Total revenue	192	-	-	192
SEGMENT RESULTS				
Loss before taxation	(4,586)	(101)	-	(4,687)
Taxation	-	-	-	-
Loss after taxation	(4,586)	(101)	-	(4,687)

Financial Position 3 months ended 30 September 2022

Total segment assets	191,545	54	(46)	191,553
Total segment liabilities	6,302	347	1,522	8,171



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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	Current Year	Previous Year
GROUP	30/09/2023	30/9/2022
	RM'000	RM'000
Indonesia	371	192
Total	371	192

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. 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 March 2024 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.

10. 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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11. Contingent Liabilities And Contingent Assets

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

12. Capital Commitments

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

13. 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	
	3 Months Ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
Transaction with a company in which certain Directors have financial interests		
Office rental	63	63



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

14. Review of Group's Performance

Performance of the current quarter against the preceding year corresponding quarter (1Q 2024 vs 1Q 2023)

The Group recorded revenue of RM371,000 for the current quarter which is higher than the preceding year corresponding quarter of RM192,000. The higher revenue was mainly contributed by higher production (24%) and higher average selling prices in Indonesia (56%).

Loss after tax ("LAT") for the current quarter was RM2.75 million, a reduction of RM1.94 million as compared to the preceding year corresponding quarter of RM4.69 million loss. The preceding year corresponding quarter was impacted by fair value loss on the other investments of RM1.83 million.

15. Current Year Prospect

Indonesia's economy logged solid growth in the third quarter at 4.94% though it was lower than second quarter's growth of 5.17%. It was also the slowest growth in 2 years as exports shrank and household spending softened. Economists widely expect Southeast Asia's largest economy to cool this year due to a slew of domestic interest rate hikes, falling commodity prices and weakening global growth (Source: Reuters, 6 November 2023).

According to the Indonesia Palm Oil Association (IPOA) the production of CPO and KPO (Palm Kernel Oil) increased by 14.8% YoY in August 2023 vs August 2022. Total exports of palm oil products decreased by 41% in August 2023 compared to the previous month while on a YoY basis total exports increased by 12%. (Source: IPOA, 28 October 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.



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16. Variance From Profit Forecast And Shortfall In Profit Guarantee

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

17. Income Tax Expense

Income tax expense comprises the following:

	Current Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30/09/2023	30/9/2022	30/09/2023	30/9/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Current year provision	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

18. 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.

19. Quoted Securities

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



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20. 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 September 2023 was as follows:

	Proposed utilisation as per circular to shareholder @ 27/12/2018 RM'000	Actual utilisation @ 30/09/2023 RM'000	Proceeds balance @ 30/09/2023 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 capital	51,000	(26,954)	24,046
-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	-	4,201	4,201
Dividends Paid (**)	-	(4,495)	(4,495)
	413,574	(326,497)	87,077

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

21. Group Borrowings

Group borrowings as at 30 September 2023 are as follows:

Lease Liability	As at 30/09/2023 RM'000	As at 30/09/2022 RM'000
<u>Hire Purchase</u>		
Short term	27	15
Long term	97	48
Total	124	63



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22. Loss Before Tax

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

	Current Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	596	391	596	391
Loss on fair value on other investment	-	1,828	-	1,828
Depreciation and amortisation	985	977	985	977
Finance cost	3	3	3	3

23. Material Litigation

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

24. Dividend Payable

There was no dividend payable during the current quarter.

25. Earnings / (Loss) Per Share

	Current Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Basic				
Loss attributable to owners of the parent (RM'000)	<u>(2,096)</u>	<u>(3,991)</u>	<u>(2,096)</u>	<u>(3,991)</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><u>(1.40)</u></u>	<u><u>(2.66)</u></u>	<u><u>(1.40)</u></u>	<u><u>(2.66)</u></u>



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26. Qualification of Preceding Audited Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 30 June 2023.

27. 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 29 November 2023.