



# PINEHILL PACIFIC BERHAD

(191701000026 (000222-D))

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	CURRENT QUARTER 3 Months Ended		CUMULATIVE QUARTER 6 Months Ended	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		RM'000	RM'000	RM'000	RM'000
Revenue	7	283	132	654	324
Cost of sales		(2,113)	(2,551)	(4,378)	(4,678)
Gross loss		(1,830)	(2,419)	(3,724)	(4,354)
Administration expenses		(1,544)	(1,355)	(3,017)	(4,528)
Other operating income		26	34	53	66
<b>Loss before interest &amp; tax</b>		<b>(3,348)</b>	<b>(3,740)</b>	<b>(6,688)</b>	<b>(8,816)</b>
Finance income		588	566	1,185	958
Finance costs		(4)	(2)	(7)	(5)
<b>Loss before tax</b>	7	<b>(2,764)</b>	<b>(3,176)</b>	<b>(5,510)</b>	<b>(7,863)</b>
Taxation	17	-	-	-	-
<b>Loss after tax</b>		<b>(2,764)</b>	<b>(3,176)</b>	<b>(5,510)</b>	<b>(7,863)</b>
Loss after tax attributable to:					
Owners of the parent		(2,136)	(2,540)	(4,232)	(6,531)
Non-controlling interests		(628)	(636)	(1,278)	(1,332)
		<u>(2,764)</u>	<u>(3,176)</u>	<u>(5,510)</u>	<u>(7,863)</u>
<b>Loss per share, attributable to owners of the parent (sen):</b>	25				
Basic		(1.43)	(1.70)	(2.83)	(4.36)

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 31 DECEMBER 2023

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		6 Months Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
<b>Loss after tax</b>	(2,764)	(3,176)	(5,510)	(7,863)
Currency translation difference arising from consolidation (equity portion)	(1,087)	(4,467)	(2,382)	(2,362)
Increase in fair value of other investments at fair value through other comprehensive income	-	-	-	2,150
<b>Total comprehensive loss</b>	<b>(3,851)</b>	<b>(7,643)</b>	<b>(7,892)</b>	<b>(8,075)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent	(3,706)	(8,267)	(7,767)	(7,825)
Non-controlling interests	(145)	624	(125)	(250)
	<b>(3,851)</b>	<b>(7,643)</b>	<b>(7,892)</b>	<b>(8,075)</b>

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 31 DECEMBER 2023

	Note	Unaudited as at 31/12/2023 RM'000	Audited 30/06/2023 RM'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	60,612	64,148
Right-of-use assets		22,572	22,571
		83,184	86,719
<b>Current assets</b>			
Inventories		600	833
Biological assets		14	15
Trade and other receivables		924	1,026
Tax recoverable		34	34
Short term deposits		84,603	89,442
Cash and bank balances		718	502
		86,893	91,852
<b>TOTAL ASSETS</b>		<b>170,077</b>	<b>178,571</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		74,902	74,902
Other reserve		9,986	13,522
Retained earnings		91,645	95,877
		176,533	184,301
<b>Non-controlling interests</b>		(13,917)	(13,792)
<b>Total equity</b>		162,616	170,509
<b>Non-current liabilities</b>			
Lease liability		90	105
Deferred tax liabilities		1,568	1,568
		1,658	1,673
<b>Current liabilities</b>			
Trade and other payables		5,777	6,362
Lease liability		26	27
		5,803	6,389
<b>Total liabilities</b>		7,461	8,062
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>170,077</b>	<b>178,571</b>
Net assets per share attributable to owners of the parent (RM)		1.18	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.



## PINEHILL PACIFIC BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
<b>Balance as at 01 July 2023</b>	74,902	-	13,522	95,877	184,301	(13,792)	170,509
Total comprehensive income/(loss) for the period	-	-	(3,536)	(4,232)	(7,768)	(125)	(7,893)
<b>Balance as at 31 December 2023</b>	74,902	-	9,986	91,645	176,533	(13,917)	162,616
<b>Balance as at 01 July 2022</b>	74,902	(2,127)	8,915	111,434	193,124	(9,310)	183,814
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>	74,902	-	5,494	100,409	180,805	(10,725)	170,080

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.



# PINEHILL PACIFIC BERHAD

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

	6 Months Ended	
	31/12/2023 RM'000	31/12/2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(5,510)	(7,863)
Adjustments for :		
Depreciation and amortisation	2,021	1,909
Interest income	(1,183)	(960)
Loss on fair value on other reserve	-	1,828
Finance cost	7	5
Operating loss before working capital changes	(4,665)	(5,081)
Net change in receivables	103	31
Net change in payables	(586)	(32)
Net change in inventories	233	(65)
Cash used in operating activities	(4,915)	(5,147)
Interest received	1,183	960
Finance cost	(7)	(5)
Net cash used in operating activities	(3,739)	(4,192)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(53)	(177)
Additional of right-of-use assets	(889)	(760)
Net placement of short term investments	4,838	10,782
Payment of dividend to non-controlling interests of a subsidiary	-	(1,165)
Net cash generated from investing activities	3,896	8,680
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase creditors	(13)	(10)
Net cash used in financing activities	(13)	(10)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	144	4,478
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	502	273
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	72	686
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	718	5,437

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

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
	Cash and bank balances	718
	718	5,437

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.



# PINEHILL PACIFIC BERHAD

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2023 is as follows:

### 1) Major Business Segments

#### 6 months ended 31 December 2023

<b>Group</b>	<b>Plantations</b> RM'000	<b>Investment</b> RM'000	<b>Elimination</b> RM'000	<b>Consolidated</b> RM'000
<b>SEGMENT REVENUE</b>				
External revenue	654	-	-	654
Total revenue	<u>654</u>	<u>-</u>	<u>-</u>	<u>654</u>
<b>SEGMENT RESULTS</b>				
Loss from operations	(5,226)	(277)	-	(5,503)
Finance costs	(7)	-	-	(7)
Loss before taxation	<u>(5,233)</u>	<u>(277)</u>	<u>-</u>	<u>(5,510)</u>
Taxation	-	-	-	-
Loss after taxation	<u>(5,233)</u>	<u>(277)</u>	<u>-</u>	<u>(5,510)</u>

#### **Financial Position**

#### 6 months ended 31 December 2023

Total segment assets	<u>170,022</u>	<u>14,772</u>	<u>(14,717)</u>	<u>170,077</u>
Total segment liabilities	<u>20,366</u>	<u>243</u>	<u>(13,149)</u>	<u>7,461</u>





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## 7. Segment Information (Cont'd)

### 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	<u>324</u>	<u>-</u>	<u>-</u>	<u>324</u>
<b>SEGMENT RESULTS</b>				
Loss before taxation	(7,644)	(219)	-	(7,863)
Taxation	-	-	-	-
Loss after taxation	<u>(7,644)</u>	<u>(219)</u>	<u>-</u>	<u>(7,863)</u>

### **Financial Position**

### 6 months ended 31 December 2022

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

## 2) Geographical Segments

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

Geographical Segments	Current Year 31/12/2023 RM'000	Previous Year 31/12/2022 RM'000
GROUP		
Indonesia	<u>654</u>	<u>324</u>
<b>Total</b>	<u><b>654</b></u>	<u><b>324</b></u>

## 8. Valuation of Property, Plant & Equipment

The valuation of right-of-use assets have been brought forward and without amendment from the previous annual financial statement. The rest of the property, plant and equipment are stated at cost.



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## 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.

## 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:

	<b>Current Quarter</b>	
	<b>6 Months Ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</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***

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

##### **Performance of the current quarter against the preceding year corresponding quarter (2Q 2024 vs 2Q 2023)**

The Group recorded revenue of RM283,000 for the current quarter which is higher than the preceding year corresponding quarter of RM132,000. The higher revenue was mainly contributed by higher production of fresh fruit bunches (FFB) (63%) and higher average selling prices in Indonesia (32%).

Loss after tax ("LAT") for the current quarter was RM2.76 million, a reduction of RM 0.42 million as compared to the preceding year corresponding quarter of RM3.18 million loss mainly due to decreased in rehabilitation cost in Indonesia and increase in sales of RM 0.15 million.

##### **Performance of current 6 months quarter against preceding year corresponding 6 months (YTD Dec 2023 vs YTD Dec 2022)**

The group recorded a total revenue of RM 654,000 for YTD Dec 2023, a 101% increase compared to YTD Dec 2022 on the back of higher average selling price in Indonesia (47%) and higher volume of FFB (37%).

The loss after tax ("LAT") was RM 5.5 million, a decreased of RM 2.35 million compared to YTD Dec 2022 due to the fair value loss on the other investment of RM 1.8 million in YTD Dec 2022 and decrease in rehabilitation cost in Indonesia, and increase in sales of RM0.33 million.

#### **15. Current Year Prospect**

Indonesia's economic growth remains resilient, with inflation on a declining trend, and a stable currency, the World Bank said in its semi-annual Indonesia Economic Prospects report. GDP growth is projected to ease slightly to an average of 4.9% over 2024 -2026 from 5% in 2023 as the commodity boom loses steam (Source: World Bank Report, 13 December 2023).

According to the Indonesian Palm Oil Association (IPOA) palm oil production is expected to be stagnant this year and exports may decline by 4%. (Source: IPOA, 21 January 2024).

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 FFB. Overall performance still driven by FFB production, the uncertainty is further exacerbated by the disruption in the supply chain of fertilizers, chemicals and coupled with the increase in fuel tax (Pajak Bahan Bakar Kendaraan Bermotor-PBBKB) of 10% imposed by the Indonesian government effective 1<sup>st</sup> February 2024 (up from 7.5% previously) will have an effect on overall operational costs across the board.



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### 15. Current Year Prospect (Cont'd)

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 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.

### 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		6 Months Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current tax expenses				
Current year provision	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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 31 December 2023 are as follows:

	<b>Proposed utilisation as per circular to shareholder @27/12/2018 RM'000</b>	<b>Actual utilisation @31/12/2023 RM'000</b>	<b>Proceeds balance @31/12/2023 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	(28,208)	22,792
-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	-	3,347	3,347
Dividends Paid (**)	-	(4,495)	(4,495)
	<b>413,574</b>	<b>(328,605)</b>	<b>84,969</b>

(\*\*) 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 31 December 2023 are as follows:

<b>Lease Liability</b>	<b>As at 31/12/2023 RM'000</b>	<b>As at 31/12/2022 RM'000</b>
<u>Hire Purchase</u>		
Short term	26	14
Long term	90	41
<b>Total</b>	<b>116</b>	<b>55</b>



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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		6 Months Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(588)	(566)	(1,185)	(958)
Loss on fair value on other investment	-	-	-	1,828
Depreciation and amortisation	1,036	932	2,021	1,909
Finance cost	4	2	7	5

### 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		6 Months Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Basic				
Loss attributable to owners of the parent (RM'000)	<u>(2,136)</u>	<u>(2,540)</u>	<u>(4,232)</u>	<u>(6,531)</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>(1.43)</u>	<u>(1.70)</u>	<u>(2.83)</u>	<u>(4.36)</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 26 February 2024