



PINEAPPLE RESOURCES BERHAD
(formerly known as Discomp Berhad)

Condensed Consolidated Financial Statements
For the Quarter and Nine Months Ended
30 September 2012

PINEAPPLE RESOURCES BERHAD (55420-P)(formerly known as Disccomp Berhad)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income
For the quarter and nine months ended 30 September 2012**

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30/09/12 RM'000	30/09/11 RM'000	30/09/12 RM'000	30/09/11 RM'000
Revenue	12,302	9,210	43,817	31,800
Operating expenses	(12,108)	(9,053)	(43,004)	(30,637)
Other income	187	81	532	266
Operating profit	<u>381</u>	<u>238</u>	<u>1,345</u>	<u>1,429</u>
Depreciation and amortization	(148)	(91)	(416)	(258)
Interest expenses	(6)	(1)	(19)	(2)
Interest income	34	44	64	120
Provision for and write off of receivables	-	(1)	-	(3)
Provision for and write off of inventories	(32)	-	(32)	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
Profit before tax	<u>229</u>	<u>189</u>	<u>942</u>	<u>1,286</u>
Taxation	(46)	(41)	(221)	(395)
Profit for the period	<u>183</u>	<u>148</u>	<u>721</u>	<u>891</u>
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	<u>183</u>	<u>148</u>	<u>721</u>	<u>891</u>
Profit attributable to:-				
Owner of the parent	235	131	678	798
Non-controlling interest	(52)	17	43	93
Profit for the period	<u>183</u>	<u>148</u>	<u>721</u>	<u>891</u>
Earning per share (sen):-				
Basic earning per share	0.48	0.27	1.40	1.65
Diluted earning per share	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position
 As at 30 September 2012**

(The figures below have not been audited)

	Unaudited As at 30-Sep-12 RM'000	Audited As at 31-Dec-11 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	2,578	1,764
	<u>2,578</u>	<u>1,764</u>
Current assets		
Inventories	7,106	7,671
Trade and others receivables	5,421	15,476
Fixed deposits with licensed banks	7,684	1,053
Cash and bank balances	6,561	7,781
	<u>26,772</u>	<u>31,981</u>
TOTAL ASSETS	<u>29,350</u>	<u>33,745</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings/ (accumulated losses)	234	(507)
	<u>25,362</u>	<u>24,621</u>
Non-controlling interest	402	1,139
Total equity	<u>25,764</u>	<u>25,760</u>
Non-current liabilities		
Deferred liabilities	339	71
Deferred tax liabilities	245	292
	<u>584</u>	<u>363</u>
Current liabilities		
Trade and other payables	3,002	7,622
Taxation	-	-
	<u>3,002</u>	<u>7,622</u>
Total liabilities	<u>3,586</u>	<u>7,985</u>
TOTAL EQUITY AND LIABILITIES	<u>29,350</u>	<u>33,745</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.52	0.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2012
 (The figures below have not been audited)

	← Attributable to owner of the parent →					
	Share Capital RM'000	Non - Distributable Capital Reserves RM'000	Distributable Retained earnings/ Accumulated losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2012	24,250	878	(507)	24,621	1,139	25,760
Total comprehensive income for the financial period	-	-	678	678	43	721
Negative Goodwill	-	-	63	63	-	63
Acquisition of additional shares in a subsidiary company from minority interest	-	-	-	-	(780)	(780)
At 30 September 2012	24,250	878	234	25,362	402	25,764
At 1 January 2011	24,250	878	(1,902)	23,226	1,017	24,243
Total comprehensive income for the financial period	-	-	798	798	93	891
At 30 September 2011	24,250	878	(1,104)	24,024	1,110	25,134

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the nine months ended 30 September 2012

(The figures below have not been audited)

	9 months ended	
	30-Sep-12 RM'000	30-Sep-11 RM'000
Cash flows from operating activities		
Net profit before tax	942	1,286
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	416	258
Interest expenses	19	2
Interest income	(64)	(120)
Provision for and write off of receivables	-	3
Provision for and write off of inventories	32	-
Non-cash items	(123)	17
Operating profit before working capital changes	1,222	1,446
(Increase)/ decrease in inventories	533	(2,037)
(Increase)/ decrease in receivables	10,180	2,479
Increase/ (decrease) in payables	(4,717)	219
Net cash generated from operations	7,218	2,107
Interest paid	(19)	(2)
Tax paid	(392)	(384)
Net cash generated from operating activities	6,807	1,721
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	126	34
Purchase of property, plant and equipment	(773)	(268)
Purchases of additional shares in a subsidiary company from minority interest	(718)	-
Interest received	64	120
Net cash used in investing activities	(1,301)	(114)
Cash flows from financing activities		
Repayment of finance lease liabilities	(95)	(19)
Increase in fixed deposit pledged	(30)	(16)
Net cash used in financing activities	(125)	(35)
Net increase in cash and cash equivalents	5,381	1,572
Cash and cash equivalents at beginning of the period	8,780	12,870
Cash and cash equivalents at end of the period	14,161	14,442

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to the interim financial statements

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2012**

1. Basis of Preparation

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 – *Interim Financial Reporting* and the applicable disclosure provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011 which were prepared under the Financial Reporting Standards (“FRS”).

The 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 31 December 2011.

2. Significant Accounting Policies

This is the Group’s unaudited interim report for the part of the period covered by the Group’s first MFRS framework annual financial statement for the year ending 31 December 2012 and MFRS 1 – *First -Time Adoption of Malaysian Financial Reporting Standards* has been applied

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2011. The FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, except there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

The Group have not made early adoption of the following MFRSs, IC Interpretations and Amendments to MFRSs which have been issued and will be effective for the financial periods as stated below:-

Effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101 – *Presentation of Items of Other Comprehensive Income*

Effective for annual periods beginning on or after 1 January 2013

- MFRS 10 – *Consolidated Financial Statements*
- MFRS 11 – *Joint Arrangements*
- MFRS 12 – *Disclosure of Interests in Other Entities*
- MFRS 13 – *Fair Value Measurement*
- MFRS 119 – *Employee Benefits (as amended in June 2011)*
- MFRS 127 – *Separate Financial Statements (as amended by IASB in May 2011)*
- MFRS 128 – *Investments in Associates and Joint Ventures (as amended by IASB in May 2011)*
- Amendments to MFRS 1 – *Government Loans*
- Amendments to MFRS 7 – *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- IC Interpretation 20 – *Stripping Costs in the Production Phase of a Surface Mine*

2. Significant Accounting Policies (Cont'd)

Effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132 – *Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods beginning on or after 1 January 2015

- MFRS 9 – *Financial Instruments (IFRS 9 issued by IASB in November 2009)*
- MFRS 9 – *Financial Instruments (IFRS 9 issued by IASB in October 2010)*

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

4. Seasonality or Cyclicity of interim operations

The Group's operations were not significantly affected by any unusual seasonal or cyclical factors.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and nine months ended 30 September 2012.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and nine months ended 30 September 2012.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and nine months ended 30 September 2012.

8. Dividends Paid

No dividend has been paid during the quarter and nine months ended 30 September 2012.

9. Segmental Information

As the Group is principally involved in the trading and distribution of full range of computer peripherals and accessories within Malaysia, therefore there is no segment information has been presented.

10. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group did not adopt a revaluation on its property, plant and equipment.

11. Material Events Subsequent to the Balance Sheet Date

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

12. Changes in the Composition of the Group

The changes in the composition of the Group during the quarter and six months ended 30 June 2012 and up to the date of this Interim Financial Report are as follows:-

- (a) the Company had on 3 May 2012 entered into a Sale and Purchase Agreement ("SPA") with Direct Communications Holdings Sdn. Bhd. to acquire the remaining 49% stake in Pineapple Computer Utara Sdn Bhd ("PCU") for RM5,000. The exercise involved the acquisition of 147,000 ordinary shares of RM1.00 each in the capital of PCU. Subsequent to the completion of the SPA, PCU has become a wholly-owned subsidiary of the Company.
- (b) the Company vide its subsidiary Pineapple Computer Systems Sdn. Bhd. ("PCS") had on 3 July 2012 entered into separate Sale and Purchase Agreement ("SPA") with Pua Kah Ho and Low Soon Han. to acquire the remaining 49% stake in Pine System Technology Sdn Bhd ("PST") for RM683,801.50 and RM 29,148.50 respectively. The exercise involved the acquisition of 140,990 (47%) and 6,010 (2%) ordinary shares of RM1.00 each respectively in the capital of PST. Subsequent to the completion of the SPA, PST has become a wholly-owned subsidiary of PCS.

13. Contingent Liabilities/Contingent Assets

There were no changes in contingent liabilities/contingent assets since the last annual balance sheet date as at 31 December 2011.

14. Capital Commitments

There were no capital commitments for the current financial year-to-date.

15. Related Party Transactions

The related parties of the Group and of the Company comprise the following:

Related companies being subsidiary companies of Disccomp Berhad (“Disccomp”):

- i) Pineapple Computer Systems Sdn Bhd (“PCS”), a 92.16%-owned subsidiary company;
- ii) Pineapple Computers & Accessories Sdn Bhd (“PCA”), a wholly-owned subsidiary company of PCS;
- iii) Pine System Technology Sdn Bhd (“PST”), a wholly-owned subsidiary company of PCS;

Other related parties included:

- i) Chuan Huat Resources Berhad (“CHRB”) group of companies (“CHRB Group”);

The significant related party transactions are as follows:

	9 months ended 30/09/12 RM'000	9 months ended 30/09/11 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	8,901	8,276
PCA	2,486	2,393
PST	4,316	3,877
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	0	3
PCA	0	0
PST	0	80
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	135	135
Rental of premises received from CHRB Group	54	36
Water & electricity received from CHRB Group	18	16
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	48	30
Management fees received from subsidiary companies	79	53

CHRB holds 100% equity interest in Chuan Huat Hardware Holdings Sdn Bhd, which in turn holds 63.86% equity interest in Disccomp.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are no more favourable than those arranged with independent third parties.

16. Cash and Cash Equivalents

	9 months ended	
	30/09/12 RM'000	30/09/11 RM'000
Fixed deposit with a licensed bank	7,684	8,854
Cash and bank balances	6,561	5,642
	<u>14,245</u>	<u>14,496</u>
Less : Fixed Deposits pledged	(84)	(54)
	<u>14,161</u>	<u>14,442</u>

17. Review of Performance

The Group's revenue for the third quarter and for the nine (9) months financial period ended 30 September 2012 compared to the corresponding periods of the preceding financial year have increased by approximately 33.6% to RM12.3 mil and by 37.8% to RM43.8 mil. respectively. These increases in revenue were mainly due to improved performance from the retail outlets, Information Technology ("IT") fairs and sales of new products such as personal computers and mobile phones..

	3 months ended			9 months ended		
	30/09/12 RM'000	30/09/11 RM'000	Change %	30/09/12 RM'000	30/09/11 RM'000	Change %
Revenue						
Trading and Distribution	<u>12,302</u>	<u>9,210</u>	33.6%	<u>43,817</u>	<u>31,800</u>	37.8%
Profit before taxation						
Trading and Distribution	<u>229</u>	<u>189</u>	21.2%	<u>942</u>	<u>1,286</u>	-26.8%

The Group have achieved a profit before tax of RM229,000 and RM942,000 for the third quarter and nine (9) months period ended 30 September 2012 as compared to RM189,000 and RM1,286,000 in the corresponding financial periods respectively.

The improved profit before tax for the current quarter ended 30 September 2012 was due to the contribution from improved performance of the Group. The reduced profit before tax for the nine (9) months period ended 30 September 2012 was mainly due to the lower profit margins for the newer products such as personal computers and mobile phones.

18. Material changes in Profit Before Taxation ("PBT") against preceding quarter

The current quarter PBT decreased by 54.7% mainly due to the seasonal slow down during the quarter under review.

	30/09/12 RM'000	30/06/12 RM'000	Change %
Revenue			
Trading and distribution	<u>12,302</u>	<u>17,086</u>	-28.0%
Profit before taxation			
Trading and distribution	<u>229</u>	<u>505</u>	-54.7%

19. Commentary on Prospects

The Information and Communication Technology (ICT) industry is expected to be robust for the rest of the year with the Government participation in the usage of the internet widely in all sectors and the availability of affordable internet devices.

The Group will continue with its aggressive product promotions and participations in all major IT/PC fairs and road shows.

20. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2012.

21. Income Tax Expenses

	3 months ended		9 months ended	
	30/09/12	30/09/11	30/09/12	30/09/11
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
-current year	92	51	283	360
-under/(over) provision in prior years	-	-	(15)	(12)
	92	51	268	348
Deferred taxation	(46)	(10)	(47)	47
TOTAL	46	41	221	395

The effective tax rate for the financial period ended 30 September 2012 and 30 September 2011 are not reflective of the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

22. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at the date of this report.

23. Borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 30 September 2012.

24. Realised and Unrealised Profits/(Losses)

	As At 30/09/2012 RM'000	As At 31/12/2011 RM'000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries:		
-Realised	498	(213)
-Unrealised	36	6
	534	(207)
Less: Consolidation adjustments	(300)	(300)
	234	(507)

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

26. Changes in Material Litigation

There was no material litigation involving the Group as at the date of this report.

27. Dividend

No dividend has been declared or recommended for payment for the quarter and nine months ended 30 September 2012.

28. Earnings Per Share

Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total number of ordinary shares of the Company in issue for the respective period as follows:

	3 months ended		6 months ended	
	30/09/12	30/09/11	30/09/12	30/09/11
Profit attributable to the owners of the parent (RM'000)	235	131	678	798
	48,500		48,500	
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
	0.48		1.40	
Basic earnings per share (sen)	0.48	0.27	1.40	1.65

There were no potential dilutive components in the shareholdings of Disccomp as at 30 September 2012 and 30 September 2011.

PINEAPPLE RESOURCES BERHAD (55420-P)
(formerly known as Disccomp Berhad)
(Incorporated in Malaysia)



29. Authorisation For Issue

This interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD

DATO' LIM LOONG HENG
MANAGING DIRECTOR

Date: 27 November 2012