



PINEAPPLE RESOURCES BERHAD
(formerly known as Disccomp Berhad)

Condensed Consolidated Financial Statements
For the Quarter and Three Months Ended
31 March 2013

Condensed Consolidated Statement of Comprehensive Income
For the quarter and three months ended 31 March 2013
 (The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/03/13 RM'000	31/03/12 RM'000	31/03/13 RM'000	31/03/12 RM'000
Revenue	11,440	14,429	11,440	14,429
Operating expenses	(11,507)	(14,326)	(11,507)	(14,326)
Other income	462	224	462	224
Operating profit	<u>395</u>	<u>327</u>	<u>395</u>	<u>327</u>
Depreciation and amortization	(149)	(124)	(149)	(124)
Interest expenses	(7)	(5)	(7)	(5)
Interest income	23	11	23	11
Provision for and write off of receivables	-	(1)	-	(1)
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
Profit before tax	<u>262</u>	<u>208</u>	<u>262</u>	<u>208</u>
Taxation	(67)	(61)	(67)	(61)
Profit for the period	<u>195</u>	<u>147</u>	<u>195</u>	<u>147</u>
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	<u>195</u>	<u>147</u>	<u>195</u>	<u>147</u>
Profit attributable to:-				
Owner of the parent	197	121	197	121
Non-controlling interest	(2)	26	(2)	26
Profit for the period	<u>195</u>	<u>147</u>	<u>195</u>	<u>147</u>
Earning per share (sen):-				
Basic earning per share	0.41	0.25	0.41	0.25
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 2012 and accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position
 As at 31 March 2013**

(The figures below have not been audited)

	Unaudited As at 31-Mar-13 RM'000	Audited As at 31-Dec-12 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	2,742	2,541
	<u>2,742</u>	<u>2,541</u>
Current assets		
Inventories	8,749	6,917
Trade and others receivables	6,657	6,923
Fixed deposits with licensed banks	8,389	2,189
Cash and bank balances	3,476	11,279
	<u>27,271</u>	<u>27,308</u>
	<u>30,013</u>	<u>29,849</u>
TOTAL ASSETS		
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)	605	409
	<u>25,733</u>	<u>25,537</u>
Non-controlling interest	414	416
	<u>26,147</u>	<u>25,953</u>
Total equity	<u>26,147</u>	<u>25,953</u>
Non-current liabilities		
Deferred liabilities	374	308
Deferred tax liabilities	244	233
	<u>618</u>	<u>541</u>
Current liabilities		
Trade and other payables	3,248	3,355
Taxation	-	-
	<u>3,248</u>	<u>3,355</u>
Total liabilities	<u>3,866</u>	<u>3,896</u>
	<u>30,013</u>	<u>29,849</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to ordinary Owner of the parent (RM)	0.53	0.53

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2013
 (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 2013	24,250	878	409	25,537	416	25,953
Total comprehensive income for the financial period	-	-	197	197	(2)	195
Disposal of a subsidiary company	-	-	(1)	(1)	-	(1)
At 31 March 2013	24,250	878	605	25,733	414	26,147
At 1 January 2012	24,250	878	(507)	24,621	1,139	25,760
Total comprehensive income for the financial period	-	-	121	121	26	147
At 31 March 2012	24,250	878	(386)	24,742	1,165	25,907

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 2012 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2013

(The figures below have not been audited)

	3 months ended	
	31-Mar-13	31-Mar-12
	RM'000	RM'000
Cash flows from operating activities		
Net profit before tax	262	208
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	149	124
Interest expenses	7	5
Interest income	(23)	(11)
Provision for and write off of receivables	-	1
Provision for and write off of inventories	-	-
Non-cash items	(107)	(124)
Operating profit before working capital changes	288	203
Increase in inventories	(1,812)	(439)
Decrease in receivables	291	6,480
Increase in payables	(135)	(4,354)
Net cash (outflow)/inflow from operations	(1,368)	1,890
Tax paid	(92)	(122)
Net cash (outflow)/inflow from operating activities	(1,460)	1,768
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	88	124
Purchase of property, plant and equipment	(218)	(393)
Net cash inflow from disposal of a subsidiary company	9	-
Interest received	23	11
Net cash outflow from investing activities	(98)	(258)
Cash flows from financing activities		
Repayment of finance lease liabilities	(38)	(26)
Interest paid	(7)	(5)
Increase in fixed deposit pledged	-	(7)
Net cash outflow from financing activities	(45)	(38)
Net (decrease)/increase in cash and cash equivalents	(1,603)	1,472
Cash and cash equivalents at beginning of the financial year	13,179	8,780
Cash and cash equivalents at end of the financial year	11,576	10,252

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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 2012 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 2012.

2. Significant Accounting Policies

As at the date of authorisation of these interim financial statements, 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 January 2014

- Amendments to MFRS 10, MFRS 12 and MFRS 127 - Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements for Investment Entities
- Amendments to MFRS 132 - Financial Instruments: Presentation - 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 and October 2010)
- Amendments to MFRS 7 - Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group plans to apply the abovementioned MFRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability.

The initial application of the above applicable standards (and its consequential amendments) and interpretations, is not expected to have any material impact on the financial statements of the Group.

3. Auditors’ Report in respect of the 2012 Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2012 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 three months ended 31 March 2013.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and three months ended 31 March 2013.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and three months ended 31 March 2013.

8. Dividends Paid

No dividend has been paid during the quarter and three months ended 31 March 2013.

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 three months ended 31 March 2013 and up to the date of this Interim Financial Report are as follows:-

- (a) the Company had on 31 January 2013 entered into a Sale and Purchase Agreement ("SPA") with Chen Thiam Kwee @ Tan Thiam Kwee and Pua Kah Ho to dispose the entire stake in Ezy Ink technology Sdn Bhd ("EITSB") for RM50,000. Subsequent to the completion of the SPA, EITSB will no longer a subsidiary of the Company.

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 2012.

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 Pineapple Resources Berhad ("PRB"):

- 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;

15. Related Party Transactions (Con'd)

Other related parties included:

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

The significant related party transactions are as follows:

	3 months ended 31/03/13 RM'000	3 months ended 31/03/12 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	2,938	3,804
PCA	1,815	801
PST	1,487	1,810
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCS	0	0
PCA	9	0
PST	0	0
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	45	45
Rental of premises received from CHRB Group	18	18
Water & electricity received from CHRB Group	6	6
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	18	15
Management fees received from subsidiary companies	34	23

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

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

	3 months ended	
	31/03/13 RM'000	31/03/12 RM'000
Fixed deposit with a licensed bank	8,389	3,261
Cash and bank balances	3,476	7,052
	11,865	10,313
Less : Fixed Deposits pledged	(289)	(61)
	11,576	10,252

17. Review of Performance

The Group's revenue for the three (3) months financial period ended 31 March 2013 compared to the corresponding period of the preceding financial year decrease by approximately 20.7% to RM11.4 million. The decrease in revenue was mainly due to lesser road shows and fairs during the period under review.

	3 months ended		Change %
	31/03/13 RM'000	31/03/12 RM'000	
Revenue			
Trading & distribution	11,440	14,429	-20.7%
Profit before taxation			
Trading & distribution	262	208	26.0%

Despite the decrease in the Group's revenue, it achieved a profit before tax of RM262,000 for the three (3) months period ended 31 March 2013 as compared to RM208,000 in the corresponding financial period respectively.

The increase in profit before tax for the three (3) months period ended 31 March 2013 was mainly due to additional sponsorship received during the quarter under review.

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

The current quarter PBT decreased by 7.1% mainly due to decrease of revenue offsetted by additional sponsorship received, during the quarter under review.

	31/03/13	31/12/12	Change %
	RM'000	RM'000	
Revenue			
Trading and distribution	11,440	14,315	-20.1%
Profit before taxation			
Trading and distribution	262	282	-7.1%

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 lower price 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 2013.

21. Income Tax Expenses

	3 months ended	
	31/03/13 RM'000	31/03/12 RM'000
Malaysia income tax		
-current year	56	57
-under/(over) provision in prior years	-	1
	<u>56</u>	<u>58</u>
Deferred taxation	11	3
	<u>67</u>	<u>61</u>
TOTAL		

The effective tax rate for the financial year ended 31 March 2013 and 31 March 2012 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 31 March 2013.

24. Realised and Unrealised Profits/(Losses)

	As At	As At
	31/03/2013 RM'000	31/12/2012 RM'000
Total retained profits of the Company and its subsidiaries:		
-Realised	708	665
-Unrealised	197	44
	<u>905</u>	<u>709</u>
Less: Consolidation adjustments	(300)	(300)
	<u>605</u>	<u>409</u>
Total Group retained profits as per statements of financial position.		

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 three months ended 31 March 2013.

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	
	31/03/13	31/03/12
Profit attributable to the owners of the parent (RM'000)	197	121
Total number of ordinary Shares in issue ('000)	48,500	48,500
Basic earnings per share (sen)	0.41	0.25

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 March 2013 and 31 March 2012.

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: 28 May 2013