



PINEAPPLE RESOURCES BERHAD
(formerly known as Discomp Berhad)

Condensed Consolidated Financial Statements
For the Quarter and Six Months Ended
30 June 2013

Condensed Consolidated Statement of Comprehensive Income
For the quarter and six months ended 30 June 2013
 (The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30/06/13 RM'000	30/06/12 RM'000	30/06/13 RM'000	30/06/12 RM'000
Revenue	11,996	17,086	23,436	31,515
Operating expenses	(11,793)	(16,570)	(23,300)	(30,896)
Other income	187	121	649	345
Operating profit	<u>390</u>	<u>637</u>	<u>785</u>	<u>964</u>
Depreciation and amortization	(155)	(144)	(304)	(268)
Interest expenses	(7)	(8)	(14)	(13)
Interest income	39	19	62	30
Provision for and write off of receivables	-	1	-	-
Provision for and write off of inventories	(28)	-	(28)	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
Profit before tax	<u>239</u>	<u>505</u>	<u>501</u>	<u>713</u>
Taxation	(7)	(114)	(74)	(175)
Profit for the period	<u>232</u>	<u>391</u>	<u>427</u>	<u>538</u>
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	<u>232</u>	<u>391</u>	<u>427</u>	<u>538</u>
Profit attributable to:-				
Owner of the parent	229	322	426	443
Non-controlling interest	3	69	1	95
Profit for the period	<u>232</u>	<u>391</u>	<u>427</u>	<u>538</u>
Earning per share (sen):-				
Basic earning per share	0.47	0.66	0.88	0.91
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 30 June 2013

(The figures below have not been audited)

	Unaudited	Audited
	As at	As at
	30-Jun-13	31-Dec-12
	RM'000	RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	2,809	2,541
	<u>2,809</u>	<u>2,541</u>
Current assets		
Inventories	8,708	6,917
Trade and others receivables	7,180	6,923
Fixed deposits with licensed banks	5,922	2,189
Cash and bank balances	4,989	11,279
	<u>26,799</u>	<u>27,308</u>
	<u><u>29,608</u></u>	<u><u>29,849</u></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	834	409
	<u>25,962</u>	<u>25,537</u>
Non-controlling interest	417	416
	<u>26,379</u>	<u>25,953</u>
Total equity		
Non-current liabilities		
Deferred liabilities	451	308
Deferred tax liabilities	231	233
	<u>682</u>	<u>541</u>
Current liabilities		
Trade and other payables	2,547	3,355
Taxation	-	-
	<u>2,547</u>	<u>3,355</u>
Total liabilities	<u>3,229</u>	<u>3,896</u>
	<u><u>29,608</u></u>	<u><u>29,849</u></u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to ordinary Owner of the parent (RM)	0.54	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 six months ended 30 June 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	-	-	426	426	1	427
Disposal of a subsidiary company	-	-	(1)	(1)	-	(1)
At 30 June 2013	24,250	878	834	25,962	417	26,379
At 1 January 2012	24,250	878	(507)	24,621	1,139	25,760
Total comprehensive income for the financial period	-	-	443	443	95	538
Acquisition of additional shares in a subsidiary company from minority interest	-	-	-	-	(22)	(22)
At 30 June 2012	24,250	878	(64)	25,064	1,212	26,276

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 six months ended 30 June 2013
 (The figures below have not been audited)

	3 months ended	
	30-Jun-13 RM'000	30-Jun-12 RM'000
Cash flows from operating activities		
Net profit before tax	501	713
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	304	268
Interest expenses	14	13
Interest income	(63)	(30)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	28	-
Non-cash items	(103)	(91)
Operating profit before working capital changes	681	873
Increase in inventories	(1,818)	(801)
Decrease in receivables	(195)	5,152
Increase in payables	(859)	(4,311)
Net cash (outflow)/inflow from operations	(2,191)	913
Tax paid	(150)	(295)
Net cash (outflow)/ inflow from operating activities	(2,341)	618
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	120	124
Purchase of property, plant and equipment	(311)	(600)
Purchase of additional shares in a subsidiary company from minority interest	-	(5)
Net cash inflow from disposal of a subsidiary company	9	-
Interest received	62	30
Net cash outflow from investing activities	(120)	(451)
Cash flows from financing activities		
Repayment of finance lease liabilities	(82)	(62)
Interest paid	(14)	(13)
Increase in fixed deposit pledged	68	(30)
Net cash outflow from financing activities	(28)	(105)
Net (decrease)/ increase in cash and cash equivalents	(2,489)	62
Cash and cash equivalents at beginning of the financial year	13,179	8,780
Cash and cash equivalents at end of the financial period	10,690	8,842

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 six months ended 30 June 2013.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and six months ended 30 June 2013.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and six months ended 30 June 2013.

8. Dividends Paid

No dividend has been paid during the quarter and six months ended 30 June 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 six months ended 30 June 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:

	6 months ended 30/06/13 RM'000	6 months ended 30/06/12 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	5,871	6,222
PCA	3,617	1,560
PST	2,635	3,081
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	90	90
Rental of premises received from CHRB Group	36	36
Water & electricity received from CHRB Group	12	12
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	36	30
Management fees received from subsidiary companies	68	45

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

	6 months ended	
	30/06/13 RM'000	30/06/12 RM'000
Fixed deposit with a licensed bank	5,922	2,983
Cash and bank balances	4,989	5,942
	<hr/> 10,911	<hr/> 8,925
Less : Fixed Deposits pledged	(221)	(83)
	<hr/> 10,690	<hr/> 8,842

17. Review of Performance

The Group's revenue for the second quarter ended 30 June 2013 has decreased by approximately 29.8% to RM12 mil. and for the six (6) months financial period ended 30 June 2013, it also decreased by 25.6% to RM23.4 mil. as compared to the corresponding periods of the preceding financial year. The decrease in revenue was mainly due to lesser road shows and fairs during the periods under review.

	3 months ended			6 months ended		
	30/06/13	30/06/12	Change	30/06/13	30/06/12	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Trading & distribution	11,996	17,086	-29.8	23,436	31,515	-25.6%
Profit before taxation						
Trading & distribution	239	505	-52.7	501	713	-29.7%

The Group has achieved a reduced profit before tax of RM239,000 and RM501,000 for the second quarter and the six (6) months period ended 30 June 2013 as compared to RM505,000 and RM713,000 in the corresponding financial periods respectively. This was mainly due to the decrease in revenue during the period under review.

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

The PBT for the current quarter under review has decreased by 8.8% as compared to previous quarter ended 31 March 2013 mainly due to higher sponsorship received in the previous quarter.

	30/06/13	31/03/13	Change
	RM'000	RM'000	%
Revenue			
Trading and distribution	11,996	11,440	4.9%
Profit before taxation			
Trading and distribution	239	262	-8.8%

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 current ICT market remains challenging but the Group will continue with its aggressive product promotions and participations in all major IT/PC fairs and road shows. Barring any unforeseen circumstances the Board expects the current financial performance to be maintained.

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		6 months ended	
	30/06/13 RM'000	30/06/12 RM'000	30/06/13 RM'000	30/06/12 RM'000
Malaysia income tax				
-current year	21	134	77	191
-under/(over) provision in prior years	-	(16)	-	(15)
	<u>21</u>	<u>118</u>	<u>77</u>	<u>176</u>
Deferred taxation	(14)	(4)	(3)	(1)
TOTAL	<u>7</u>	<u>114</u>	<u>74</u>	<u>175</u>

The effective tax rate for the financial period ended 30 June 2013 and 30 June 2012 are not reflective of the statutory tax rate, mainly 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 June 2013.

24. Realised and Unrealised Profits/(Losses)

	As At	As At
	30/06/2013 RM'000	31/12/2012 RM'000
Total retained profits of the Company and its subsidiaries:		
-Realised	1,051	665
-Unrealised	83	44
	<u>1,134</u>	<u>709</u>
Less: Consolidation adjustments	(300)	(300)
Total Group retained profits as per statements of financial position.	<u>834</u>	<u>409</u>

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 six months ended 30 June 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		6 months ended	
	30/06/13	30/06/12	30/06/13	30/06/12
Profit attributable to the owners of the parent (RM'000)	229	322	426	443
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	0.47	0.66	0.88	0.91

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 30 June 2013 and 30 June 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: 30 August 2013