



PINEAPPLE RESOURCES BERHAD

Condensed Consolidated Financial Statements
For the Quarter and Twelve Months Ended
31 December 2014

Condensed Consolidated Statement of Financial Position
As at 31 December 2014

(The figures below have not been audited)

	Unaudited	Audited
	As at	As at
	31-Dec-14	31-Dec-13
	RM'000	RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	2,875	3,442
	<u>2,875</u>	<u>3,442</u>
Current assets		
Inventories	7,413	9,544
Trade and others receivables	8,277	10,097
Fixed deposits with licensed banks	1,783	919
Cash and bank balances	9,748	6,893
	<u>27,221</u>	<u>27,453</u>
TOTAL ASSETS	<u>30,096</u>	<u>30,895</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings	1,641	1,263
	<u>26,769</u>	<u>26,391</u>
Non-controlling interest	-	-
Total equity	<u>26,769</u>	<u>26,391</u>
Non-current liabilities		
Deferred liabilities	378	596
Deferred tax liabilities	155	206
	<u>533</u>	<u>802</u>
Current liabilities		
Trade and other payables	2,794	3,702
Taxation	-	-
	<u>2,794</u>	<u>3,702</u>
Total liabilities	<u>3,327</u>	<u>4,504</u>
TOTAL EQUITY AND LIABILITIES	<u>30,096</u>	<u>30,895</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.55	0.54

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Comprehensive Income
For the quarter and twelve months ended 31 December 2014
(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/12/14	31/12/13	31/12/14	31/12/13
	RM'000	RM'000	RM'000	RM'000
Revenue	12,837	15,863	49,494	52,641
Operating expenses	(12,539)	(15,930)	(48,807)	(52,378)
Other income	70	397	600	1,211
Operating profit	<u>368</u>	<u>330</u>	<u>1,287</u>	<u>1,474</u>
Depreciation and amortization	(185)	(184)	(743)	(657)
Interest expenses	(9)	(11)	(35)	(34)
Interest income	18	25	84	123
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	33	(21)	(13)
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
Profit before tax	<u>192</u>	<u>193</u>	<u>572</u>	<u>893</u>
Taxation	(75)	(24)	(194)	(127)
Profit for the period	<u>117</u>	<u>169</u>	<u>378</u>	<u>766</u>
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	<u>117</u>	<u>169</u>	<u>378</u>	<u>766</u>
Profit attributable to:-				
Owner of the parent	117	177	378	766
Non-controlling interest	-	(8)	-	-
Profit for the period	<u>117</u>	<u>169</u>	<u>378</u>	<u>766</u>
Earning per share (sen):-				
Basic earning per share	0.24	0.36	0.78	1.58
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 2013 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the twelve months ended 31 December 2014
(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 2014	24,250	878	1,263	26,391	-	26,391
Total comprehensive income for the financial period	-	-	378	378	-	378
At 31 December 2014	24,250	878	1,641	26,769	-	26,769
At 1 January 2013	24,250	878	409	25,537	416	25,953
Total comprehensive income for the financial year	-	-	766	766	-	766
Disposal of a subsidiary company			(1)	(1)	-	(1)
Difference arising on acquisition of equity interests in subsidiary companies			89	89	-	89
Acquisition of additional equity interests in subsidiary companies	-	-	-	-	(416)	(416)
At 31 December 2013	24,250	878	1,263	26,391	-	26,391

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 2013 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2014

(The figures below have not been audited)

	12 months ended	
	31-Dec-14 RM'000	31-Dec-13 RM'000
Cash flows from operating activities		
Net profit before tax	572	893
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	743	657
Interest expenses	35	34
Interest income	(84)	(123)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	21	13
Non-cash items	34	(95)
Operating profit before working capital changes	1,321	1,379
Decrease / (Increase) in inventories	2,110	(2,640)
Decrease / (Increase) in trade and other receivables	1,880	(3,290)
(Decrease) / Increase in trade and other payables	(885)	240
Net cash inflow/ (outflow) from operations	4,426	(4,311)
Net tax paid	(305)	(48)
Net cash inflow/ (outflow) from operating activities	4,121	(4,359)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2	122
Purchase of property, plant and equipment	(212)	(995)
Purchase of additional investment in subsidiary companies	-	(327)
Net cash inflow from disposal of a subsidiary company	-	9
Interest received	84	124
Net cash outflow from investing activities	(126)	(1,067)
Cash flows from financing activities		
Net repayment of finance lease liabilities	(241)	(196)
Interest paid	(35)	(34)
(Increase)/ decrease in fixed deposit pledged	(14)	70
Net cash outflow from financing activities	(290)	(160)
Net increase / (decrease) in cash and cash equivalents	3,705	(5,586)
Cash and cash equivalents at beginning of the financial year	7,593	13,179
Cash and cash equivalents at end of the financial year	11,298	7,593

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and accompanying explanatory notes attached to the interim financial statements

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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 2013 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 2013.

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 2013 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

4. Seasonality or Cyclical 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 twelve months ended 31 December 2014.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and twelve months ended 31 December 2014.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and twelve months ended 31 December 2014.

8. Dividends Paid

No dividend has been paid during the quarter and twelve months ended 31 December 2014.

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

There were no changes in the composition of the Group during the quarter and twelve months ended 31 December 2014 and up to the date of this Interim Financial Report.

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 2013.

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 wholly-owned subsidiary company on **18 December 2013**;
- 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:

	12 months ended 31/12/14 RM'000	12 months ended 31/12/13 RM'000
a) Sales of goods to		
i) <u>Subsidiaries</u>		
PCS	-	11,759
PCA	-	8,208
PST	-	4,841
b) Purchase of goods from		
i) <u>Subsidiaries</u>		
PCA	-	23
c) Others		
i) <u>Related Parties</u>		
Rental of premises paid to CHRB Group	126	180
Rental of premises received from CHRB Group	18	72
Water & electricity received from CHRB Group	24	24
ii) <u>Subsidiaries</u>		
Rental income received from subsidiary companies	-	90
Management fees received from subsidiary companies	-	146

15. Related Party Transactions (Cont'd)

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

	12 months ended	
	31/12/14 RM'000	31/12/13 RM'000
Fixed deposit with a licensed bank	1,783	919
Cash and bank balances	9,748	6,893
	<u>11,531</u>	<u>7,812</u>
Less : Fixed Deposits pledged	(233)	(219)
	<u>11,298</u>	<u>7,593</u>

17. Review of Performance

The Group's revenue for the fourth quarter ended 31 December 2014 has decreased by 19.1% to RM12.837 million and for the twelve (12) months financial year ended 31 December 2014, it decreased by 6.0% to RM49.494 million as compared to the corresponding period of the preceding financial year. The decrease in revenue was mainly due to the closure of two non performing outlets.

	3 months ended			12 months ended		
	31/12/14 RM'000	31/12/13 RM'000	Change %	31/12/14 RM'000	31/12/13 RM'000	Change %
Revenue	<u>12,837</u>	<u>15,863</u>	-19.1%	<u>49,494</u>	<u>52,641</u>	-6.0%
Profit before taxation	<u>192</u>	<u>193</u>	-0.5%	<u>572</u>	<u>893</u>	-35.9%

The Group achieved a Profit Before Tax ("PBT") of RM192,000 for the fourth quarter and RM572,000 for the twelve months period ended 31 December 2014 as compared to profit before tax of RM193,000 and RM893,00 in the corresponding periods. The lower PBT for the year ended 31 December 2014 was due to lower revenue.

18. Material changes in Profit/(Loss) Before Taxation (“PBT/LBT”) against preceding quarter

For the current quarter under review, the Group achieved a Profit before Tax of RM192,000 as compared to the Loss Before Tax of RM28,000 recorded in the previous quarter ended 30 September 2014. This was mainly due to increase in revenue from additional AEON members’ day special offers and promotions during the quarter under review.

	31/12/14 RM'000	30/09/14 RM'000	Change %
Revenue	12,837	10,603	21.1%
Profit/(loss) before taxation	192	(28)	785.7%

19. Commentary on Prospects

The Information Technology retail market is expected to remain difficult post GST 2015 as consumer spending could be reduced whilst the operation cost will be increased accordingly.

However, the Group will focus to increase the revenue through the e-commerce division as it has seen a tremendous increase in performance since it’s inception one year ago.

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 2014.

21. Income Tax Expenses

	3 months ended		12 months ended	
	31/12/14 RM'000	31/12/13 RM'000	31/12/14 RM'000	31/12/13 RM'000
Malaysia income tax				
-current year	70	59	243	166
-under/(over) provision in prior years	27	-	2	(12)
	97	59	245	154
Deferred taxation	(22)	(35)	(51)	(27)
TOTAL	75	24	194	127

The effective tax rate for the financial year ended 31 December 2014 and 31 December 2013 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 31 December 2014.

24. Realised and Unrealised Profits/(Losses)

	As At 31/12/2014 RM'000	As At 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
-Realised	1,894	1,423
-Unrealised	47	140
	<hr/> 1,941	<hr/> 1,563
Less: Consolidation adjustments	(300)	(300)
	<hr/> 1,641	<hr/> 1,263
Total Group retained profits as per statements of financial position.	<hr/> <hr/> 1,641	<hr/> <hr/> 1,263

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 twelve months ended 31 December 2014.

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		12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
Profit attributable to the owners of the parent (RM'000)	117	177	378	766
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	0.24	0.36	0.78	1.58

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 December 2014 and 31 December 2013.

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 February 2015