



## **PINEAPPLE RESOURCES BERHAD**

Condensed Consolidated Financial Statements  
For the Quarter and Twelve Months Ended  
31 Dec 2015

**Condensed Consolidated Statement of Financial Position**  
**As at 31 Dec 2015**

(The figures below have not been audited)

	<b>Unaudited As at 31/12/15 RM'000</b>	<b>Audited As at 31/12/14 RM'000</b>
<b>Non-Current assets</b>		
Property, plant and equipment	2,261	2,875
	<u>2,261</u>	<u>2,875</u>
<b>Current assets</b>		
Inventories	8,207	7,413
Trade and others receivables	7,234	8,277
Fixed deposits with licensed banks	240	1,783
Cash and bank balances	10,934	9,748
	<u>26,615</u>	<u>27,221</u>
<b>TOTAL ASSETS</b>	<b><u>28,876</u></b>	<b><u>30,096</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings	1,015	1,641
	<u>26,143</u>	<u>26,769</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>26,143</u>	<u>26,769</u>
<b>Non-current liabilities</b>		
Deferred liabilities	179	376
Deferred tax liabilities	227	155
	<u>406</u>	<u>531</u>
<b>Current liabilities</b>		
Trade and other payables	2,327	2,796
Taxation	-	-
	<u>2,327</u>	<u>2,796</u>
<b>Total liabilities</b>	<u>2,733</u>	<u>3,327</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>28,876</u></b>	<b><u>30,096</u></b>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.54	0.55

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and accompanying explanatory notes attached to the interim financial statements.*

**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter and twelve months ended 31 Dec 2015**

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
<b>Revenue</b>	11,265	12,837	47,117	49,494
Operating expenses	(11,172)	(12,539)	(47,189)	(48,807)
Other income	102	70	490	600
<b>Operating profit</b>	195	368	418	1,287
Depreciation and amortization	(174)	(185)	(706)	(743)
Interest expenses	(5)	(9)	(23)	(35)
Interest income	9	18	33	84
Provision for and write off of receivables	(43)	-	(43)	-
Provision for and write off of inventories	-	-	(163)	(21)
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	-	-	-	-
<b>(Loss)Profit before tax</b>	(18)	192	(484)	572
Taxation	(111)	(75)	(142)	(194)
<b>(Loss)/Profit for the period</b>	(129)	117	(626)	378
Other Comprehensive Income net of tax	-	-	-	-
<b>Total Comprehensive (Loss)/ Income for the period</b>	(129)	117	(626)	378
<b>Profit attributable to:-</b>				
Owner of the parent	(129)	117	(626)	378
Non-controlling interest	-	-	-	-
<b>(Loss)/Profit for the period</b>	(129)	117	(626)	378
<b>Earning per share (sen):-</b>				
Basic earning per share	(0.27)	0.24	(1.29)	0.78
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 2014 and accompanying explanatory notes attached to the interim financial statements.*

**Condensed Consolidated Statement of Changes in Equity**  
**For the twelve months ended 31 Dec 2015**  
(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 2015	24,250	878	1,641	26,769	-	26,769
Total comprehensive loss for the financial period	-	-	(626)	(626)	-	(626)
<b>At 31 Dec 2015</b>	<b>24,250</b>	<b>878</b>	<b>1,015</b>	<b>26,143</b>	<b>-</b>	<b>26,143</b>
At 1 January 2014	24,250	878	1,263	26,391	-	26,391
Total comprehensive income for the financial year	-	-	378	378	-	378
<b>At 31 Dec 2014</b>	<b>24,250</b>	<b>878</b>	<b>1,641</b>	<b>26,769</b>	<b>-</b>	<b>26,769</b>

*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 2014 and accompanying explanatory notes attached to the interim financial statements.*

**Condensed Consolidated Statement of Cash Flows**  
**For the twelve months ended 31 Dec 2015**  
(The figures below have not been audited)

	12 months ended	
	31/12/15 RM'000	31/12/14 RM'000
<b>Cash flows from operating activities</b>		
Net (loss)/profit before tax	(484)	572
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	706	743
Interest expenses	23	35
Interest income	(33)	(84)
Provision for and write off of receivables	43	-
Provision for and write off of inventories	163	21
Non-cash items	(290)	34
Operating (loss)/profit before working capital changes	128	1,321
Decrease / (Increase) in inventories	(657)	2,110
Decrease / (Increase) in trade and other receivables	1,071	1,880
(Decrease) / Increase in trade and other payables	(445)	(885)
Net cash inflow from operations	97	4,426
Net tax paid	(142)	(305)
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(45)</b>	<b>4,121</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	2
Purchase of property, plant and equipment	(102)	(212)
Purchase of additional investment in subsidiary companies	-	-
Net cash inflow from disposal of a subsidiary company	-	-
Interest received	33	84
<b>Net cash outflow from investing activities</b>	<b>(69)</b>	<b>(126)</b>
<b>Cash flows from financing activities</b>		
Net repayment of finance lease liabilities	(220)	(241)
Interest paid	(23)	(35)
(Increase)/ decrease in fixed deposit pledged	(7)	(14)
<b>Net cash outflow from financing activities</b>	<b>(250)</b>	<b>(290)</b>
Net increase in cash and cash equivalents	(364)	3,705
Cash and cash equivalents at beginning of the financial year	11,298	7,593
<b>Cash and cash equivalents at end of the financial year</b>	<b>10,934</b>	<b>11,298</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and accompanying explanatory notes attached to the interim financial statements*

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

**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 2014 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 2014.

**2. Significant Accounting Policies**

The accounting policies and method of computation applied in the interim financial statements are consistent with those used in the preparation of the 2014 Audited Financial Statements except for the adoption of amendments to existing standards that are applicable to the Group for the financial period beginning 1 January 2015 as set out below.

- Amendments to MFRS 119 “Employee Benefits”

**Annual Improvements 2010-2012 Cycle**

- Amendments to MFRS 2 “Share-based Payment”
- Amendment to MFRS 3 “Business Combinations”
- Amendment to MFRS 8 “Operating Segments”
- Amendment to MRRS 13 “Fair Value Measurement”
- Amendment to MFRS 116 “Property, Plant and Equipment”
- Amendment to MFRS 124 “Related Party Disclosures”

**Annual Improvements 2011-2013 Cycle**

- Amendments to MFRS 3 “Business Combinations”
- Amendments to MFRS 13 “Fair Value Measurement”
- Amendment to MFRS 140 “Investment Property”

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.

## **2. Significant Accounting Policies (cont'd)**

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 2016

- MFRS 14 "Regulatory Deferral Accounts"
- Amendments to MFRS 116 and MFRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- Amendments to MFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- Amendments to MFRS 116 and MFRS 141 "Agriculture: Bearer Plants"
- Amendments to MFRS 127 "Equity Method in Separate Financial Statements"
- Amendments to MFRS 10 and MFRS 128 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to MFRS 10, MFRS 12 and MFRS 128 "Investment Entities: Applying the Consolidation Exception"
- Amendments to MFRS 101 "Disclosure Initiative"

### Annual Improvements to MFRSs 2012–2014 Cycle

- Amendments to MFRS 7 "Financial Instruments: Disclosure"
- Amendments to MFRS 119 "Defined Benefits Plans: Employee Contributions"
- Amendments to MFRS 134 "Interim Financial Reporting"

### Effective for annual periods beginning on or after 1 January 2017

- MFRS15 "Revenue from Contracts with Customers"

### Effective for annual periods beginning on or after 1 January 2018

- MFRS 9 "Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)"

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.

## **3. Auditors' Report in respect of the 2014 Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2014 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 twelve months ended 31 December 2015.

#### **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 2015.

#### **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 2015.

#### **8. Dividends Paid**

No dividend has been paid during the quarter and twelve months ended 31 December 2015.

#### **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 2015 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 2014.

#### **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 comprise the following:

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

The significant related party transactions are as follows:

	9 months ended	
	30/09/15	30/09/14
	RM'000	RM'000

### Others

#### i) Related Parties

Rental of premises paid to CHRB Group	108	126
Rental of premises received from CHRB Group	-	18
Water & electricity received from CHRB Group	24	24

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.

## 15. Cash and Cash Equivalents

	12 months ended	
	31/12/15	31/12/14
	RM'000	RM'000

Fixed deposit with a licensed bank	240	1,783
Cash and bank balances	10,934	9,748
	11,174	11,531
Less : Fixed Deposits pledged	(240)	(233)
	10,934	11,298

## 16. Review of Performance

The Group’s revenue for the fourth quarter ended 31 December 2015 decreased by 12.2% to RM11.265 million and for the twelve (12) months financial year ended 31 December 2015, it recorded a drop of 4.8% to RM47.117 million as compared to the corresponding period of the preceding financial year.

The decrease in revenue was mainly due to the impact of GST on the domestic consumer market and coupled with lesser promotions and fair during the period under review.

	3 months ended			12 months ended		
	31/12/15	31/12/14	Change	31/12/15	31/12/14	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	11,265	12,837	-12.2%	47,117	49,494	-4.8%
(Loss/Profit before taxation)	(18)	192	-109.4%	(484)	572	-184.6%

## 16. Review of Performance (Cont'd)

The Group has recorded a Loss Before Tax ("LBT") of RM18,000 for the fourth quarter ended 31 December 2015 and RM484,000 for the twelve (12) months financial year ended 31 December 2015 as compared to Profit Before Tax ("PBT") of RM192,000 and RM572,000 in the corresponding financial period of the preceding year. This was due to decrease in revenue and provision for and written off of trade receivables and inventories.

## 17. Material changes in Profit/(Loss) Before Taxation ("PBT/LBT") against preceding quarter

The Group recorded a lower Loss Before Tax ("LBT") of RM18,000 for the fourth quarter ended 31 December 2015 compared to the preceding quarter ended 30 September 2015. This was mainly due to the increase in revenue by additional AEON members' day special offers during the quarter under review.

	31/12/15 RM'000	30/09/15 RM'000	Change %
Revenue	11,265	9,235	22.0%
Profit/(loss) before taxation	(18)	(255)	92.9%

## 18. Commentary on Prospects

The Information Technology retail market is expected to remain challenging after the implementation of GST in April 2015. As seen in the previous quarters results since the implementation of GST, there were substantial decrease in the business and it will not be expected to improve within the short term period.

However, the Group will focus to increase the revenue through the e-commerce division.

Barring any unforeseen circumstances the Board expects the current financial performance to improve.

## 19. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2015.

## 20. Income Tax Expenses

	3 months ended		12 months ended	
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
Malaysia income tax				
-current year	5	71	62	244
-under/(over) provision in prior years	-	27	8	2
Deferred taxation	106	(23)	72	(52)
<b>TOTAL</b>	<b>111</b>	<b>75</b>	<b>142</b>	<b>194</b>

## 20. Income Tax Expense (Cont'd)

The effective tax rate for the financial year ended 31 Dec 2015 and 31 Dec 2014 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.

## 21. Corporate Proposals

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

## 22. Borrowings and Debt Securities

The Group does not have any borrowings or debt securities as at 31 December 2015.

## 23. Realised and Unrealised Profits/(Losses)

	As At 31/12/2015 RM'000	As At 31/12/2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,242	1,894
- Unrealised	(227)	47
	1,015	1,941
Less: Consolidation adjustments	-	(300)
Total Group retained profits as per statements of financial position.	1,015	1,641

## 24. Off Balance Sheet Financial Instruments

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

## 25. Changes in Material Litigation

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

## 26. Dividend

No dividend has been declared or recommended for payment for the quarter and twelve months ended 31 December 2015.

## 27. 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	
	31/12/15	31/12/14	31/12/15	31/12/14
(Loss)/Profit attributable to the owners of the parent (RM'000)	(129)	117	(626)	378
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	(0.27)	0.24	(1.29)	0.78

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 December 2015 and 31 December 2014.

## 28. 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: 26 February 2016