



Condensed Consolidated Financial Statements  
For the Quarter and Three Months Ended  
31 March 2017

**Condensed Consolidated Statement of Financial Position**  
**As at 31 Mar 2017**

(The figures below have not been audited)

	Unaudited As at 31/03/17 RM'000	Audited As at 31/12/16 RM'000
<b>Non-Current assets</b>		
Property, plant and equipment	1,753	1,865
	1,753	1,865
<b>Current assets</b>		
Inventories	12,845	11,993
Trade and others receivables	7,498	8,993
Fixed deposits with licensed banks	1,856	1,500
Cash and bank balances	5,380	4,997
	27,579	27,483
<b>TOTAL ASSETS</b>	<b>29,332</b>	<b>29,348</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	783	637
	25,911	25,765
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	25,911	25,765
<b>Non-current liabilities</b>		
Deferred liabilities	48	51
Deferred tax liabilities	183	179
	231	230
<b>Current liabilities</b>		
Trade and other payables	3,190	3,353
Taxation	-	-
	3,190	3,353
<b>Total liabilities</b>	3,421	3,871
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,332</b>	<b>29,348</b>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.53	0.53

**PINEAPPLE RESOURCES BERHAD** (55420-P)

(Incorporated in Malaysia)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to the interim financial statements.



## Condensed Consolidated Statement of Comprehensive Income For the quarter and three months ended 31 March 2017

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/03/17 RM'000	31/03/16 RM'000	31/03/17 RM'000	31/03/16 RM'000
<b>Revenue</b>	14,128	12,500	14,128	12,500
Operating expenses	(13,990)	(12,698)	(13,990)	(12,698)
Other income	114	69	114	69
<b>Operating profit</b>	252	(129)	252	(129)
Depreciation and amortization	(125)	(171)	(125)	(171)
Interest expenses	(1)	(4)	(1)	(4)
Interest income	2	3	2	3
Provision for and write off of receivables	-	-	-	-
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	22	(3)	22	(3)
<b>Profit/ (Loss) before tax</b>	150	(301)	150	(301)
Taxation	(4)	(8)	(4)	(8)
<b>Profit/ (Loss) for the period</b>	146	(309)	146	(309)
Other Comprehensive Income net of tax	-	-	-	-
<b>Total Comprehensive Income/ (Loss) for the period</b>	146	(309)	146	(309)
<b>Profit attributable to:-</b>				
Owner of the parent	146	(309)	146	(309)
Non-controlling interest	-	-	-	-
<b>Profit/ (Loss) for the period</b>	146	(309)	146	(309)
<b>Earning per share (sen):-</b>				
Basic earning per share	0.30	(0.64)	0.30	(0.64)
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 2016 and accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity**  
**For the three months ended 31 March 2017**  
(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 2017	24,250	878	637	25,765	-	25,765
Total comprehensive loss for the financial period	-	-	146	146	-	146
<b>At 31 Mar 2017</b>	24,250	878	783	25,911	-	25,911
At 1 January 2016	24,250	878	1,015	26,143	-	26,143
Total comprehensive loss for the financial period	-	-	(309)	(309)	-	(309)
<b>At 31 Mar 2016</b>	24,250	878	706	25,834	-	25,834

*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 2016 and accompanying explanatory notes attached to the interim financial statements.*

**Condensed Consolidated Statement of Cash Flows**  
**For the three months ended 31 March 2017**

(The figures below have not been audited)

	3 months ended	
	31/03/17 RM'000	31/03/16 RM'000
<b>Cash flows from operating activities</b>		
Net (loss)/profit before tax	150	(301)
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	125	171
Interest expenses	1	4
Interest income	(2)	(3)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Non-cash items	1	-
Operating (loss)/profit before working capital changes	275	(129)
Decrease / (Increase) in inventories	(852)	(1,366)
Decrease / (Increase) in trade and other receivables	(342)	(490)
(Decrease) / Increase in trade and other payables	(164)	1,432
Net cash (outflow)/ inflow from operations	(1,083)	(553)
Net tax (paid)/ refund	(18)	46
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(1,101)</b>	<b>(507)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(14)	(17)
Interest received	2	3
<b>Net cash outflow from investing activities</b>	<b>(12)</b>	<b>(14)</b>
<b>Cash flows from financing activities</b>		
Net repayment of finance lease liabilities	(3)	(53)
Interest paid	(1)	(4)
(Increase)/ decrease in fixed deposit pledged	-	-
<b>Net cash outflow from financing activities</b>	<b>(4)</b>	<b>(57)</b>
Net (decrease)/ increase in cash and cash equivalents	(1,117)	(578)
Cash and cash equivalents at beginning of the financial year	6,497	10,934
<b>Cash and cash equivalents at end of the financial year</b>	<b>5,380</b>	<b>10,356</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 2016 and accompanying explanatory notes attached to the interim financial statements*

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2017**

**1. Basis of Preparation**

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 which were prepared under the Malaysian Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities.

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

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 2016.

**2. Significant Accounting Policies**

The accounting policies applied by the Group in these interim consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following newly-issued MFRS for the financial periods beginning on or after 1 January:

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

- Amendments to MFRS 12: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 107: Disclosure Initiative
- Amendments to MFRS112: Recognition of Deferred Tax Assets for Unrealised Losses

Initial application of the above applicable standards, 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 2018

- MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- MFRS15: Revenue from Contracts with Customers
- Amendments to MFRS 1: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4: Applying FRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 140: Transfer of Investment Property
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

### Effective for annual periods beginning on or after 1 January 2019

- MFRS 16 : Leases

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 2016 Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2016 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 2017.

## **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 2017.

## **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 2017.

## **8. Dividends Paid**

No dividend has been paid during the quarter and three months ended 31 March 2017.

## **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 three months ended 31 March 2017 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 2016.

## **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:

	3 months ended	
	31/03/16	31/03/16
	RM'000	RM'000
<b>Others</b>		
<u>Related Parties</u>		
Rental of premises paid to CHRB Group	27	27
Water & electricity received from CHRB Group	6	6

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	
	31/03/17	31/03/16
	RM'000	RM'000
Fixed deposit with a licensed bank	-	240
Cash and bank balances	5,380	10,356
	5,380	10,596
Less : Fixed Deposits pledged	-	(240)
	5,380	10,356

## 17. Review of Performance

The Group's revenue for the three months financial period ended 31 March 2017 increased by 13.02% as compared to the corresponding period of the preceding year. The increase in revenue was mainly due to the additional sales generated from the TESCO hypermarket.

The Group has recorded a Profit Before Tax ("PBT") of RM150,000 for the three months ended 31 March 2017 as compared to Loss Before Tax ("LBT") of RM301,000 in the corresponding financial period of the preceding year.

	3 months ended		Change %
	31/03/17 RM'000	31/03/16 RM'000	
Revenue	14,128	12,500	13.02
Profit/(Loss) before taxation	150	(301)	149.83

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

The Group recorded a Profit Before Tax of RM150,000 for the first quarter ended 31 March 2017 compared to RM25,000 in the preceding quarter ended 31 Dec 2016 mainly due to the improved performance during the quarter under review.

	31/03/17	31/12/16	Change %
	RM'000	RM'000	
Revenue	14,128	13,873	12.47
Profit/(loss) before taxation	150	25	109.16

## 19. Commentary on Prospects

The main challenges for the Group remain unchanged from the previous year with the main reason being the overall reduction in consumers' spending since the introduction of GST (Goods and Services Tax) in April 2015.

The move from consolidating its operation to focus mainly in the hypermarket stores like AEON and TESCO, the closure of non-performing outlets helps to cut down the overall cost, especially rental and is now showing a very good sign of recovery. We are currently in discussion with more hypermarket operators to expand the business accordingly.

The online retail business in Malaysia is still very much in its infant stage and as the growth potential is enormous, more human and capital resources will be invested.

With the change in the business direction to focus the operations in hypermarkets, we expect our performance to improve for the rest of the financial year.

## 20. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2017.

## 21. Income Tax Expenses

	3 months ended	
	31/03/17	31/03/16
	RM'000	RM'000
Malaysia income tax		
-current year	-	-
-under/(over) provision in prior years	-	-
Deferred taxation	4	8
<b>TOTAL</b>	<b>4</b>	<b>8</b>

The effective tax rate for the financial period ended 31 March 2017 and 31 March 2016 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 March 2017.

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

	As At 31/03/2017 RM'000	As At 31/12/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	966	816
- Unrealised	(183)	(179)
Total Group retained profits as per statements of financial position.	783	637

### 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 2017.

## 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		3 months ended	
	31/03/17	31/03/16	31/03/17	31/03/16
(Loss)/Profit attributable to the owners of the parent (RM'000)	146	(309)	146	(309)
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	0.30	(0.64)	0.30	(0.64)

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 March 2017 and 31 March 2016.

## 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: 25 May 2017