



Condensed Consolidated Financial Statements
For the Quarter and Year Ended
31 March 2018

Condensed Consolidated Statement of Financial Position
As at 31 March 2018

(The figures below have not been audited)

	Unaudited As at 31/03/18 RM'000	Audited As at 31/12/17 RM'000
Non-Current assets		
Property, plant and equipment	1,664	1,630
Investment in associated company	757	763
	<u>2,421</u>	<u>2,393</u>
Current assets		
Inventories	12,742	13,458
Trade and others receivables	9,570	11,147
Amount due from associate company	132	-
Cash and bank balances	4,143	1,808
	<u>26,587</u>	<u>26,413</u>
TOTAL ASSETS	<u>29,008</u>	<u>28,806</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings	1,006	991
Total equity	<u>26,134</u>	<u>26,119</u>
Non-current liabilities		
Deferred liabilities	143	102
Deferred tax liabilities	216	224
	<u>359</u>	<u>326</u>
Current liabilities		
Trade and other payables	2,501	2,361
Taxation	14	-
	<u>2,515</u>	<u>2,361</u>
Total liabilities	<u>2,874</u>	<u>2,687</u>
TOTAL EQUITY AND LIABILITIES	<u>29,008</u>	<u>28,806</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.54	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 2017 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 2018

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/03/18 RM'000	31/03/17 RM'000	31/03/18 RM'000	31/03/17 RM'000
Revenue	15,289	14,128	15,289	14,128
Operating expenses	(15,167)	(13,990)	(15,167)	(13,990)
Other income	73	114	73	114
Operating profit	195	252	195	252
Depreciation and amortization	(112)	(125)	(112)	(125)
Interest expenses	(3)	(1)	(3)	(1)
Interest income	-	2	-	2
Provision for and write off of receivables	(13)	-	(13)	-
Provision for and write off of inventories	-	-	-	-
Gain/ (loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain/ (loss)	(10)	22	(10)	22
Share of profit/(loss) from an associate company	(6)	-	(6)	-
Profit before tax	51	150	51	150
Taxation	(36)	(4)	(36)	(4)
Profit for the period	15	146	15	146
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	15	146	15	146
Profit attributable to:-				
Owner of the parent	15	146	15	146
Non-controlling interest	-	-	-	-
Profit for the period	15	146	15	146
Earning per share (sen):-				
Basic earning per share	0.03	0.30	0.03	0.30

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2018
(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 2018	24,250	878	991	26,119	-	26,119
Total comprehensive profit for the financial period	-	-	15	15	-	15
At 31 March 2018	24,250	878	1,006	26,134	-	26,134
At 1 January 2017	24,250	878	637	25,765	-	25,765
Total comprehensive profit for the financial period	-	-	146	146	-	146
At 31 March 2017	24,250	878	783	25,911	-	25,911

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 2017 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2018

(The figures below have not been audited)

	3 months ended	
	31/03/18 RM'000	31/03/17 RM'000
Cash flows from operating activities		
Net profit before tax	51	150
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	112	125
Interest expenses	3	1
Interest income	-	(2)
Provision for and write off of receivables	13	-
Provision for and write off of inventories	-	-
Non-cash items	4	1
Operating profit before working capital changes	183	275
Decrease / (Increase) in inventories	717	(852)
Decrease / (Increase) in trade and other receivables	1,480	(342)
Increase/ (Decrease) in trade and other payables	128	(164)
Net cash inflow/ (outflow) from operations	2,508	(1,083)
Net tax refund/ (paid)	54	(18)
Net cash inflow/ (outflow) from operating activities	2,562	(1,101)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	5	-
Purchase of property, plant and equipment	(89)	(14)
Net cash inflow from disposal of a subsidiary company	-	-
Amount due from associated company	(132)	-
Interest received	-	2
Net cash outflow from investing activities	(216)	(12)
Cash flows from financing activities		
Net repayment of finance lease liabilities	(8)	(3)
Interest paid	(3)	(1)
(Increase)/ decrease in fixed deposit pledged	-	-
Net cash outflow from financing activities	(11)	(4)
Net increase/ (decrease) in cash and cash equivalents	2,335	(1,117)
Cash and cash equivalents at beginning of the financial period	1,808	6,497
Cash and cash equivalents at end of the financial period	4,143	5,380

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and accompanying explanatory notes attached to the interim financial statements

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2018**

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 2017 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 2017.

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 2017, including 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 2018

- MFRS 9: *Financial Instruments*
- MFRS15: *Revenue from Contracts with Customers*
- Amendments to MFRS 2: *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4: *Insurance Contracts, Applying FRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 140: *Transfer of Investment Property*
- IC Interpretation 22: *Foreign Currency Transactions and Advance Consideration*
- Annual Improvements to MFRSs 2014–2016 Cycle
 - MFRS 1: *First-Time Adoption of MFRS*
 - MFRS 12: *Disclosure Of Interests in Other Entities*
 - MFRS 128: *Investments in Associates and Joint Ventures*

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 2019

- MFRS 16 : *Leases*
- IC Interpretation 23: *Uncertainty over Income Tax Treatment*
- Amendments to MFRS 9: *Prepayment Features with Negative Compensation*
- Amendments to MFRS 119: *Plan Amendments, Curtailment of Settlement*
- Amendments to MFRS 128: *Long-term Interest in Associates and Joint Ventures*
- Annual Improvements to MFRSs 2015–2017 Cycle
 - MFRS 3: *Business Combinations*
 - MFRS 11: *Joint Arrangements*
 - MFRS 112: *Income Taxes*
 - MFRS 123 : *Borrowing Costs*

Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2: *Share-based Payment Transactions*
- Amendments to MFRS 3: *Business Combinations*
- Amendments to MFRS 14: *Regulatory Deferral Account*
- Amendments to MFRS 101: *Presentations of Financial Statements*
- Amendments to MFRS 108: *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134: *Interim Financial Reporting*
- Amendments to MFRS 137: *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138: *Intangible Assets*

Effective for annual periods beginning on or after 1 January 2021

- MFRS 17 : *Insurance Contracts*

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 2017 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 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 2018.

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 2018.

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 2018.

8. Dividends Paid

No dividend has been paid during the quarter and three months ended 31 March 2018.

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 were no changes in the composition of the Group during the quarter and 3 months ended 31 March 2018 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 2017.

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	
	31/03/18 RM'000	31/03/17 RM'000
Others		
<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.

- ii) A Shareholders’ Agreement was executed on 9 January 2018 between Pineapple Computer Systems Sdn Bhd (“PCS”), a wholly-owned subsidiary of PRB, with Gema Naga 2 Sdn Bhd (“GN2”), Great Eat Sdn Bhd (“GE”) and Efood Products Sdn Bhd (“EFP”) for the establishment of a joint venture company (“JV Arrangement”) named THS Restaurants Sdn Bhd (formerly known as Pineapple Computers & Accessories Sdn Bhd) (“THS”).

Amongst the salient feature of the JV Arrangement was the subscription of 540,000 shares in THS valued at RM793,381. The subscription of the shares was deemed to be a related party transaction as Directors of the Company has interest, direct or indirect in the JV Arrangement as follows:-

- a. Dato’ Lim Loong Heng is a director and major shareholder of the Company. He also sits on the boards of PCS and GE.
- b. Lim Kean Choong is a director of the Company and PCS. He holds 15% equity interest in GE.

15. Related Party Transactions (Cont'd)

In the opinion of the Directors, the above related party transactions entered into are in the best interest of the PRB Group and the terms are fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders and are no more favourable than those arranged with independent third parties.

16. Cash and Cash Equivalents

	3 months ended	
	31/03/18 RM'000	31/03/17 RM'000
Fixed deposit with a licensed bank	-	-
Cash and bank balances	4,143	5,380
	<u>4,143</u>	<u>5,380</u>

17. Review of Performance

The Group's revenue for the three months financial period ended 31 March 2018 has increased by 8.2% as compared to the corresponding period of the preceding year. The increase in revenue was mainly generated from online e-commerce sales with the additional new non IT products such as home and living products.

Despite increase in revenue, the Group has recorded a lower Profit Before Tax ("PBT") of RM51,000 for the three months ended 31 March 2018 as compared to the PBT of RM150,000 in the corresponding financial period of the preceding year. This was mainly due to lower gross profit margin as a result of the promotional activities to boost sales.

	3 months ended		Change %
	31/03/18 RM'000	31/03/17 RM'000	
Revenue	15,289	14,128	8.2
Profit/(Loss) before taxation	51	150	-66.0

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

The Group recorded a PBT of RM51,000 for the first quarter ended 31 March 2018 as compared to RM153,000 in the preceding quarter ended 31 December 2017. The decrease in PBT was mainly due to the lower revenue recorded during the quarter under review.

	31/03/18 RM'000	31/12/17 RM'000	Change %
Revenue	15,289	16,683	-8.4
Profit/(loss) before taxation	51	153	-66.7

19. Commentary on Prospects

The Group’s strategy to focus on expanding sales in hypermarkets and online is showing an improvement in the performance for the year. Further human resources will be added on to the online department to increase the sales as the market has changed rapidly to online from traditional shop’s retailing.

Barring any unforeseen circumstances, it is anticipated that the Group’s result should sustain or improve further during the 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 2018.

21. Income Tax Expenses

	3 months ended	
	31/03/18 RM'000	31/03/17 RM'000
Malaysia income tax		
-current year	40	-
-under/(over) provision in prior years	3	-
Deferred taxation	43	-
	(7)	4
TOTAL	36	4

The effective tax rate for the financial year ended 31 March 2018 and 31 March 2017 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 2018.

24. Realised and Unrealised Profits/(Losses)

	As At 31/03/2018 RM'000	As At 31/12/2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,222	1,215
- Unrealised	(216)	(224)
Total Group retained profits as per statements of financial position.	1,006	991

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 2018.

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	
	31/03/18	31/03/17
Profit/ (Loss) attributable to the owners of the parent (RM'000)	15	146
Total number of ordinary Shares in issue ('000)	48,500	48,500
Basic earnings per share (sen)	0.03	0.30

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 March 2018 and 31 March 2017.

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 2018