



Condensed Consolidated Financial Statements
For the Quarter and Period Ended
31 December 2019

Condensed Consolidated Statement of Financial Position
As at 31 Dec 2019

(The figures below have not been audited)

	Unaudited As at 31/12/19 RM'000	Audited As at 31/12/18 RM'000
Non-Current assets		
Property, plant and equipment	3,259	1,376
Investment in associated company	-	670
Right-of-use assets	1,897	-
	<u>5,156</u>	<u>2,046</u>
Current assets		
Inventories	14,478	12,928
Trade and others receivables	8,039	9,255
Amount due from associate company	-	151
Cash and bank balances	1,805	4,379
	<u>24,322</u>	<u>26,713</u>
TOTAL ASSETS	<u>29,478</u>	<u>28,759</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings	(1,036)	1,015
	<u>24,092</u>	<u>26,143</u>
Non- controlling interest	518	-
Total equity	<u>24,610</u>	<u>26,143</u>
Non-current liabilities		
Finance lease liabilities	69	112
Deferred tax liabilities	-	212
Lease liabilities	434	-
	<u>503</u>	<u>324</u>
Current liabilities		
Trade and other payables	2,912	2,265
Lease liabilities	1,453	-
Taxation	-	27
	<u>4,365</u>	<u>2,292</u>
Total liabilities	<u>4,868</u>	<u>2,616</u>
TOTAL EQUITY AND LIABILITIES	<u>29,478</u>	<u>28,759</u>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.50	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 2018 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 2019
(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	31/12/19 RM'000	31/12/18 RM'000	31/12/19 RM'000	31/12/18 RM'000
Revenue	14,209	14,287	53,268	57,851
Operating expenses	(13,820)	(14,073)	(54,092)	(57,391)
Other income	310	62	566	252
Operating profit/(loss)	699	276	(258)	712
Depreciation and amortization	(214)	(92)	(526)	(423)
Depreciation right of use assets	(806)	-	(959)	-
Interest expenses	(80)	(2)	(105)	(10)
Interest income	-	-	-	2
Provision for and write off of receivables	-	-	-	(13)
Provision for and write off of inventories	(21)	-	(84)	-
Gain/ (loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain/ (loss)	-	-	-	4
Share of profit/(loss) from an associate company	(8)	(40)	(321)	(93)
(Loss)/Profit before tax	(430)	142	(2,253)	179
Taxation	-	(56)	190	(155)
(Loss)/Profit for the period	(430)	86	(2,063)	24
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive (Loss)/Profit for the period	(430)	86	(2,063)	24
(Loss)/Profit attributable to:-				
Owner of the parent	(410)	86	(2,043)	24
Non-controlling interest	(20)	-	(20)	-
(Loss)/Profit for the period	(430)	86	(2,063)	24
Earning per share (sen):-				
Basic earning per share	-0.85	0.18	-4.21	0.05

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the twelve months ended 31 December 2019 (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 2019, as previously reported	24,250	878	1,015	26,143	-	26,143
Adjustment from adoption of MFRS16	-	-	(8)	(8)	-	(8)
At 1 January 2019, as restated	24,250	878	1,007	26,135	-	26,135
Total comprehensive profit/ (loss) for the financial period	-	-	(2,043)	(2,043)	518	(1,525)
At 31 December 2019	24,250	878	(1,036)	24,092	518	24,610
At 1 January 2018	24,250	878	991	26,119	-	26,119
Total comprehensive profit/ (loss) for the financial period	-	-	24	24	-	24
At 31 December 2018	24,250	878	1,015	26,143	-	26,143

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 2018 and accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2019

(The figures below have not been audited)

	12 months ended	
	31/12/19 RM'000	31/12/18 RM'000
Cash flows from operating activities		
Net profit/ (loss) before tax	(2,253)	179
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	526	423
Depreciation right of use assets	959	-
Interest expenses	105	10
Interest income	-	(2)
Provision for and write off of receivables	-	13
Provision for and write off of inventories	84	-
Share of losses from an associate company	321	93
Non-cash items	143	25
Operating profit/(loss) before working capital changes	(115)	741
Decrease / (Increase) in inventories	(1608)	505
Decrease / (Increase) in trade and other receivables	1,606	1,794
Decrease / (Increase) in amount due from associated company	73	(109)
Increase/ (Decrease) in trade and other payables	151	(151)
Net cash inflow/ (outflow) from operations	107	2,780
Repayment of lease liabilities	(1,074)	-
Net tax refund/ (paid)	(112)	(56)
Net cash (outflow) / inflow from operating activities	(1,079)	2,724
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	35	5
Purchase of property, plant and equipment	(1,607)	(112)
Investment in associated company	(151)	-
Proceeds from issuance of shares	100	-
Net cash inflow/ (outflow) from acquisition of a subsidiary co.	177	-
Interest received	-	2
Net cash inflow / (outflow) from investing activities	(1,446)	(105)
Cash flows from financing activities		
Net repayment of finance lease liabilities	(41)	(37)
Interest paid	(8)	(11)
Net cash outflow from financing activities	(49)	(48)
Net increase/ (decrease) in cash and cash equivalents	(2,574)	2,571
Cash and cash equivalents at beginning of the financial period	4,379	1,808
Cash and cash equivalents at end of the financial period	1,805	4,379

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to the interim financial statements

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2019**

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 2018 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 2018.

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 2018, including the adoption of the following newly-issued MFRS for the financial periods beginning on or after 1 January 2019:

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 16, Leases

On the adoption of MFRS 16, Group has assessed the estimated impact of the initial application of MFRS 16. Based on the preliminary assessment, the Group does not expect the application of MFRS 16 to have a significant financial impact on its consolidated financial statements. MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, evaluating the Substance of Transactions Involving the Legal Form of a Lease.

2. Significant Accounting Policies (cont'd)

MFRS 16, Leases (cont'd)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

Standards and Amendments In Issue but not yet effective

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 2020

- Amendments to MFRS 3: *Definition of a Business*
- Amendments to MFRS 101 and MFRS 108: *Definition Of Material*

Effective for annual periods beginning on or after 1 January 2021

- MFRS 17 : *Insurance Contracts*

Effective date deferred

- Amendments to MFRS 10 and MFRS 128 : *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application

3. Auditors' Report in respect of the 2018 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 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 2019.

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 2019.

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 2019.

8. Dividends Paid

No dividend has been paid during the quarter and twelve months ended 31 December 2019.

9. Segmental Information

	3 months ended		12 months ended	
	31/12/19	31/12/18	31/12/19	31/12/18
	RM'000	RM'000	RM'000	RM'000
Revenue				
Trading of IT related products	12,802	14,287	51,483	57,851
Food & beverage	1,407	-	1,785	-
	14,209	14,287	53,268	57,851
Profit/(Loss) before taxation				
Trading of IT related products	(210)	182	(1,514)	272
Food & beverage	(212)	-	(418)	-
Share of loss from an associate company	(8)	(40)	(321)	(93)
	(430)	142	(2,253)	179

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 twelve months ended 31 December 2019 and up to the date of this Interim Financial Report is as follows:-

- The Company through a subsidiary company, Pineapple Computer Systems Sdn. Bhd. ("PCS"), a wholly-owned subsidiary of the Company together with Great Eat Sdn. Bhd ("GESB") and E-Food Products Sdn. Bhd. ("EFP") had on 03 October 2019 entered into a Sale of Shares Agreement ("SSA") with Gema Naga 2 Sdn. Bhd. ("GN2") for the acquisition from GN2, its entire shareholdings in THS Restaurants Sdn. Bhd. ("THS") of 1,691,143 ordinary shares ("Sale Shares") for a total cash consideration of RM3 only ("Acquisition"). The shares acquired by PCS will be 904,305 ordinary shares, GESB will acquire 393,419 ordinary shares and EFP will acquire 393,419 ordinary shares. Upon Completion of the SSA, THS is a subsidiary of PCS and PRB,

Details of net assets acquired during the acquisition are as follows:

	RM'000
Property, plant and equipment	871
Inventories	26
Trade and other receivables	69
Deposit & prepayment	257
Cash and cash equivalents	177
Trade and other payables	(481)
Accrual	(91)
Non-controlling interest	(406)
Net assets acquired	422
Gain on combination	(243)
Fair value of the equity interests previously owned at acquisition date	(179)
Purchase consideration	0
Cash and cash equivalents	177
Net cash inflow from acquisition of subsidiary company	177

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 2018.

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 of Chuan Huat Resources Berhad (“CHRB”) group of companies (“CHRB Group”).

The significant related party transactions are as follows:

	12 months ended	
	31/12/19	31/12/18
	RM'000	RM'000
<u>Related Parties Transactions</u>		
Rental of premises paid to CHRB Group	108	108
Water & electricity charged to 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 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

	12 months ended	
	31/12/19	31/12/18
	RM'000	RM'000
Cash and bank balances	1,805	4,379

17. Review of Performance

The Group's revenue for the fourth quarter and twelve months ended 31 December 2019 have dropped by 0.5% and 7.9% respectively compared to the corresponding period of the preceding year. The decrease in revenue was mainly due to the downsizing of retail space at Aeon and Tesco outlets and coupled with slowdown in the retail industry.

The Group recorded a Loss Before Tax ("LBT") of RM430,000 and RM2,253,000 for the fourth quarter and twelve months ended 31 December 2019 as compared to Profit Before Tax ("PBT") of RM142,000 and RM179,000 in the corresponding financial period of the preceding year. This was mainly due the lower gross profit margin resulting from the discounts given during the promotional activities to boost sales, the share of losses from associate company and the start-up and running cost in the new F&B outlets.

	3 months ended			12 months ended		
	31/12/19	31/12/18	Change	31/12/19	31/12/18	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	14,209	14,287	(0.5)	53,268	57,851	(7.9)
Profit/(Loss) before taxation	(430)	142	(402.8)	(2,253)	179	(1,358.7)

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

The Group recorded a lower LBT of RM430,000 for the fourth quarter ended 31 December 2019 as compared to RM1,019,000 in the preceding quarter ended 30 Sep 2019. This was mainly due to increase of revenue and gross profit margin during the quarter under review.

	31/12/19	30/09/19	Change
	RM'000	RM'000	%
Revenue	14,209	12,264	15.9
Profit/(loss) before taxation	(430)	(1,019)	57.8

19. Commentary on Prospects

During this period, our performance in IT Sector was affected by the closure and relocation of a few outlets in Aeon, especially our top outlets at Taman Maluri and One Utama. The revenue was reduced due to the slow market and poor consumer's spending sentiments. Selling prices were also under heavy pressure resulting in reduced gross margins which were insufficient to cover operating expenses despite all efforts to trim and contain the cost. We noted a movement from the physical store revenue to online and see the prospect of a positive contribution from this division.

The F & B division incurred loss, mainly due to the start-up and running cost in a new outlet and share of losses of the associate company.

Whilst the country has seen increases in cost of living and an economy affected by rising global trade conflicts, we are cautiously optimistic with the Government's consumer friendly initiatives to spur on growth. In facing the challenges, we remain committed to influence our customer spending behavior, via social media marketing and promotion.

20. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2019.

21. Income Tax Expenses

	3 months		12 months ended	
	31/12/19	31/12/18	31/12/19	31/12/18
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax				
-current year	-	62	-	151
-under/(over) provision in prior years	-	-	-	16
	-	62	-	167
Deferred taxation	-	(6)	(190)	(12)
TOTAL	-	56	(190)	155

The effective tax rate for the financial period ended 31 Dec 2019 and 31 Dec 2018 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 2019.

24. Realised and Unrealised Profits/(Losses)

	As At 31/12/2019 RM'000	As At 31/12/2018 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(1,036)	1,227
- Unrealised	-	(212)
Total Group retained profits as per statements of financial position.	(1,036)	1,015

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 2019.

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	
	31/12/19	31/12/18	31/12/19	31/12/18
Profit/ (Loss) attributable to the owners of the parent (RM'000)	(410)	86	(2,043)	24
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	(0.85)	0.18	(4.21)	0.05

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 December 2019 and 31 December 2018.

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: 20 February 2020