



PINEAPPLE RESOURCES BERHAD

Registration No.: 198001001637 (55420-P)
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements
For the First Quarter Ended
30 September 2021

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER
AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021**

CONTENTS	PAGE
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Explanatory Notes to the Interim Financial Report and Additional Information Required by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad	5 - 12

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Unaudited As at 30/09/21 RM'000	Audited As at 30/06/21 RM'000
Non-Current assets		
Plant and equipment	2,383	2,580
Right-of-use assets	4,472	4,825
	6,855	7,405
Current assets		
Inventories	14,333	12,696
Trade and others receivables	6,145	5,219
Cash and bank balances	2,405	3,791
	22,883	21,706
TOTAL ASSETS	29,738	29,111
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	878	878
Retained earnings	(2,896)	(3,175)
	22,232	21,953
Non- controlling interest	(246)	(186)
Total equity	21,986	21,767
Non-current liabilities		
Deferred tax liabilities	14	192
Lease liabilities	3,239	3,608
	3,253	3,800
Current liabilities		
Trade and other payables	2,891	2,073
Lease liabilities	1,518	1,471
Taxation	90	-
	4,499	3,544
Total liabilities	7,752	7,344
TOTAL EQUITY AND LIABILITIES	29,738	29,111
Net assets per share attributable to ordinary Owner of the parent (RM)	0.46	0.45

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2021**

	Individual quarter		Cumulative quarter	
	Unaudited Current year Quarter 3 months 30/09/21 RM'000	Unaudited Preceding year quarter 3 months 30/09/20 RM'000	Unaudited Current year to date 3months 30/09/21 RM'000	Preceding year to date 3 months 30/09/20 RM'000
Revenue	11,843	14,648	11,843	14,648
Operating expenses	(11,659)	(14,659)	(11,659)	(14,659)
Other income	647	195	647	195
Operating profit	831	184	831	184
Depreciation and amortization	(203)	(168)	(203)	(168)
Depreciation right of use assets	(390)	(344)	(390)	(344)
Interest expenses	(52)	(51)	(52)	(51)
Interest income	-	-	-	-
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Foreign exchange loss	-	(5)	-	(5)
Profit/ (Loss) before tax	186	(384)	186	(384)
Taxation	33	-	33	-
Profit/ (Loss) for the period	219	(384)	219	(384)
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Profit /(Loss) for the period	219	(384)	219	(384)
Profit/ (Loss) attributable to:-				
Owner of the parent	279	(193)	279	(193)
Non-controlling interest	(60)	(191)	(60)	(191)
Profit / (Loss) for the period	219	(384)	219	(384)
Earnings per share (sen):-				
Basic Loss per share	0.58	(0.40)	0.58	(0.40)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021**

	← 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
Unaudited						
At 1 July 2021	24,250	878	(3,175)	21,953	(186)	21,767
Total comprehensive profit/(loss) for the financial period	-	-	279	279	(60)	219
At 30 Sep 2021	24,250	878	(2,896)	22,232	(246)	21,986
Audited						
At 1 July 2020	24,250	878	(2,797)	22,331	220	22,551
Total comprehensive loss for the financial period	-	-	(378)	(378)	(406)	(784)
At 30 June 2021	24,250	878	(3,175)	21,953	(186)	21,767

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021**

	Unaudited Current year to date 3 months 30.09.2021 RM'000	Audited Preceding year to date 3 months 30.09.2020 RM'000
Cash flows from operating activities		
Net Profit/ (Loss) before tax	186	(384)
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	203	168
Depreciation right of use assets	390	344
Interest expenses	52	51
Provision for and write off of inventories	-	-
Non-cash items	(48)	178
Operating profit/(loss) before working capital changes	783	357
Decrease in inventories	(1,637)	(433)
Decrease in trade and other receivables	(978)	795
Increase/ (Decrease) in trade and other payables	818	(294)
Net cash inflow from operations	(1,014)	425
Tax paid	(3)	(7)
Tax refunded	-	-
Net cash (outflow)/ inflow from operating activities	(1,017)	418
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	-
Purchase of plant and equipment	(6)	(122)
Net cash inflow from acquisition of a subsidiary	-	-
Net cash outflow from investing activities	(6)	(122)
Cash flows from financing activities		
Interest paid on lease liabilities	(52)	(51)
Payment of lease liabilities	(311)	(267)
Net cash outflow from financing activities	(363)	(318)
Net increase/ (decrease) in cash and cash equivalents	(1,386)	(22)
Cash and cash equivalents at beginning of the financial period	3,791	3,805
Cash and cash equivalents at end of the financial period	2,405	3,783

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and accompanying explanatory notes attached to the interim financial statements

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2021

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 **30 June 2021** 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 **30 June 2021**.

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 30 June 2021, except for the adoption of the following newly-issued MFRS for the financial periods beginning on or after 1 January 2021:

Effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9 - *Financial Instruments - Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 139 - *Financial Instruments: Recognition and Measurement – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 7 - *Financial Instruments: Disclosures – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 4 - *Insurance Contracts – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 16 - *Leases – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 16 - *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above Standards and Amendments do not have any significant impact on the financial statements of the Group.

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 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 2022

- Amendments to MFRS 1 - *First-time Adoption of Malaysian Financial Reporting Standards*
- Amendments to MFRS 3 - *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9 - *Financial Instruments*
- Amendments to Illustrative Examples accompanying MFRS 16 - *Leases*
- Amendments to MFRS 116 - *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 - *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

2. Significant accounting policies (cont'd)

Effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 – *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108 – *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112 – *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date deferred to a date to be determined by MASB

- Amendments to MFRS 10 - *Consolidated Financial Statements*
- Amendments to MFRS 128 - *Investment in Associates and Joint Ventures – Sale or Contribution by 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 preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2021 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 30 September 2021.

6 Changes in estimates

There were no changes in estimates that have had a material effect during the quarter and three months ended 30 September 2021.

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 30 September 2021.

8 Dividends paid

No dividend has been paid during the quarter and three months ended 30 September 2021.

9 Segmental information

	Individual Quarter Current year quarter 3 months 30/09/21 RM'000	Individual Quarter Preceding year quarter 3 months 30/09/20 RM'000	Cumulative Quarter Current year to date 3 months 30/09/21 RM'000	Cumulative Quarter Preceding year to date 3 months 30/09/20 RM'000
Revenue				
Trading of IT related products	11,121	13,756	11,121	13,756
Food & beverage	722	892	722	892
	<u>11,843</u>	<u>14,648</u>	<u>11,843</u>	<u>14,648</u>
Profit/(Loss) before taxation				
Trading of IT related products	740	89	740	89
Food & beverage	(554)	(473)	(554)	(473)
	<u>186</u>	<u>(384)</u>	<u>186</u>	<u>(384)</u>

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 30 September 2021 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 30 June 2021.

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:

	Current year to date 3 months 30/09/21 RM'000	Preceding year to date 3 months 30/09/20 RM'000	Current year to date 3 months 30/09/21 RM'000	Preceding year to date 3 months 30/09/20 RM'000
<u>Related Parties Transactions</u>				
Rental of premises paid to CHRB Group	20	20	20	20
Water & electricity charged to CHRB Group	6	6	6	6

CHRB holds 100% equity interest in Chuan Huat Holdings Sdn Bhd (formerly known a 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.

(The rest of this page is intentionally left blank)

16 Review of performance

The Group reported a drop in the revenue to RM11.843 million as compared to RM14.648 million in the corresponding quarter representing a negative variance of 19.2%.

As for the Profit and Loss, the trading of IT related products division registered a profit of RM740,000 as compared to RM89,000 in the corresponding quarter. And as for the F&B division, there was a loss of RM554,000 as compared to a loss of RM473,000 in the corresponding quarter.

	Current year quarter 30/09/21 RM'000	Preceding year quarter 30/09/20 RM'000	Change %	Current year to date 3 months 30/09/21 RM'000	Preceding year to date 3 months 30/09/20 RM'000	Change %
Revenue						
Trading of IT related products	11,121	13,756	-19.2	11,121	13,756	-19.2
Food & beverage	722	892	-19.1	722	892	-19.1
	<u>11,843</u>	<u>14,648</u>	-19.2	<u>11,843</u>	<u>14,648</u>	-19.2
Profit/(Loss) before taxation						
Trading of IT related products	740	89	731.5	740	89	731.5
Food & beverage	(554)	(473)	-17.1	(554)	(473)	-17.1
	<u>186</u>	<u>(384)</u>	148.4	<u>186</u>	<u>(384)</u>	148.4

The reasons for the changes in the various sectors are as follows:

i) Trading of IT related products

The drop in the revenue was mainly due to movement restriction order imposed during this period where physical stores were not allowed to operate. However, online was allowed to operate and although revenue was down by 20%, there was an improvement in the bottom line from RM89,000 in the preceding year quarter to RM740,000. This is due to higher selling prices which increased the margin.

ii) Food and Beverage ("F&B")

Similarly, both the revenue and profit and loss were affected due to the lockdown where outlets were not allowed to operate dine in except for takeaway. Revenue was down by 20% whilst the bottom line was a loss of RM554,000 as compared to a loss of RM473,000 in the preceding year quarter.

17 Material changes in profit / (loss) before taxation (“PBT/LBT”) against preceding quarter

	Current year quarter 3 months 30/09/21 RM'000	Immediate preceding quarter 3 months 30/06/21 RM'000	Change %
Revenue			
Trading of IT related products	11,121	10,123	9.9
Food & beverage	722	892	-19.1
	<u>11,843</u>	<u>11,015</u>	7.5
Profit/(loss) before taxation			
Trading of IT related products	740	159	365.4
Food & beverage	(554)	(623)	-11.1
	<u>186</u>	<u>(464)</u>	140.1

The reasons for the changes in the various sector are as follow:

i) Trading of IT related products

The increase in revenue was mainly from the online sales platform as all physical stores were closed. The bottom line increase from RM159,000 to RM740,000 was mainly from the higher revenue and margins of online sales.

ii) Food & beverage (“F&B”)

Revenue was reduced by 20% mainly due to the lockdown where only takeaway sales were allowed with no dine in. Despite the lower revenue, a smaller loss from RM623,000 to RM554,000 was mainly due to the rental rebates accorded during this period.

18 Commentary on prospects

With the country’s vaccination rate surpassing 96% at the time of writing and the relaxation of the travel restriction where interstate travel is allowed and with almost all the economic sectors allowed to operate, we are cautiously optimistic that the business, especially for the F&B division to improve progressively. The IT trading division is also expected to contribute positively with this relaxation and reopening of physical store.

19 Profit forecast and profit guarantee

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.



20 Income Tax expenses

	Current year quarter 3 months 30/09/21 RM'000	Preceding year quarter 3 months 30/09/20 RM'000	Current year to date 3 months 30/09/21 RM'000	Preceding year to date 3 months 30/09/20 RM'000
Malaysia income tax				
-current year	145	-	145	-
-under/(over) provision in prior years	-	-	-	-
	145	-	145	-
Deferred taxation	(178)	-	(178)	-
TOTAL	(33)	-	(33)	-

The effective tax rate for the financial year ended 30 September 2021 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 30 September 2021.

23 Realised and unrealised losses

	As At 30/09/2021 RM'000	As At 30/06/2021 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(2,882)	(2,983)
- Unrealised	(14)	(192)
Total Group retained losses as per statements of financial position.	(2,896)	(3,175)

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 30 September 2021.

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:

	Current year quarter 3 months 30/09/21	Preceding year quarter 3 months 30/09/20	Current year to date 3 months 30/09/21	Preceding year to date 3 months 30/09/20
Profit/(Loss) attributable to the owners of the parent (RM'000)	279	(193)	279	(193)
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	0.58	(0.40)	0.58	(0.40)

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 30 Sep 2021.

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: 22 November 2021