



# **PINEAPPLE RESOURCES BERHAD**

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

Condensed Consolidated Financial Statements  
For the Third Quarter Ended  
31 March 2022

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD FINANCIAL QUARTER  
AND YEAR-TO-DATE ENDED 31 MARCH 2022**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

	Unaudited As at 31/03/22 RM'000	Audited As at 30/06/21 RM'000
<b>Non-Current assets</b>		
Plant and equipment	2,333	2,580
Right-of-use assets	4,369	4,825
	6,702	7,405
<b>Current assets</b>		
Inventories	14,960	12,696
Trade and others receivables	6,031	5,219
Cash and bank balances	985	3,791
	21,976	21,706
<b>TOTAL ASSETS</b>	<b>28,678</b>	<b>29,111</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	(3,527)	(3,175)
	21,601	21,953
Non- controlling interest	(275)	(186)
<b>Total equity</b>	21,326	21,767
<b>Non-current liabilities</b>		
Deferred tax liabilities	144	192
Lease liabilities	3,028	3,608
	3,172	3,800
<b>Current liabilities</b>		
Trade and other payables	2,471	2,073
Lease liabilities	1,649	1,471
Taxation	60	-
	4,180	3,544
<b>Total liabilities</b>	7,352	7,344
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,678</b>	<b>29,111</b>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.45	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 THIRD QUARTER AND THREE MONTHS ENDED 31 MARCH 2022**

	Individual quarter		Cumulative quarter	
	Unaudited Current year Quarter 3 months 31/03/22 RM'000	Unaudited Preceding year quarter 3 months 31/03/21 RM'000	Unaudited Current year to date 9months 31/03/22 RM'000	Preceding year to date 9 months 31/03/21 RM'000
<b>Revenue</b>	13,175	16,414	38,010	44,614
Operating expenses	(13,154)	(15,663)	(37,344)	(43,685)
Other income	87	264	1,037	861
<b>Operating profit</b>	108	1,015	1,703	1,790
Depreciation and amortization	(217)	(213)	(625)	(566)
Depreciation right of use assets	(421)	(396)	(1,212)	(1,137)
Interest expenses	(50)	(59)	(154)	(171)
Interest income	-	-	-	-
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Foreign exchange loss	-	4	-	(6)
<b>(Loss) / Profit before tax</b>	(580)	351	(288)	(90)
Taxation	(189)	(124)	(153)	(124)
<b>(Loss) / Profit for the period</b>	(769)	227	(441)	(214)
Other Comprehensive Income net of tax	-	-	-	-
<b>Total Comprehensive (Loss) / Profit for the period</b>	(769)	227	(441)	(214)
<b>(Loss) / Profit attributable to:-</b>				
Owner of the parent	(737)	227	(352)	6
Non-controlling interest	(32)	-	(89)	(220)
<b>(Loss) / Profit for the period</b>	(769)	227	(441)	(214)
<b>Earnings per share (sen):-</b>				
Basic (Loss) / Profit per share	(1.52)	0.47	(0.73)	0.01

*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 NINE MONTHS ENDED 31 MARCH 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
<b>Unaudited</b>						
At 1 July 2021	24,250	878	(3,175)	<b>21,953</b>	(186)	<b>21,767</b>
Total comprehensive profit/(loss) for the financial period	-	-	(352)	<b>(352)</b>	(89)	<b>(441)</b>
<b>At 31 Mar 2022</b>	<b>24,250</b>	<b>878</b>	<b>(3,527)</b>	<b>21,601</b>	<b>(275)</b>	<b>21,326</b>
<b>Audited</b>						
At 1 July 2020	24,250	878	(2,797)	<b>22,331</b>	220	<b>22,551</b>
Total comprehensive loss for the financial period	-	-	(378)	<b>(378)</b>	(406)	<b>(784)</b>
<b>At 30 June 2021</b>	<b>24,250</b>	<b>878</b>	<b>(3,175)</b>	<b>21,953</b>	<b>(186)</b>	<b>21,767</b>

*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 NINE MONTHS ENDED 31 MARCH 2022**

	<b>Unaudited Current year to date 9 months 31.03.2022 RM'000</b>	<b>Audited Preceding year to date 9 months 31.03.2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Net (Loss) before tax	(288)	(90)
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	625	566
Depreciation right of use assets	1,212	1,137
Interest expenses	154	171
Provision for and write off of inventories	-	-
Non-cash items	(87)	43
Operating profit/(loss) before working capital changes	1,616	1,827
Decrease in inventories	(2,263)	537
Decrease in trade and other receivables	(864)	819
Increase/ (Decrease) in trade and other payables	398	499
Net cash inflow from operations	(1,113)	3,682
Tax paid	(123)	(12)
Tax refunded	34	-
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(1,202)</b>	<b>3,670</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	1	-
Purchase of plant and equipment	(378)	(1,157)
Net cash inflow from acquisition of a subsidiary	-	-
<b>Net cash outflow from investing activities</b>	<b>(377)</b>	<b>(1,157)</b>
<b>Cash flows from financing activities</b>		
Interest paid on lease liabilities	(154)	(171)
Payment of lease liabilities	(1,073)	(903)
<b>Net cash outflow from financing activities</b>	<b>(1,227)</b>	<b>(1,074)</b>
Net increase/ (decrease) in cash and cash equivalents	(2,806)	1,439
Cash and cash equivalents at beginning of the financial period	3,791	3,805
<b>Cash and cash equivalents at end of the financial period</b>	<b>985</b>	<b>5,244</b>

*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 THIRD QUARTER ENDED 31 MARCH 2022**

**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 nine months ended 31 March 2022.

## 6 Changes in estimates

There were no changes in estimates that have had a material effect during the quarter and nine months ended 31 March 2022.

## 7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and nine months ended 31 March 2022.

## 8 Dividends paid

No dividend has been paid during the quarter and nine months ended 31 March 2022.



## 9 Segmental information

	Individual Quarter Current year quarter 3 months 31/03/22 RM'000	Individual Quarter Preceding year quarter 3 months 31/03/21 RM'000	Cumulative Quarter Current year to date 9 months 31/03/22 RM'000	Cumulative Quarter Preceding year to date 9 months 31/03/21 RM'000
<b>Revenue</b>				
Trading of IT related products	10,436	15,197	32,151	41,626
Food & beverage	2,739	1,217	5,859	2,988
	<u>13,175</u>	<u>16,414</u>	<u>38,010</u>	<u>44,614</u>
<b>Profit/(Loss) before taxation</b>				
Trading of IT related products	(460)	792	364	1,250
Food & beverage	(120)	(441)	(652)	(1,340)
	<u>(580)</u>	<u>351</u>	<u>(288)</u>	<u>(90)</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 nine months ended 31 March 2022 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 March 2022.

## 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 31/03/22 RM'000	Preceding year to date 3 months 31/03/21 RM'000	Current year to date 9 months 31/03/22 RM'000	Preceding year to date 9 months 31/03/21 RM'000
<u>Related Parties Transactions</u>				
Rental of premises paid to CHRB Group	60	60	180	180
Water & electricity charged to CHRB Group	6	6	18	18

CHRB holds 100% equity interest in Chuan Huat 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.

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## 16 Review of performance

The Group's revenue for the third quarter reduced by RM3.2 million, or 19.7% compared to the corresponding period of the preceding year, whilst total revenue for the 9 months period decreased by RM6.6 million or 14.8%.

As for the profit/loss before taxation for the third quarter, there was a loss before tax of RM580,000 compared to a profit of RM351,000 in the corresponding period of the preceding year, whilst for the 9 months period, it registered a loss of RM288,000 compared with RM90,000 loss in the corresponding period

	Current year quarter 31/03/22 RM'000	Preceding year quarter 31/03/21 RM'000	Change %	Current year to date 9 months 31/03/22 RM'000	Preceding year to date 9 months 31/03/21 RM'000	Change %
<b>Revenue</b>						
Trading of IT related products	10,436	15,197	-31.3	32,151	41,626	-22.8
Food & beverage	2,739	1,217	125.1	5,859	2,988	96.1
	<u>13,175</u>	<u>16,414</u>	<u>-19.7</u>	<u>38,010</u>	<u>44,614</u>	<u>-14.8</u>
<b>Profit/(Loss) before taxation</b>						
Trading of IT related products	(460)	792	-158.1	364	1,250	-70.9
Food & beverage	(120)	(441)	72.8	(652)	(1,340)	51.3
	<u>(580)</u>	<u>351</u>	<u>-265.3</u>	<u>(288)</u>	<u>(90)</u>	<u>-220.0</u>

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

i) Trading of IT related products

The revenue for the third quarter and nine months period ended 31 March 2022 reduced by 31.3% and 22.8% respectively as compared to the corresponding period of the preceding year due to the disruption in the supply chain of IT and its related products which severely affected our sales in the online and retail outlets.

The bottom line registered a loss of RM460,000 for the third quarter ended 31 March 2022 compared to a profit of RM792,000 of the preceding year quarter.

ii) Food and Beverage (F&B) Division

The increase in the revenue for the third quarter and 9 months period ended 31 March 2022 was mainly due to the relaxation of movement control order allowing dine-in in all F&B outlets albeit with social distancing.

The new Bhai Jim Jum restaurant in Wangsa Walk Mall which commenced operations in late December 2021 had contributed significantly to the overall performance of the F&B division.

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

	Current year quarter 3 months 31/03/22 RM'000	Immediate preceding quarter 3 months 31/12/21 RM'000	Change %
<b>Revenue</b>			
Trading of IT related products	10,436	10,594	-1.5
Food & beverage	2,739	2,398	14.2
	<u>13,175</u>	<u>12,992</u>	1.4
<b>Profit/(loss) before taxation</b>			
Trading of IT related products	(460)	84	-647.6
Food & beverage	(120)	22	-645.5
	<u>(580)</u>	<u>106</u>	-647.2

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

i) Trading of IT related products

The reversal in the bottom line from a profit of RM84,000 to a loss of RM460,000 was mainly due to stiffer competition in the online sales platform coupled with insufficient stocks to sell.

ii) Food and Beverage (F&B) Division

This division registered a loss before tax of RM120,000 as compared to a profit of RM22,000 which was mainly due to the landlords' cessation of rent rebates of our restaurant outlets and higher operating costs.

**18 Commentary on prospects**

The ongoing Russia-Ukraine war is causing a lot of uncertainties in the global supply chain and prices of semiconductor components and commodities which have driven up high inflation and costs of production in both the IT and F&B sectors

This negative scenario does not augur well for our IT division as we do not have consistency of supply of IT products affecting our pricing and insufficient stocks to sell in the already competitive IT related products sector.

With the Covid-19 pandemic moving to the endemic phase coupled with further relaxation of the Covid-19 SOPs and the re-opening of borders, we are optimistic of the rebound in the country's tourism and F&B sectors which will boost our F&B division's overall performance for the rest of the financial year

**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 31/03/22 RM'000	Preceding year quarter 3 months 31/03/21 RM'000	Current year to date 9 months 31/03/22 RM'000	Preceding year to date 9 months 31/03/21 RM'000
Malaysia income tax				
-current year	30	-	159	-
-under/(over) provision in prior years	41	-	41	-
	<u>71</u>	<u>-</u>	<u>200</u>	<u>-</u>
Deferred taxation	118	124	(47)	124
<b>TOTAL</b>	<u>189</u>	<u>124</u>	<u>153</u>	<u>124</u>

The effective tax rate for the financial year ended 31 March 2022 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 March 2022.

## 23 Realised and unrealised losses

	As At 31/03/2022 RM'000	As At 30/06/2021 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(3,383)	(2,983)
- Unrealised	(144)	(192)
Total Group retained losses as per statements of financial position.	<u>(3,527)</u>	<u>(3,175)</u>

## 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 nine months ended 31 March 2022.

## 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 31/03/22	Preceding year quarter 3 months 31/03/21	Current year to date 9 months 31/03/22	Preceding year to date 9 months 31/03/21
Profit/(Loss) attributable to the owners of the parent (RM'000)	(737)	227	(352)	6
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	(1.52)	0.47	(0.73)	0.01

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 31 March 2022.

## 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 2022