



# **PINEAPPLE RESOURCES BERHAD**

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

Condensed Consolidated Financial Statements  
For the Fourth Quarter and Year-to-Date Ended  
30 June 2022

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH FINANCIAL QUARTER  
AND YEAR-TO-DATE ENDED 30 JUNE 2022**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022**

	Quarter Ended		Year-to-Date Ended	
	30/06/22 RM'000 (Unaudited)	30/06/21 RM'000 (Audited)	30/06/22 RM'000 (Unaudited)	30/06/21 RM'000 (Audited)
<b>Revenue</b>	12,447	11,015	50,457	55,629
Operating expenses	(12,491)	(11,153)	(49,835)	(54,838)
Other income	112	322	1,149	1,183
<b>Operating profit</b>	68	184	1,771	1,974
Depreciation and amortization	(215)	(198)	(840)	(764)
Depreciation right of use assets	(423)	(393)	(1,635)	(1,530)
Interest expenses	(46)	(57)	(200)	(228)
Interest income	-	-	-	-
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Foreign exchange loss	-	-	1	(6)
<b>(Loss) / Profit before tax</b>	(615)	(464)	(903)	(554)
Taxation	64	(106)	(89)	(230)
<b>(Loss) / Profit for the period</b>	(551)	(570)	(992)	(784)
Other Comprehensive Income net of tax	-	-	-	-
<b>Total Comprehensive (Loss) / Profit for the period</b>	(551)	(570)	(992)	(784)
<b>(Loss) / Profit attributable to:-</b>				
Owner of the parent	(494)	(384)	(846)	(378)
Non-controlling interest	(57)	(186)	(146)	(406)
<b>(Loss) / Profit for the period</b>	(551)	(570)	(992)	(784)
<b>Earnings per share (sen):-</b>				
Basic (Loss) / Profit per share	(1.02)	(0.79)	(1.74)	(0.78)

*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.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	As at 30/06/22 RM'000 (Unaudited)	As at 30/06/21 RM'000 (Audited)
<b>Non-Current assets</b>		
Plant and equipment	2,680	2,580
Right-of-use assets	4,025	4,825
	6,705	7,405
<b>Current assets</b>		
Inventories	14,498	12,696
Trade and others receivables	5,799	5,219
Cash and bank balances	943	3,791
	21,240	21,706
<b>TOTAL ASSETS</b>	<b>27,945</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	(4,021)	(3,175)
	21,107	21,953
Non- controlling interest	(332)	(186)
<b>Total equity</b>	20,775	21,767
<b>Non-current liabilities</b>		
Deferred tax liabilities	134	192
Lease liabilities	2,667	3,608
	2,801	3,800
<b>Current liabilities</b>		
Trade and other payables	2,701	2,073
Lease liabilities	1,668	1,471
Taxation	-	-
	4,369	3,544
<b>Total liabilities</b>	7,170	7,344
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,945</b>	<b>29,111</b>
Net assets per share attributable to ordinary Owner of the parent (RM)	0.44	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.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2022**

	← 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><u>Unaudited</u></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	-	-	(846)	<b>(846)</b>	(146)	<b>(992)</b>
<b>At 30 June 2022</b>	<b>24,250</b>	<b>878</b>	<b>(4,021)</b>	<b>21,107</b>	<b>(332)</b>	<b>20,775</b>
<b><u>Audited</u></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.*



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2022**

	Year-to-Date Ended	
	30.06.2022 RM'000 (Unaudited)	30.06.2021 RM'000 (Audited)
<b>Cash flows from operating activities</b>		
Net (Loss) before tax	(903)	(554)
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	840	764
Depreciation right of use assets	1,635	1,530
Interest expenses	200	228
Provision for and write off of inventories	-	-
Non-cash items	(160)	(69)
Operating profit/(loss) before working capital changes	1,612	1,899
Decrease in inventories	(1,802)	(1,640)
Decrease in trade and other receivables	(565)	2,885
Increase/ (Decrease) in trade and other payables	629	(445)
Net cash inflow from operations	(126)	2,699
Tax paid	(197)	(12)
Tax refunded	34	-
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(289)</b>	<b>2,687</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	226	-
Purchase of plant and equipment	(1,164)	(1,168)
Net cash inflow from acquisition of a subsidiary	-	-
<b>Net cash outflow from investing activities</b>	<b>(938)</b>	<b>(1,168)</b>
<b>Cash flows from financing activities</b>		
Interest paid on lease liabilities	(200)	(228)
Payment of lease liabilities	(1,421)	(1,305)
<b>Net cash outflow from financing activities</b>	<b>(1,621)</b>	<b>(1,533)</b>
Net increase/ (decrease) in cash and cash equivalents	(2,848)	(14)
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>943</b>	<b>3,791</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*

**REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND YEAR-TO-DATE  
ENDED 30 JUNE 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 twelve months ended 30 June 2022.

## **6 Changes in estimates**

There were no changes in estimates that have had a material effect during the quarter and twelve months ended 30 June 2022.

## **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 30 June 2022.

## **8 Dividends paid**

No dividend has been paid during the quarter and twelve months ended 30 June 2022.



## 9 Segmental information

	Individual Quarter Current year quarter 3 months 30/06/22 RM'000	Individual Quarter Preceding year quarter 3 months 30/06/21 RM'000	Cumulative Quarter Current year to date 12 months 30/06/22 RM'000	Cumulative Quarter Preceding year to date 12 months 30/06/21 RM'000
<b>Revenue</b>				
Trading of IT related products	9,653	10,123	41,804	51,749
Food & beverage	2,794	892	8,653	3,880
	<u>12,447</u>	<u>11,015</u>	<u>50,457</u>	<u>55,629</u>
<b>Profit/(Loss) before taxation</b>				
Trading of IT related products	(367)	159	(3)	1,409
Food & beverage	(248)	(623)	(900)	(1,963)
	<u>(615)</u>	<u>(464)</u>	<u>(903)</u>	<u>(554)</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 twelve months ended 30 June 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 30 June 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 30/06/22 RM'000	Preceding year to date 3 months 30/06/21 RM'000	Current year to date 12 months 30/06/22 RM'000	Preceding year to date 12 months 30/06/21 RM'000
<u>Related Parties Transactions</u>				
Rental of premises paid to CHRB Group	60	60	240	240
Water & electricity charged to CHRB Group	6	6	24	24

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 fourth quarter increased by RM1.432 million, or 13.0% compared to the corresponding period of the preceding year, whilst total revenue for the year-to-date decreased by RM5.172 million or 9.3%.

As for the profit/ loss before taxation for the fourth quarter, it reported a loss before tax of RM615,000 compared to a loss of RM464,000 in the corresponding period of the preceding year, whilst for the year-to-date, it registered a loss of RM903,000 compared to a loss of RM554,000 in the corresponding period.

	Current year quarter 30/06/22 RM'000	Preceding year quarter 30/06/21 RM'000	Change %	Current year to date 12 months 30/06/22 RM'000	Preceding year to date 12 months 30/06/21 RM'000	Change %
<b>Revenue</b>						
Trading of IT related products	9,653	10,123	-4.6	41,804	51,749	-19.2
Food & beverage	2,794	892	213.2	8,653	3,880	123.0
	<u>12,447</u>	<u>11,015</u>	13.0	<u>50,457</u>	<u>55,629</u>	-9.3
<b>Profit/(Loss) before taxation</b>						
Trading of IT related products	(367)	159	-330.8	(3)	1,409	-100.2
Food & beverage	(248)	(623)	60.2	(900)	(1,963)	54.2
	<u>(615)</u>	<u>(464)</u>	-32.5	<u>(903)</u>	<u>(554)</u>	-63.0

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

i) Trading of IT related products

The revenue for the fourth quarter and year to date ended 30 June 2022 reduced by 4.6% and 19.2% respectively as compared to the corresponding period of the preceding year caused by the disruption in the supply chain of IT related products which severely affected our sales in our physical retail outlets and online platform.

The bottom line recorded a loss of RM367K for the current quarter under review compared to a profit of RM159K of the preceding year's fourth quarter. The current year-to-date recorded a loss of RM3K compared to a profit of RM1.4 million for the period ended 30 June 2021.

ii) Food & Beverage Division

The increase in the revenue during the fourth quarter and year-to-date ended 30 June 2022 was due mainly to the return of dine-in customers to our restaurants and contribution from a new BJJ restaurant in MyTown Shopping Centre which commenced operations in June 2022. The losses for the quarter and year to date were due mainly to Covid-19 disruptions.

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

	Current year quarter ended 30/06/22 RM'000	Immediate preceding quarter ended 31/03/22 RM'000	Change %
<b>Revenue</b>			
Trading of IT related products	9,653	10,436	-7.5
Food & beverage	2,794	2,739	2.0
	<u>12,447</u>	<u>13,175</u>	-5.5
<b>Profit/(loss) before taxation</b>			
Trading of IT related products	(367)	(460)	20.2
Food & beverage	(248)	(120)	-106.7
	<u>(615)</u>	<u>(580)</u>	-6.0

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

i) Trading of IT related products

Despite a decrease in revenue of 7.5%, the IT division registered a lower loss before tax of RM367K compared to RM460K of previous quarter due to higher profit margin during the quarter under review.

ii) Food and Beverage (F&B) Division

This division registered a higher loss of RM248K compared to RM120K which was due mainly to the set up cost of the new BJJ restaurant in MyTown Shopping Centre which commenced operations in June 2022.

**18 Commentary on prospects**

The ongoing war between Ukraine and Russia is causing a lot of uncertainties to the global supply chain affecting the supply and prices of commodities, raw materials and semiconductor components driving up inflation and cost of production of finished goods. This scenario does not augur well for our IT business as we face inconsistent supply and insufficient inventory of IT finished goods and related products to cater to sales demand.

With the country's Covid-19 situation kept under control coupled with the populace's gradual return to normalcy and reopening of borders, the tourism and F&B industry have been gearing up for a rebound which would be a boost for our F&B division's business. However we remain cautiously optimistic as the current prevailing labour and manpower shortage may still hamper the growth and performance of our F&B overall business.

**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 ended	Preceding year quarter ended	Current Year-to- date ended	Preceding Year-to- date ended
	30/06/22 RM'000	30/06/21 RM'000	30/06/22 RM'000	30/06/21 RM'000
Malaysia income tax				
-current year	(53)	38	106	-
-under/(over) provision in prior years	-	-	41	-
	(53)	38	147	-
Deferred taxation	(11)	68	(58)	230
<b>TOTAL</b>	<b>(64)</b>	<b>106</b>	<b>89</b>	<b>230</b>

The effective tax rate for the financial year ended 30 June 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 30 June 2022.

## 23 Realised and unrealised losses

	As At 30/06/2022 RM'000	As At 30/06/2021 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(3,887)	(2,983)
- Unrealised	(134)	(192)
Total Group retained losses as per statements of financial position.	<b>(4,021)</b>	<b>(3,175)</b>

## 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 30 June 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 ended	Preceding year quarter ended	Current Year-to- date ended	Preceding Year-to- date ended
	30/06/22 RM'000	30/06/21 RM'000	30/06/22 RM'000	30/06/21 RM'000
Profit/(Loss) attributable to the owners of the parent (RM'000)	(494)	(384)	(846)	(378)
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	(1.02)	(0.79)	(1.74)	(0.78)

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: 24 August 2022