



PINEAPPLE RESOURCES BERHAD

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

Unaudited Condensed Consolidated Financial Statements
For the First Quarter and Year-to-Date Ended
30 September 2023



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER
AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023**

	Quarter Ended		Year-to-Date Ended	
	30/09/23 RM'000 (Unaudited)	30/09/22 RM'000 (Audited)	30/09/23 RM'000 (Unaudited)	30/09/22 RM'000 (Audited)
Revenue	10,577	13,161	10,577	13,161
Operating expenses	(10,460)	(13,128)	(10,460)	(13,128)
Other income	249	128	249	128
Operating profit	<u>386</u>	<u>161</u>	<u>366</u>	<u>161</u>
Depreciation and amortization	(186)	(221)	(186)	(221)
Depreciation right of use assets	(278)	(442)	(278)	(442)
Interest expenses	(50)	(46)	(50)	(46)
Interest income	-	-	-	-
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Foreign exchange loss	-	-	-	-
(Loss) / Profit before tax	<u>(148)</u>	<u>(548)</u>	<u>(148)</u>	<u>(548)</u>
Taxation	16	13	16	13
(Loss) / Profit for the period	<u>(132)</u>	<u>(535)</u>	<u>(132)</u>	<u>(535)</u>
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive (Loss) / Profit for the period	<u>(132)</u>	<u>(535)</u>	<u>(132)</u>	<u>(535)</u>
(Loss) / Profit attributable to:-				
Owner of the parent	(189)	(538)	(189)	(538)
Non-controlling interest	57	3	57	3
(Loss) / Profit for the period	<u>(132)</u>	<u>(535)</u>	<u>(132)</u>	<u>(535)</u>
Earnings per share (sen):-				
Basic (Loss) / Profit per share	(0.39)	(1.11)	(0.39)	(1.11)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	As at 30/09/23 RM'000 (Unaudited)	As at 30/06/23 RM'000 (Audited)
Non-Current assets		
Plant and equipment	1,936	2,001
Right-of-use assets	2,655	2,759
Intangible assets	1,200	1,200
	5,791	5,960
Current assets		
Inventories	9,859	10,647
Trade and others receivables	4,582	3,531
Cash and bank balances	3,702	3,864
	18,143	18,042
TOTAL ASSETS	23,934	24,002
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,250	24,250
Capital Reserves	28	28
Retained earnings	(6,148)	(5,959)
	18,130	18,319
Non- controlling interest	(363)	(420)
Total equity	17,767	17,899
Non-current liabilities		
Loan & borrowing	1,321	1,351
Lease liabilities	1,822	1,988
Deferred tax liabilities	-	-
	3,143	3,339
Current liabilities		
Trade and other payables	1,901	1,706
Loan & borrowing	115	113
Lease liabilities	1,008	945
	3,024	2,764
Total liabilities	6,167	6,103
TOTAL EQUITY AND LIABILITIES	23,934	24,002
Net assets per share attributable to ordinary Owner of the parent (RM)	0.37	0.38

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2023**

	← 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
<u>Unaudited</u>						
At 1 July 2023	24,250	28	(5,959)	18,319	(420)	17,899
Total comprehensive profit/(loss) for the financial period	-	-	(189)	(189)	57	(132)
At 30 Sept 2023	24,250	28	(6,148)	18,130	(363)	17,767
<u>Audited</u>						
At 1 July 2022	24,250	878	(4,021)	21,107	(332)	20,775
Total comprehensive profit/ (loss) for the financial period	-	-	(538)	(538)	3	(535)
At 30 Sept 2022	24,250	878	(4,559)	20,569	(329)	20,240

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2023**

	Year-to-Date Ended	
	30/09/2023 RM'000 (Unaudited)	30/06/2023 RM'000 (Audited)
Cash flows from operating activities		
Net (Loss) before tax	(148)	(3,011)
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	186	821
Depreciation right of use assets	278	1,383
Interest expenses	50	182
Provision for and write off of inventories	-	-
Non-cash items	2	(82)
Operating profit/(loss) before working capital changes	368	(707)
Decrease in inventories	789	3,851
Decrease in trade and other receivables	(1,079)	2,274
Increase/ (Decrease) in trade and other payables	195	(997)
Net cash inflow from operations	273	4,421
Tax paid	-	(46)
Tax refunded	44	-
Net cash inflow/ (outflow) from operating activities	317	4,375
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	17
Purchase of plant and equipment	(123)	(214)
Purchase of intangible asset	-	(1,200)
Net cash outflow from investing activities	(123)	(1,397)
Cash flows from financing activities		
Interest paid on term loan	(23)	(32)
Interest paid on lease liabilities	(27)	(150)
Drawdown of term loan	-	1,500
Repayment of term loan	(28)	(36)
Payment of lease liabilities	(278)	(1,339)
Net cash outflow from financing activities	(356)	(57)
Net increase/ (decrease) in cash and cash equivalents	(162)	2,921
Cash and cash equivalents at beginning of the financial period	3,864	943
Cash and cash equivalents at end of the financial period	3,702	3,864

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and accompanying explanatory notes attached to the interim financial statements



**REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED
30 SEPTEMBER 2023**

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 2023 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 2023.

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 2023, except for the adoption of the following new MFRSs which are effective for annual periods beginning on or after 1 January 2023.

Amendments to MFRS 101 – Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108 – Definition of Accounting Estimates

Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption the above amendments to MFRSs are not expected to have any significant impact on the financial statements of the Group.

The Group will adopt the following amendments to MFRSs that are applicable when they become effective. The initial application of the amendments is not expected to have any significant impact on the financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 – Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 – Non- current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7- Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 – Lack of Exchangeability

Effective for annual periods beginning on or after a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture



3 Auditors' report in respect of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2023 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 2023.

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 2023.

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 2023.

8 Dividends paid

No dividend has been paid during the quarter and three months ended 30 September 2023.

9 Segmental information

	Individual Quarter Current year quarter 3 months 30/09/23 RM'000	Individual Quarter Preceding year quarter 3 months 30/09/22 RM'000	Cumulative Quarter Current year to date 3 months 30/09/23 RM'000	Cumulative Quarter Preceding year to date 3 months 30/09/22 RM'000
Revenue				
Trading of IT related products	7,585	9,722	7,585	9,722
Food & beverage	2,992	3,439	2,992	3,439
	<u>10,577</u>	<u>13,161</u>	<u>10,577</u>	<u>13,161</u>
Profit/(Loss) before taxation				
Trading of IT related products	(532)	(660)	(532)	(660)
Food & beverage	384	112	384	112
	<u>(148)</u>	<u>(548)</u>	<u>(148)</u>	<u>(548)</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 2023 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 September 2023.

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 30/09/23 RM'000	Preceding year to date 3 months 30/09/22 RM'000	Current year to date 3 months 30/09/23 RM'000	Preceding year to date 3 months 30/09/22 RM'000
<u>Related Parties Transactions</u>				
Rental of premises paid to CHRB Group	60	60	60	60
Utility charges received from CHRB Group	9	6	9	6
Advertising fee income received from CHRB Group	50	50	50	50

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.

16 Review of performance

The Group's revenue declined by RM2.584 million or 19.6% as compared to the preceding year quarter.

As for the bottom line for the current quarter, it registered a lower loss of RM148,000 as compared to a loss of RM548,000 in the preceding year quarter.

	Current year quarter 30/09/23 RM'000	Preceding year quarter 30/09/22 RM'000	Change %	Current year to date 3 months 30/09/23 RM'000	Preceding year to date 3 months 30/09/22 RM'000	Change %
Revenue						
Trading of IT related products	7,585	9,722	-22.0	7,585	9,722	-22.0
Food & beverage	2,992	3,439	-13.0	2,992	3,439	-13.0
	<u>10,577</u>	<u>13,161</u>	<u>-19.6</u>	<u>10,577</u>	<u>13,161</u>	<u>-19.6</u>
Profit/(Loss) before taxation						
Trading of IT related products	(532)	(660)	19.4	(532)	(660)	19.4
Food & beverage	384	112	242.9	384	112	242.9
	<u>(148)</u>	<u>(548)</u>	<u>73.0</u>	<u>(148)</u>	<u>(548)</u>	<u>73.0</u>

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

i) Trading of IT related products

Current quarter against preceding year quarter (3 months)

The reduction in revenue was mainly due to closure of the physical stores in Aeon and Lotus's. The bottom line recorded a lower loss before tax by 19.4% due to lower operating cost with the closure of the Aeon and Lotus's physical stores.

ii) Food & Beverage Division

Current quarter against preceding year quarter (3 months)

Despite the revenue for the quarter having declined by 13.0% due to the closure of Thai Hou Sek Restaurant in Mid Valley Mall, the bottom line reported a higher profit before tax as compared to preceding year quarter. This was mainly due to PappaRich franchising income received during the current quarter.



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

	Current year quarter ended 30/09/23 RM'000	Immediate preceding quarter ended 30/06/23 RM'000	Change %
Revenue			
Trading of IT related products	7,585	7,506	1.1
Food & beverage	2,992	2,525	18.5
	<u>10,577</u>	<u>10,031</u>	5.5
Profit/(loss) before taxation			
Trading of IT related products	(532)	(794)	33.0
Food & beverage	384	(79)	586.1
	<u>(148)</u>	<u>(873)</u>	83.1

i) Trading of IT related products

The bottom line recorded a loss of RM532,000 as compared to a loss of RM794,000 for the preceding quarter mainly due to lower operating cost with the closure of some Aeon and Lotus's physical stores.

ii) Food & Beverage Division

The division registered a profit before tax of RM384,000 as compared to a loss before tax RM79,000 for the preceding quarter and was mainly due to PappaRich franchising income received during the quarter.

18 Commentary on prospects

The acquisition of the PappaRich brand to the Company's F&B division underlines the Group's determined strategy of business diversification to improve the Group's prospects and financial performance for sustainable growth. We shall focus on our existing PappaRich franchisees with expansion plans on opening corporate outlets and increasing franchisees outlets to scale the PappaRich brand on top of our ongoing emphasis of growing our Bhai Jim Jum brand for Thai cuisine.

For our IT division, our operational costs efficiency strategies of closing non performing physical IT outlets to reduce operating costs and expanding our focus on e-commerce and products mix to remain competitive and maintain our presence in the IT industry are making steady progress.

The Government's recent budget announcement and initiatives to spur domestic spending for the recovery of the retail market should augur well for the Group's prospects for the financial year ahead.

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 30/09/23 RM'000	Preceding year quarter ended 30/09/22 RM'000	Current Year-to- date ended 30/09/23 RM'000	Preceding Year-to- date ended 30/09/22 RM'000
Malaysia income tax				
-current year	-	--	-	-
-under/(over) provision in prior years	(16)	-	(16)	-
Deferred taxation	-	(13)	-	(13)
TOTAL	(16)	(13)	(16)	(13)

The effective tax rate for the financial period ended 30 September 2023 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 details of the Group's borrowings as at 30 September 2023 are as follows:-

	Current Year-to- date ended 30/09/23 RM'000	Preceding Year-to- date ended 30/09/22 RM'000
Term Loan- secured		
-short term	115	-
-long term	1,321	-
	<u>1,436</u>	<u>-</u>

Term loan of the Group is secured by way of a corporate guarantee executed by Pineapple Resources Berhad and carries interest rate of 6.4% per annum.



23 Realised and unrealised losses

	As At 30/09/2023 RM'000	As At 30/06/2023 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(6,148)	(5,959)
- Unrealised	-	-
Total Group retained losses as per statements of financial position.	(6,149)	(5,959)

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 2023.

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 30/09/23 RM'000	Preceding year quarter ended 30/09/22 RM'000	Current Year-to- date ended 30/09/23 RM'000	Preceding Year-to- date ended 30/09/22 RM'000
Profit/(Loss) attributable to the owners of the parent (RM'000)	(189)	(538)	(189)	(538)
Total number of ordinary Shares in issue ('000)	48,500	48,500	48,500	48,500
Basic earnings per share (sen)	(0.39)	(1.11)	(0.39)	(1.11)

There were no potential dilutive components in the shareholdings of Pineapple Resources Berhad as at 30 September 2023.



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 November 2023