



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2021

|                                                                                   | CURRENT QUARTER<br>3 MONTHS ENDED |                      | CUMULATIVE QUARTER<br>12 MONTHS ENDED |                      |
|-----------------------------------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                                                                   | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| Revenue                                                                           | 103,613                           | 94,467               | 377,505                               | 425,032              |
| Cost of sales                                                                     | (83,848)                          | (69,871)             | (312,248)                             | (340,506)            |
| <b>Gross Profit</b>                                                               | <b>19,765</b>                     | <b>24,596</b>        | <b>65,257</b>                         | <b>84,526</b>        |
| Other Income                                                                      | 1,075                             | 4,104                | 2,755                                 | 5,716                |
| Interest Income                                                                   | 46                                | 141                  | 275                                   | 728                  |
| Administrative expenses                                                           | (11,807)                          | (17,340)             | (52,958)                              | (59,558)             |
| Selling and marketing expenses                                                    | (2,665)                           | (3,315)              | (8,479)                               | (11,562)             |
| Finance costs                                                                     | (1,272)                           | (1,039)              | (3,626)                               | (4,265)              |
| <b>Profit before tax</b>                                                          | <b>5,142</b>                      | <b>7,147</b>         | <b>3,224</b>                          | <b>15,585</b>        |
| Income tax expense                                                                | (336)                             | 1,862                | (2,148)                               | (2,343)              |
| <b>Profit for the year</b>                                                        | <b>4,806</b>                      | <b>9,009</b>         | <b>1,076</b>                          | <b>13,242</b>        |
| Attributable to:                                                                  |                                   |                      |                                       |                      |
| Equity holders of the parent                                                      | 5,910                             | 9,130                | 3,104                                 | 15,116               |
| Non-controlling interest                                                          | (1,104)                           | (121)                | (2,028)                               | (1,874)              |
|                                                                                   | <b>4,806</b>                      | <b>9,009</b>         | <b>1,076</b>                          | <b>13,242</b>        |
| <b>Earnings per share attributable<br/>to equity holders of the parent (sen):</b> |                                   |                      |                                       |                      |
| Basic                                                                             | 2.81                              | 4.35                 | 1.47                                  | 7.19                 |
| Diluted                                                                           | 2.80                              | 4.34                 | 1.47                                  | 7.19                 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2021

|                                                           | CURRENT QUARTER<br>3 MONTHS ENDED |                      | CUMULATIVE QUARTER<br>12 MONTHS ENDED |                      |
|-----------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                                           | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| <b>Profit for the year</b>                                | 4,806                             | 9,009                | 1,076                                 | 13,242               |
| <b>Other comprehensive profit/(loss) net of tax</b>       |                                   |                      |                                       |                      |
| Foreign currency translation                              | 1,018                             | 252                  | 2,711                                 | (1,137)              |
| <b>Total comprehensive profit<br/>for the year</b>        | <b>5,824</b>                      | <b>9,261</b>         | <b>3,787</b>                          | <b>12,105</b>        |
| <b>Total comprehensive profit/(loss) attributable to:</b> |                                   |                      |                                       |                      |
| Owners of the Parent                                      | 6,743                             | 9,229                | 5,717                                 | 13,964               |
| Non-controlling interest                                  | (919)                             | 32                   | (1,930)                               | (1,859)              |
|                                                           | <b>5,824</b>                      | <b>9,261</b>         | <b>3,787</b>                          | <b>12,105</b>        |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (UNAUDITED)

|                                                                                 | 31.03.2021<br>RM'000<br>(Unaudited) | 31.03.2020<br>RM'000<br>(Audited) |
|---------------------------------------------------------------------------------|-------------------------------------|-----------------------------------|
| <b>ASSETS</b>                                                                   |                                     |                                   |
| <b>Non-current assets</b>                                                       |                                     |                                   |
| Property, plant and equipment                                                   | 123,163                             | 119,328                           |
| Investment Properties                                                           | 9,802                               | 9,763                             |
| Deferred tax assets                                                             | 337                                 | 258                               |
|                                                                                 | <u>133,302</u>                      | <u>129,349</u>                    |
| <b>Current assets</b>                                                           |                                     |                                   |
| Inventories                                                                     | 68,628                              | 65,778                            |
| Trade receivables                                                               | 60,385                              | 52,274                            |
| Other receivables                                                               | 1,731                               | 3,495                             |
| Other current assets                                                            | 6,895                               | 10,445                            |
| Tax Recoverable                                                                 | 764                                 | 217                               |
| Cash and bank balances                                                          | 51,568                              | 65,031                            |
|                                                                                 | <u>189,971</u>                      | <u>197,240</u>                    |
| <b>TOTAL ASSETS</b>                                                             | <u>323,273</u>                      | <u>326,589</u>                    |
| <b>EQUITY AND LIABILITIES</b>                                                   |                                     |                                   |
| <b>Equity attributable to equity owners of the parent</b>                       |                                     |                                   |
| Share capital                                                                   | 84,709                              | 83,830                            |
| Other reserves                                                                  | 19,049                              | 16,703                            |
| Retained earnings                                                               | 56,406                              | 52,976                            |
|                                                                                 | <u>160,164</u>                      | <u>153,509</u>                    |
| <b>Non-controlling interest</b>                                                 | <u>6,269</u>                        | <u>7,274</u>                      |
| <b>Total Equity</b>                                                             | <u>166,433</u>                      | <u>160,783</u>                    |
| <b>Non-Current liabilities</b>                                                  |                                     |                                   |
| Borrowings                                                                      | 21,904                              | 20,991                            |
| Lease liabilities/Finance lease liabilities                                     | 4,764                               | 4,203                             |
| Deferred tax liabilities                                                        | -                                   | 26                                |
|                                                                                 | <u>26,668</u>                       | <u>25,220</u>                     |
| <b>Current liabilities</b>                                                      |                                     |                                   |
| Borrowings                                                                      | 41,052                              | 36,866                            |
| Lease liabilities/Finance lease liabilities                                     | 3,603                               | 3,466                             |
| Trade payables                                                                  | 41,633                              | 53,120                            |
| Other payables                                                                  | 43,884                              | 47,134                            |
|                                                                                 | <u>130,172</u>                      | <u>140,586</u>                    |
| <b>Total liabilities</b>                                                        | <u>156,840</u>                      | <u>165,806</u>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                             | <u>323,273</u>                      | <u>326,589</u>                    |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.7553                              | 0.7296                            |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2021

|                                                                      | <----- Attributable to Equity Holders of the parent-----> |                                      |                                          |                               |                             |                                | Total<br>RM'000 | Non-<br>Controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|----------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------|------------------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------|-------------------------------------------|---------------------------|
|                                                                      | <----- Non-distributable ----->                           |                                      |                                          | Distributable                 |                             |                                |                 |                                           |                           |
|                                                                      | Share<br>Capital<br>RM'000                                | Share<br>Option<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Reserve<br>RM'000 | Warrants<br>Reserve<br>RM'000 | Legal<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 |                 |                                           |                           |
| <b>As at 1 April 2019</b>                                            | 83,638                                                    | -                                    | 7,353                                    | 6,383                         | 1,973                       | 40,993                         | 140,340         | 1,806                                     | 142,146                   |
| Total comprehensive (loss)/income for the year                       | -                                                         | -                                    | (1,152)                                  | -                             | -                           | 15,116                         | 13,964          | (1,859)                                   | 12,105                    |
| Non-controlling interests arising from acquisition of new subsidiary | -                                                         | -                                    | -                                        | -                             | -                           | -                              | -               | 853                                       | 853                       |
| Subscription of shares by non-controlling interests in a subsidiary  | -                                                         | -                                    | -                                        | -                             | -                           | -                              | -               | 6,474                                     | 6,474                     |
| Issue of ordinary shares pursuant to ESOS                            | 192                                                       | (58)                                 | -                                        | -                             | -                           | -                              | 134             | -                                         | 134                       |
| Share option issued                                                  | -                                                         | 1,171                                | -                                        | -                             | -                           | -                              | 1,171           | -                                         | 1,171                     |
| Transfer to legal reserve fund                                       | -                                                         | -                                    | -                                        | -                             | 1,033                       | (1,033)                        | -               | -                                         | -                         |
| Dividend paid on shares                                              | -                                                         | -                                    | -                                        | -                             | -                           | (2,100)                        | (2,100)         | -                                         | (2,100)                   |
| <b>As at 31 March 2020</b>                                           | <b>83,830</b>                                             | <b>1,113</b>                         | <b>6,201</b>                             | <b>6,383</b>                  | <b>3,006</b>                | <b>52,976</b>                  | <b>153,509</b>  | <b>7,274</b>                              | <b>160,783</b>            |



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2021

|                                                                         | <----- Attributable to Equity Holders of the parent-----> |                                      |                                          |                               |                             |                                | Total<br>RM'000 | Non-<br>Controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|-------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------|------------------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------|-------------------------------------------|---------------------------|
|                                                                         | <----- Non-distributable ----->                           |                                      |                                          | Distributable                 |                             |                                |                 |                                           |                           |
|                                                                         | Share<br>Capital<br>RM'000                                | Share<br>Option<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Reserve<br>RM'000 | Warrants<br>Reserve<br>RM'000 | Legal<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 |                 |                                           |                           |
| <b>As at 1 April 2020</b>                                               | 83,830                                                    | 1,113                                | 6,201                                    | 6,383                         | 3,006                       | 52,976                         | 153,509         | 7,274                                     | 160,783                   |
| Total comprehensive income/(loss)<br>for the year                       | -                                                         | -                                    | 2,613                                    | -                             | -                           | 3,104                          | 5,717           | (1,930)                                   | 3,787                     |
| Issue of ordinary shares pursuant to<br>ESOS                            | 879                                                       | (267)                                | -                                        | -                             | -                           | -                              | 612             | -                                         | 612                       |
| Acquisition of non-controlling interest                                 | -                                                         | -                                    | -                                        | -                             | -                           | 326                            | 326             | (1,550)                                   | (1,224)                   |
| Subscription of shares by non-<br>controlling interests in subsidiaries | -                                                         | -                                    | -                                        | -                             | -                           | -                              | -               | 2,475                                     | 2,475                     |
| <b>As at 31 March 2021</b>                                              | <u>84,709</u>                                             | <u>846</u>                           | <u>8,814</u>                             | <u>6,383</u>                  | <u>3,006</u>                | <u>56,406</u>                  | <u>160,164</u>  | <u>6,269</u>                              | <u>166,433</u>            |

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2021

|                                                                                    | 12 months ended |                 |
|------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                    | 31.03.2021      | 31.03.2020      |
|                                                                                    | RM'000          | RM'000          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                        |                 |                 |
| Profit before taxation from:                                                       |                 |                 |
| - Continuing operations                                                            | 3,224           | 15,585          |
| Adjustment for:-                                                                   |                 |                 |
| Non-cash items                                                                     | 3,754           | (1,191)         |
| Non-operating items (which are investing/financing)                                | 15,097          | 16,014          |
| Interest expense                                                                   | 3,626           | 4,265           |
| Interest income                                                                    | (275)           | (728)           |
| Operating profit before changes in working capital                                 | <u>25,426</u>   | <u>33,945</u>   |
| <b>Changes in working capital</b>                                                  |                 |                 |
| Net change in current assets                                                       | (9,550)         | 19,079          |
| Net change in current liabilities                                                  | (14,586)        | (15,339)        |
| Interest paid                                                                      | (3,626)         | (4,265)         |
| Tax paid                                                                           | (2,800)         | (5,356)         |
| <b>Net cash flows (used in)/from operating activities</b>                          | <u>(5,136)</u>  | <u>28,064</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                        |                 |                 |
| - Purchase of property, plant and equipment                                        | (19,900)        | (27,790)        |
| - Acquisition of subsidiary, net of cash and cash equivalents                      | -               | (1,244)         |
| - Proceeds from disposal of property, plant and equipment                          | 1,392           | 471             |
| - Interest received                                                                | 275             | 728             |
| - Acquisition of non-controlling interest                                          | (1,224)         | -               |
| <b>Net cash flows used in investing activities</b>                                 | <u>(19,457)</u> | <u>(27,835)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                        |                 |                 |
| - Net repayment of loan, lease and finance lease liabilities                       | (4,345)         | (3,593)         |
| - Increase/ (Repayment) of short term borrowings                                   | 4,247           | (5,482)         |
| - Subscription of shares in a subsidiary by non-controlling interest               | 2,475           | 6,474           |
| - Drawdown of term loan & hire purchase                                            | 5,893           | 16,414          |
| - Dividend paid                                                                    | -               | (2,100)         |
| - Proceeds from ordinary shares issued pursuant to ESOS                            | 612             | 134             |
| <b>Net cash flows from financing activities</b>                                    | <u>8,882</u>    | <u>11,847</u>   |
| Net (decrease)/ increase in cash and cash equivalents                              | (15,711)        | 12,076          |
| Effects of exchange rate changes                                                   | 2,248           | (1,930)         |
| Cash and cash equivalents at beginning of financial year                           | 65,031          | 54,885          |
| Cash and cash equivalents at end of financial year                                 | <u>51,568</u>   | <u>65,031</u>   |
| Cash and cash equivalents at the end of the financial year comprise the following: |                 |                 |
| Cash and bank balances                                                             | <u>51,568</u>   | <u>65,031</u>   |
|                                                                                    | <u>51,568</u>   | <u>65,031</u>   |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### 1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the year ended 31 March 2021, have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2020. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2020, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year:

#### Amendments/Improvements to MFRSs

|          |                                                                |
|----------|----------------------------------------------------------------|
| MFRS 3   | Business Combinations                                          |
| MFRS 7   | Financial Instruments: Disclosures                             |
| MFRS 9   | Financial Instruments                                          |
| MFRS 101 | Presentation of Financial Statements                           |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Error |
| MFRS 139 | Financial Instruments: Recognition and Measurement             |

The Group has not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

| <u>New MFRS</u>                         |                                                                | Effective for financial periods beginning on or after   |
|-----------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|
| MFRS 17                                 | Insurance Contracts                                            | 1 January 2023                                          |
| <u>Amendments/Improvements to MFRSs</u> |                                                                |                                                         |
| MFRS 1                                  | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2022 ^/<br>1 January 2023#                    |
| MFRS 3                                  | Business Combinations                                          | 1 January 2022/<br>1 January 2023 #                     |
| MFRS 4                                  | Insurance Contracts                                            | 1 January 2021                                          |
| MFRS 5                                  | Non-current Assets Held for Sale and Discontinued Operations   | 1 January 2023 #                                        |
| MFRS 7                                  | Financial Instruments: Disclosures                             | 1 January 2021/<br>1 January 2023 #                     |
| MFRS 9                                  | Financial Instruments                                          | 1 January 2021/<br>1 January 2022 ^/<br>1 January 2023# |
| MFRS 10                                 | Consolidated Financial Statements                              | Deferred                                                |
| MFRS 15                                 | Revenue from Contracts with Customers                          | 1 January 2023 #                                        |
| MFRS 16                                 | Leases                                                         | 1 June 2020*/<br>1 January 2021/<br>1 January 2022 ^    |
| MFRS 101                                | Presentation of Financial Statements                           | 1 January 2023/<br>1 January 2023#                      |
| MFRS 107                                | Statements of Cash Flows                                       | 1 January 2023 #                                        |
| MFRS 116                                | Property, Plant and Equipment                                  | 1 January 2022/<br>1 January 2023*                      |
| MFRS 119                                | Employee Benefits                                              | 1 January 2023 #                                        |



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

|                                                                    |                                                                                  |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------|
| MFERS 128 Investments in Associates and Joint Ventures             | Effective for financial periods beginning on or after Deferred/ 1 January 2023 # |
| MFERS 132 Financial instruments: Presentation                      | 1 January 2023 #                                                                 |
| MFERS 136 Impairment of Assets                                     | 1 January 2023 #                                                                 |
| MFERS 137 Provisions, Contingent Liabilities and Contingent Assets | 1 January 2022/ 1 January 2023 #                                                 |
| MFERS 138 Intangible Assets                                        | 1 January 2023 #                                                                 |
| MFERS 139 Financial Instruments: Recognition and Measurement       | 1 January 2021                                                                   |
| MFERS 140 Investment Property                                      | 1 January 2023 #                                                                 |
| MFERS 141 Agriculture                                              | 1 January 2022 ^                                                                 |

^ The Annual Improvements to MFRS Standards 2018-2020

\* Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020

# Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

## 2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2020 was not qualified.

## 3. SEGMENTAL INFORMATION

|                                   | Current quarter<br>3 months ended |                      | Cumulative quarter<br>12 months ended |                      |
|-----------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                   | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| <b>Segment Revenue</b>            |                                   |                      |                                       |                      |
| Revenue from operations:          |                                   |                      |                                       |                      |
| Apparels                          | 100,214                           | 104,383              | 366,606                               | 488,908              |
| Label & Packaging                 | 17,883                            | 16,318               | 63,271                                | 64,752               |
| Others                            | 12,661                            | 22,056               | 29,333                                | 42,632               |
| Total revenue before eliminations | 130,758                           | 142,757              | 459,210                               | 596,292              |
| Eliminations                      | (27,145)                          | (48,290)             | (81,705)                              | (171,260)            |
| Total                             | 103,613                           | 94,467               | 377,505                               | 425,032              |
| <b>Segment Result</b>             |                                   |                      |                                       |                      |
| Result from operations:           |                                   |                      |                                       |                      |
| Apparels                          | 3,806                             | (1,970)              | 10,312                                | 14,765               |
| Label & Packaging                 | (1,780)                           | 377                  | (3,874)                               | (9,705)              |
| Others                            | 3,732                             | 4,959                | 3,123                                 | 4,770                |
|                                   | 5,758                             | 3,366                | 9,561                                 | 9,830                |
| Eliminations                      | (616)                             | 3,781                | (6,337)                               | 5,755                |
| Total                             | 5,142                             | 7,147                | 3,224                                 | 15,585               |





# **PCCS Group Berhad**

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## **4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

## **5. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in the prior financial years that have a material effect in the current quarter.

## **6. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's performance is not affected by any major seasonal or cyclical factors.

## **7. DIVIDENDS PAID**

No dividend has been recommended by the directors or paid for the financial year ended 31 March 2021.

## **8. CARRYING AMOUNT OF REVALUED ASSETS**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 March 2020.

## **9. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year to date.

## **10. CHANGES IN COMPOSITION OF THE GROUP**

Save as disclosed below, there were no changes in composition of the group during the current quarter.

On 19<sup>th</sup> April 2021, PCCS Group Berhad incorporated a 80% owned subsidiary company under the name of Southern Auto Capital Sdn. Bhd. with an issued capital of RM100 comprising one hundred shares at RM1 per share. The principal activity of Southern Auto Capital Sdn. Bhd. is leasing, hire purchase and insurance business for all kinds of motor vehicles and machineries.

## **11. CAPITAL COMMITMENTS**

The capital commitments of the Group as at 31 March 2021 are RM1.5million for purchase of machinery, equipment and renovation.

## **12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM68million given to licensed banks in respect of bank facilities granted to subsidiaries during the twelve months financial year ended 31 March 2021.



# **PCCS Group Berhad**

Company No. 199301026191 (280929-K)  
**(Incorporated in Malaysia)**

## **13. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the year that have not been reflected in this quarterly report.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### 14. PERFORMANCE REVIEW

|                   | Current Year Quarter | Preceding Year Corresponding Quarter | Changes | Current Year To-date | Preceding Year Corresponding Period | Changes  |
|-------------------|----------------------|--------------------------------------|---------|----------------------|-------------------------------------|----------|
|                   | 31.03.2021           | 31.03.2020                           |         | 31.03.2021           | 31.03.2020                          |          |
|                   | RM'000               | RM'000                               |         | RM'000               | RM'000                              |          |
| Revenue           | 103,613              | 94,467                               | 9,146   | 377,505              | 425,032                             | (47,527) |
| Profit before tax | 5,142                | 7,147                                | (2,005) | 3,224                | 15,585                              | (12,361) |

The Group recorded a higher revenue of RM103.6million for the three (3) month period ended 31 March 2021 as compared to RM94.5million in the previous corresponding quarter. The main reason for the increase in revenue was that Cambodia Apparel shipments blended with orders that were not delivered as the original plan in the previous quarter due to the impact of the Covid-19 pandemic. The pre-tax profit of the Group for the quarter under review was lower at a profit of RM5.1 million, compared to the pre-tax profit of RM7.1 million in the previous corresponding quarter. The lower profit was mainly due to the competitive pricing in the label and packaging segment, which subsequently impacted the segment's bottom line.

On a year-to-year basis, the Group recorded lower revenue of RM377.5 million as compared to RM425.0 million achieved in the previous corresponding year and the pre-tax profit of the Group for the period under review recorded at a profit of RM3.2 million as compared to the pre-tax profit of RM15.6 million recorded in the previous corresponding year. The lower revenue and lower profit were due mainly to the softer demand of Apparels segment after the outbreak of Covid-19 pandemic and slowed down on the label and packaging business in Cambodia. On the other hand, our new factory in Shandong, China has yet to achieve optimal performance upon acquisition of the plant in September 2019.

### 15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue has increased from RM71.3 million recorded in the preceding quarter to RM103.6 million in the current quarter. The pre-tax profit of the Group recorded a profit of RM5.1 million as compared to a pre-tax loss of RM1.8 million recorded in the preceding quarter. This is the result of this quarter's revenue from the Apparels segment mixed with the unrealized revenue of the previous quarter.

### 16. COMMENTARY ON PROSPECTS

#### Apparel segment

Although the outbreak of Covid-19 in every country in the world has brought about a shock to every enterprise, it also brings opportunities to some enterprises that know how to seize the opportunity.

In Cambodia, the pandemic in the recent two months is getting worse, but it is well controlled. We have actively arranged vaccination for the employees in China and Cambodia. More than 70% of the employees in these two countries have been vaccinated. This will reduce the potential for a sudden closure of the plant due to Covid-19.

The pandemic will eventually pass, and the trade pattern of textile and clothing will gradually return to the situation before the pandemic. However, the pandemic has accelerated the upgrading and integration of the industry, and the future development of the industry will face couples of challenges. For example, due to the change of population structure and employment concept, the global employment pressure will continue to exist. The uncertainty of trade



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

environment will continue to affect the global distribution of industry. There will be greater demand for innovative products in the market, and products related to environmental protection, health and functionality will be more popular with consumers especially under the promotion of Joe Biden government and China's 14th five-year plan. Brand customers will have higher requirements for the manufacturer's supply chain response speed, and to a certain extent to meet the needs of consumers for personalized products. With the continuous improvement of environmental protection requirements for human living space, some countries continue to improve environmental protection legislation, and environmental protection concepts such as cleaner production and carbon neutralization will guide more enterprises to take the initiative to implement low-carbon layout in production mode.

The group also plans the development direction of the industry in the post pandemic period in advance, promotes the transformation of the industry to high-quality development, and promotes the value chain of the industry driven by technology and innovation. Focus on inculcating every member of the group to develop all future group businesses with new energy or green technology. In addition, the group will also deepen the reform of human resources from the perspective of high-level human resources strategy planning to face the employment pressure of future challenges, because the board of directors and management believe that the vitality and life of the company are endowed by talents, which can make the enterprise achieve sustainable operation. We strive to seize the opportunities that arise, bring more light to the challenging business environment, and contribute to stabilizing the supply chain in the face of global human disaster.

## **Label and Packaging segment**

For Mega label, both our footprint in Malaysia and Cambodia were facing stricter control measures implemented by the local authorities. Malaysia had reimposed Movement Control Order restrictions on 1 June to 28 June in response to a spike in Covid-19 cases. Manufacturing plants are only allowed to operate at 60 per cent capacity, which has restricted production and exports until the end of this month. Similar lockdown practiced by Cambodian government after its largest outbreak been detected in February and its first death on 11 March. From curfew, the country went into first lockdown in April 2021. Our business from TRIM division (product - heat transfer) was hit as our customers in Cambodia are affected fairly. With previous experience, management team is confident to adapt lockdown situation fast and to keep impact over operation at minimal level.

## **Other segments**

As indicated in the previous quarter, with the contingency and rectification having been in place since the previous quarters, printing and embroidery delivered the desired results in the latest quarter. We are not only confidence in the future of our printing and embroidery business, but also hopeful about our hire-purchase and medical business.

With the coming of the new financial year, the Board of Directors is committed to continuously improve the level of corporate governance, through the training of directors and employees or appoint external consultants as well as adhere to the Malaysian Code on Corporate Governance (MCCG) formulated by the Securities Commission Malaysia.

## **17. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable to the Group as no profit forecast or profit guarantee was published.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## 18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

|                                                            | Current quarter<br>3 months ended |                      | Cumulative quarter<br>12 months ended |                      |
|------------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                                            | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| Included in the profit before tax are the following items: |                                   |                      |                                       |                      |
| Interest income                                            | (46)                              | (141)                | (275)                                 | (728)                |
| Interest expenses                                          | 1,272                             | 1,039                | 3,626                                 | 4,265                |
| Depreciation                                               | 3,233                             | 5,611                | 13,399                                | 13,277               |
| Impairment loss on receivables                             | 216                               | 243                  | 223                                   | 1,172                |
| Fixed assets written off                                   | 4                                 | -                    | 41                                    | -                    |
| Bad debts written off                                      | 461                               | 68                   | 466                                   | 1,175                |
| Provision for slow moving stock                            | 350                               | 373                  | 327                                   | 571                  |
| Impairment loss on goodwill                                | -                                 | 20                   | -                                     | 1,250                |
| (Gain)/Loss on disposal of property, plant and equipment   | (124)                             | (52)                 | (5)                                   | 275                  |
| Realised foreign exchange (gain)/loss                      | (22)                              | 411                  | 161                                   | (212)                |
| Unrealised foreign exchange (gain)/loss                    | (2,533)                           | (5,828)              | 3,065                                 | (4,109)              |
| Impairment loss on fixed assets                            | 405                               | -                    | 405                                   | -                    |
| Loss on voluntary winding up a subsidiary                  | -                                 | 41                   | -                                     | 41                   |

## 19. INCOME TAX EXPENSE

|                          | Current quarter<br>3 months ended |                      | Cumulative quarter<br>12 months ended |                      |
|--------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                          | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| Malaysian income tax     | 8                                 | (1,310)              | 44                                    | (1,297)              |
| Foreign income tax       | 328                               | (552)                | 2,104                                 | 3,640                |
| Total income tax expense | <u>336</u>                        | <u>(1,862)</u>       | <u>2,148</u>                          | <u>2,343</u>         |

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profit.

## 20. STATUS OF CORPORATE PROPOSALS

The Group does not have any corporate proposal which have been completed as at the date of this announcement.



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## 21. GROUP BORROWINGS

|                                    | As at 31.03.2021          |                        |                           |                        |                           |                        |
|------------------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|
|                                    | Long term                 |                        | Short term                |                        | Total borrowings          |                        |
|                                    | Foreign denomination '000 | RM denomination RM'000 | Foreign denomination '000 | RM denomination RM'000 | Foreign denomination '000 | RM denomination RM'000 |
| <b>Secured</b>                     |                           |                        |                           |                        |                           |                        |
| <b>Term loan</b>                   | -                         | 21,904                 | -                         | 3,502                  | -                         | 25,406                 |
| <b>Lease liabilities</b>           |                           | 3,290                  |                           | 1,678                  |                           | 4,968                  |
| <b>Unsecured</b>                   |                           |                        |                           |                        |                           |                        |
| <b>Trust receipt or trade loan</b> |                           |                        |                           |                        |                           |                        |
| - USD                              | -                         | -                      | 2,002                     | 8,310                  | 2,002                     | 8,310                  |
| - RMB                              | -                         | -                      | 8,951                     | 5,639                  | 8,951                     | 5,639                  |
| <b>Lease liabilities</b>           |                           |                        |                           |                        |                           |                        |
| - RM                               |                           | -                      |                           | 178                    | -                         | 178                    |
| - USD                              | 355                       | 1,474                  | 283                       | 1,176                  | 639                       | 2,650                  |
| - RMB                              | -                         | -                      | 681                       | 429                    | 681                       | 429                    |
| - HKD                              | -                         | -                      | 268                       | 142                    | 268                       | 142                    |
| <b>Revolving credit</b>            |                           |                        |                           |                        |                           |                        |
| - RMB                              | -                         | -                      | 27,940                    | 17,602                 | 27,940                    | 17,602                 |
| <b>Banker's acceptance</b>         |                           |                        |                           |                        |                           |                        |
| - RM                               | -                         | -                      |                           | 5,999                  | -                         | 5,999                  |
| <b>Total</b>                       | -                         | 26,668                 |                           | 44,655                 |                           | 71,323                 |
|                                    | As at 31.03.2020          |                        |                           |                        |                           |                        |
|                                    | Long term                 |                        | Short term                |                        | Total borrowings          |                        |
|                                    | Foreign denomination '000 | RM denomination RM'000 | Foreign denomination '000 | RM denomination RM'000 | Foreign denomination '000 | RM denomination RM'000 |
| <b>Secured</b>                     |                           |                        |                           |                        |                           |                        |
| <b>Term loan</b>                   | -                         | 20,991                 | -                         | 3,563                  | -                         | 24,554                 |
| <b>Lease liabilities</b>           | -                         | 3,939                  | -                         | 1,687                  | -                         | 5,626                  |
| <b>Unsecured</b>                   |                           |                        |                           |                        |                           |                        |
| <b>Trust receipt or trade loan</b> |                           |                        |                           |                        |                           |                        |
| - USD                              | -                         | -                      | 2,140                     | 9,224                  | 2,140                     | 9,224                  |
| - RMB                              | -                         | -                      | 6,300                     | 3,843                  | 6,300                     | 3,843                  |
| <b>Lease liabilities</b>           |                           |                        |                           |                        |                           |                        |
| - USD                              | 61                        | 264                    | 278                       | 1,196                  | 339                       | 1,461                  |
| - RMB                              |                           |                        | 644                       | 393                    | 644                       | 393                    |
| - HKD                              |                           |                        | 339                       | 190                    | 339                       | 190                    |
| <b>Revolving credit</b>            |                           |                        |                           |                        |                           |                        |
| - RMB                              | -                         | -                      | 23,530                    | 14,353                 | 23,530                    | 14,353                 |
| <b>Bill Financing</b>              |                           |                        |                           |                        |                           |                        |
| - USD                              | -                         | -                      | 323                       | 1,394                  | 323                       | 1,394                  |
| <b>Banker's acceptance</b>         |                           |                        |                           |                        |                           |                        |
| - RM                               | -                         | -                      |                           | 4,489                  | -                         | 4,489                  |
| <b>Total</b>                       |                           | 25,194                 |                           | 40,332                 |                           | 65,526                 |



# PCCS Group Berhad

Company No. 199301026191 (280929-K)  
(Incorporated in Malaysia)

## 22. CHANGES IN MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.

## 23. DIVIDEND PAYABLE

No dividend was proposed during the current and previous corresponding quarter.

## 24. EARNINGS PER SHARE

|                                                               | Current quarter<br>3 months ended |                      | Cumulative quarter<br>12 months ended |                      |
|---------------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                                               | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| <b>a Basic earnings per share</b>                             |                                   |                      |                                       |                      |
| Profit for the period attributable to equity holders (RM'000) | 5,910                             | 9,130                | 3,104                                 | 15,116               |
| Weighted average number of ordinary shares in issue ('000)    | 210,491                           | 210,104              | 210,491                               | 210,104              |
| Basic, for profit for the period (sen)                        | <u>2.81</u>                       | <u>4.35</u>          | <u>1.47</u>                           | <u>7.19</u>          |

### b Diluted earnings per share

Diluted earnings per share is based on the profit for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

|                                                               | Current quarter<br>3 months ended |                      | Cumulative quarter<br>12 months ended |                      |
|---------------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------|----------------------|
|                                                               | 31.03.2021<br>RM'000              | 31.03.2020<br>RM'000 | 31.03.2021<br>RM'000                  | 31.03.2020<br>RM'000 |
| Profit for the period attributable to equity holders (RM'000) | <u>5,910</u>                      | <u>9,130</u>         | <u>3,104</u>                          | <u>15,116</u>        |
| Weighted average number of ordinary shares in issue ('000)    | 210,491                           | 210,104              | 210,491                               | 210,104              |
| Effect of share options                                       | <u>267</u>                        | <u>255</u>           | <u>503</u>                            | <u>255</u>           |
| Weighted average number of ordinary shares                    | <u>210,758</u>                    | <u>210,359</u>       | <u>210,994</u>                        | <u>210,359</u>       |
| Diluted, for profit for the period (sen)                      | <u>2.80</u>                       | <u>4.34</u>          | <u>1.47</u>                           | <u>7.19</u>          |



# **PCCS Group Berhad**

Company No. 199301026191 (280929-K)  
**(Incorporated in Malaysia)**

## **25. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors on the date set forth below.

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**  
**Company Secretary**  
16 June 2021