



PCCS Group Berhad

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

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2020

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Revenue	104,834	116,895	104,834	116,895
Cost of sales	(88,779)	(93,043)	(88,779)	(93,043)
Gross Profit	16,055	23,852	16,055	23,852
Other Income	1,647	2,743	1,647	2,743
Interest Income	111	101	111	101
Administrative expenses	(12,936)	(17,133)	(12,936)	(17,133)
Selling and marketing expenses	(1,864)	(5,492)	(1,864)	(5,492)
Finance costs	(962)	(1,167)	(962)	(1,167)
Profit before tax	2,051	2,904	2,051	2,904
Income tax expense	(1,135)	(1,855)	(1,135)	(1,855)
Profit for the period	916	1,049	916	1,049
Attributable to:				
Equity holders of the parent	1,622	1,114	1,622	1,114
Non-controlling interest	(706)	(65)	(706)	(65)
	916	1,049	916	1,049
Earnings per share attributable to equity holders of the parent (sen):				
Basic	0.77	0.53	0.77	0.53
Diluted	Not applicable		Not applicable	

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 FIRST QUARTER ENDED 30 JUNE 2020

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Profit for the period	916	1,049	916	1,049
Other comprehensive profit/(loss) net of tax				
Foreign currency translation	65	(761)	65	(761)
Total comprehensive profit for the period	981	288	981	288
Total comprehensive profit/(loss) attributable to:				
Owners of the Parent	1,695	303	1,695	303
Non-controlling interest	(714)	(15)	(714)	(15)
	981	288	981	288

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 30 JUNE 2020 (UNAUDITED)

	30.06.2020 RM'000 (Unaudited)	31.03.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	123,810	119,328
Investment Properties	9,701	9,763
Deferred tax assets	258	258
	<u>133,769</u>	<u>129,349</u>
Current assets		
Inventories	45,258	65,778
Trade receivables	48,799	52,274
Other receivables	3,055	3,495
Other current assets	6,454	10,445
Tax Recoverable	114	217
Cash and bank balances	49,745	65,031
	<u>153,425</u>	<u>197,240</u>
TOTAL ASSETS	<u>287,194</u>	<u>326,589</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	83,830	83,830
Other reserves	16,776	16,703
Retained earnings	54,598	52,976
	<u>155,204</u>	<u>153,509</u>
Non-controlling interest	<u>6,560</u>	<u>7,274</u>
Total Equity	<u>161,764</u>	<u>160,783</u>
Non-Current liabilities		
Borrowings	21,647	20,991
Lease liabilities	3,554	4,203
Deferred tax liabilities	30	26
	<u>25,231</u>	<u>25,220</u>
Current liabilities		
Borrowings	28,642	38,645
Lease liabilities	3,966	1,687
Trade payables	26,735	53,120
Other payables	40,856	47,134
	<u>100,199</u>	<u>140,586</u>
Total liabilities	<u>125,430</u>	<u>165,806</u>
TOTAL EQUITY AND LIABILITIES	<u>287,194</u>	<u>326,589</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7377	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 FIRST QUARTER ENDED 30 JUNE 2020

	<----- Attributable to Equity Holders of the parent----->						Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	<----- Non-distributable ----->			Distributable					
	Share Capital RM'000	Share Option Reserve RM'000	Foreign Exchange Reserve RM'000	Warrants Reserve RM'000	Legal Reserves RM'000	Retained Earnings RM'000			
As at 1 April 2019	83,638	-	7,353	6,383	1,973	40,993	140,340	1,806	142,146
Total comprehensive (loss)/income for the period	-	-	(811)	-	-	1,114	303	(15)	288
As at 30 June 2019	<u>83,638</u>	<u>-</u>	<u>6,542</u>	<u>6,383</u>	<u>1,973</u>	<u>42,107</u>	<u>140,643</u>	<u>1,791</u>	<u>142,434</u>
As at 1 April 2020	83,830	1,113	6,201	6,383	3,006	52,976	153,509	7,274	160,783
Total comprehensive income/(loss) for the period	-	-	73	-	-	1,622	1,695	(714)	981
As at 30 June 2020	<u>83,830</u>	<u>1,113</u>	<u>6,274</u>	<u>6,383</u>	<u>3,006</u>	<u>54,598</u>	<u>155,204</u>	<u>6,560</u>	<u>161,764</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 FIRST QUARTER ENDED 30 JUNE 2020

	3 months ended	
	30.06.2020	30.06.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
- Continuing operations	2,051	2,904
Adjustment for:-		
Non-cash items	769	2,748
Non-operating items (which are investing/financing)	3,451	(91)
Interest expense	962	1,167
Interest income	(111)	(101)
Operating profit before changes in working capital	<u>7,122</u>	<u>6,627</u>
Changes in working capital		
Net change in current assets	27,618	14,487
Net change in current liabilities	(32,664)	(35,405)
Interest paid	(962)	(1,167)
Tax paid	(1,028)	8,069
Net cash flows from operating activities	<u>86</u>	<u>(7,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(8,116)	(1,446)
- Proceeds from disposal of property, plant and equipment	46	328
- Interest received	111	101
Net cash flows used in investing activities	<u>(7,959)</u>	<u>(1,017)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Net (repayment)/drawdown of hire purchase & lease financing	(148)	17,737
- Net repayment of term loans	(185)	(5,914)
- (Repayment)/increase of short term borrowings	(7,383)	10,430
Net cash flows (used in)/from financing activities	<u>(7,716)</u>	<u>22,253</u>
Net (decrease)/ increase in cash and cash equivalents	(15,589)	13,847
Effects of exchange rate changes	303	(648)
Cash and cash equivalents at beginning of financial period	65,031	54,782
Cash and cash equivalents at end of financial period	<u>49,745</u>	<u>67,981</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	<u>49,745</u>	<u>67,981</u>
	<u>49,745</u>	<u>67,981</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 period ended 30 June 2020, 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 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 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021 #/ 1 January 2022 ^
MFRS 3	Business Combinations	1 January 2020/ 1 January 2021 #/ 1 January 2022
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 #
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2021 #
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2021 # 1 January 2022 ^
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2021 #
MFRS 16	Leases	1 June 2020*/ 1 January 2022 ^
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2021 #/ 1 January 2022
MFRS 107	Statements of Cash Flows	1 January 2021 #
MFRS 116	Property, Plant and Equipment	1 January 2021 # 1 January 2022
MFRS 119	Employee Benefits	1 January 2021 #



PCCS Group Berhad

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

MFRS 128 Investments in Associates and Joint Ventures	Effective for financial periods beginning on or after 1 January 2021 #
MFRS 132 Financial instruments: Presentation	1 January 2021 #
MFRS 136 Impairment of Assets	1 January 2021 #
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2021 #/ 1 January 2022
MFRS 138 Intangible Assets	1 January 2021 #
MFRS 140 Investment Property	1 January 2021 #
MFRS 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 3 months ended		Cumulative quarter 3 months ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Segment Revenue				
Revenue from operations:				
Apparels	113,697	151,929	113,697	151,929
Label & Packaging	12,314	16,203	12,314	16,203
Others	5,750	5,146	5,750	5,146
Total revenue before eliminations	131,761	173,278	131,761	173,278
Eliminations	(26,927)	(56,383)	(26,927)	(56,383)
Total	104,834	116,895	104,834	116,895
Segment Result				
Result from operations:				
Apparels	5,734	6,932	5,734	6,932
Label & Packaging	(1,994)	(639)	(1,994)	(639)
Others	(884)	(727)	(884)	(727)
	2,856	5,566	2,856	5,566
Eliminations	(805)	(2,662)	(805)	(2,662)
Total	2,051	2,904	2,051	2,904



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 period ended 30 June 2020.

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

On 26th June 2020, PCCS had incorporated a wholly-owned subsidiary company in Singapore under the name of La Prima Medicare Pte. Ltd. (LA), with a registered capital of SGD1 comprising one share at SGD 1 per share. The principal activity of La Prima Medicare Pte. Ltd. is wholesale of medical, professional, scientific and precision equipment.

11. CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 June 2020 are RM3 million 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 RM55 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2020.

13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period 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
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	104,834	116,895	(12,061)	104,834	116,895	(12,061)
Profit before tax	2,051	2,904	(853)	2,051	2,904	(853)

During the current quarter ended 30 June 2020, the Group recorded lower revenue of RM104.8million as compared to RM116.9 million in the previous corresponding quarter. Whereas, the pre-tax profit of the Group for the quarter under review was lower at RM2.1 million, compared with the pre-tax profit of RM2.9 million in previous corresponding quarter. The lower revenue and profit were mainly due to the decrease of turnover in China Apparel and Cambodia Label and Packaging Segment subsequent to the Covid-19 outbreak.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increased from RM94.4 million recorded in the preceding quarter to RM104.8 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM2.1 million as compared with a pre-tax profit of RM7.1 million recorded for the preceding quarter mainly due to the unrealised forex gain in the Group in the preceding quarter.

16. COMMENTARY ON PROSPECTS

Apparel segment

This segment will be affected by the development of the Covid-19's epidemic in the coming quarter as the outbreak has changed the consumer behaviour, but the whole macroeconomic development shall be improved after the epidemic is under control. The development of this segment very much relies on whether the world can control the epidemic situation, especially in European and American countries. However, we are optimistic about the recovery of economic activities in Greater China in the near future because the epidemic has been brought under control.

Label and Packaging segment

Malaysia label and packaging segment will gradually back on track in the coming quarter due to the Recovery Movement Control Order (RMCO) has resulted in the gradual reopening of economy. The Board believes that this segment will be able to gain a reasonable market share with strategic planning on pricing, marketing strategies and distinctive positioning.

Others segment

The Board is of the view that the printing and embroidering have to be revamped, including downsizing, this is given that demand recovery may be hindered by rising Covid-19 cases across the world.

The Board will play a leading role and work closely with the Management to ensure that the group can smoothly pass through the uncertain economic environment. The Board is of the view that we should remain vigilant on our prospects and to control costs and capex, to maintain and improve utilization of our existing plants' capacities.

Moving forward, the Management will continue exploring opportunities to diversify its business.



PCCS Group Berhad

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

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Included in the profit before tax are the following items:				
Interest income	(111)	(101)	(111)	(101)
Interest expenses	962	1,167	962	1,167
Depreciation	3,343	1,887	3,343	1,887
Provision for doubtful debts	8	2,623	8	2,623
Provision for slow moving stock	103	52	103	52
Loss/(Gain) on disposal of property, plant and equipment	126	(91)	126	(91)
Realised foreign exchange gain	(238)	(183)	(238)	(183)
Unrealised foreign exchange loss/(gain)	761	(1,816)	761	(1,816)

19. INCOME TAX EXPENSE

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	19	13	19	13
Foreign income tax	1,116	1,842	1,116	1,842
Total income tax expense	<u>1,135</u>	<u>1,855</u>	<u>1,135</u>	<u>1,855</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 30.06.2020					
	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
Secured						
Term loan	-	21,647	-	2,722	-	24,369
Lease liabilities		2,836		1,690		4,526
Unsecured						
Trust receipt or trade loan						
- USD	-	-	2,460	10,528	2,460	10,528
- RMB	-	-	2,000	1,220	2,000	1,220
Lease liabilities						
- USD	-	-	412	1,762	412	1,762
- RMB	941	574	611	373	1,552	947
- HKD	262	144	256	141	518	285
Revolving credit						
- RMB	-	-	16,839	10,272	16,839	10,272
Banker's acceptance						
- RM	-	-		3,900	-	3,900
Total	-	25,201		32,608		57,809
	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
Secured						
Term loan	-	20,991	-	3,563	-	24,554
Lease liabilities	-	3,939	-	1,687	-	5,626
Unsecured						
Trust receipt or trade loan						
- USD	-	-	2,140	9,224	2,140	9,224
- RMB	-	-	6,300	3,843	6,300	3,843
Lease liabilities						
- USD	61	264	278	1,196	339	1,461
- RMB			644	393	644	393
- HKD			339	190	339	190
Revolving credit						
- USD	-	-	-	-	-	-
- RMB	-	-	23,530	14,353	23,530	14,353
Bill Financing						
- USD	-	-	323	1,394	323	1,394
Banker's acceptance						
- RM	-	-		4,489	-	4,489
Total		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 3 months ended		Cumulative quarter 3 months ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
a Basic earnings per share				
Profit for the period attributable to equity holders (continuing operation) (RM'000)	1,622	1,114	1,622	1,114
Weighted average number of ordinary shares in issue ('000)	210,403	210,042	210,403	210,042
Basic, for profit for the period (sen)	<u>0.77</u>	<u>0.53</u>	<u>0.77</u>	<u>0.53</u>

b Diluted

Diluted earnings per share are equal to basic earnings per share as there are no potential dilutive ordinary shares as at 30 June 2020. As at reporting date, the warrants were at the out-of-the-money position.

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
28 August 2020