



PCCS Group Berhad

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

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.6.2024 RM'000	30.06.2023 RM'000	30.6.2024 RM'000	30.06.2023 RM'000
Revenue	172,671	97,774	172,671	97,774
Cost of sales	(144,212)	(81,431)	(144,212)	(81,431)
Gross Profit	28,459	16,343	28,459	16,343
Other Income	1,276	4,446	1,276	4,446
Interest Income	190	210	190	210
Administrative expenses	(17,303)	(16,211)	(17,303)	(16,211)
Selling and marketing expenses	(1,930)	(1,436)	(1,930)	(1,436)
Finance costs	(2,941)	(1,349)	(2,941)	(1,349)
Profit before tax	7,751	2,003	7,751	2,003
Income tax expense	(1,765)	(709)	(1,765)	(709)
Profit for the period	5,986	1,294	5,986	1,294
Profit/(Loss) attributable to:				
Owners of the Company	6,325	1,608	6,325	1,608
Non-controlling interests	(339)	(314)	(339)	(314)
	5,986	1,294	5,986	1,294
Earnings per share attributable to equity holders of the parent (sen):				
Basic	2.84	0.72	2.84	0.72
Diluted	2.84	0.72	2.84	0.72

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period	5,986	1,294	5,986	1,294
Other comprehensive income/(loss), net of tax				
Foreign currency translation	116	(471)	116	(471)
Total comprehensive income/ (loss) for the period	6,102	823	6,102	823
Total comprehensive income/(loss) attributable to:				
Owners of the Company	6,441	1,092	6,441	1,092
Non-controlling interests	(339)	(269)	(339)	(269)
	6,102	823	6,102	823

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 199301026191 (280929-K)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (UNAUDITED)

	30.06.2024 RM'000 (Unaudited)	31.03.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	74,632	74,133
Investment Properties	15,458	15,688
Lease receivables	32,445	33,423
Deferred tax assets	2,173	2,440
	<u>124,708</u>	<u>125,684</u>
Current assets		
Inventories	72,393	105,933
Contract assets	3,590	4,400
Trade receivables	60,007	54,672
Other receivables	2,876	2,574
Other current assets	7,646	6,522
Lease receivables	8,626	8,088
Short-term funds	3,384	4,357
Deposits, cash and bank balances	52,205	45,371
	<u>210,727</u>	<u>231,917</u>
TOTAL ASSETS	<u>335,435</u>	<u>357,601</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	91,453	91,453
Treasury shares	(1,161)	(1,161)
Other reserves	12,949	12,833
Retained earnings	72,587	68,468
	<u>175,828</u>	<u>171,593</u>
Non-controlling interests	<u>3,426</u>	<u>3,765</u>
Total Equity	<u>179,254</u>	<u>175,358</u>
Non-current liabilities		
Borrowings	4,694	4,367
Lease liabilities	8,644	7,999
	<u>13,338</u>	<u>12,366</u>
Current liabilities		
Borrowings	50,934	64,090
Lease liabilities	2,195	2,360
Trade payables	37,957	58,059
Other payables	50,164	44,511
Tax liabilities	1,593	857
	<u>142,843</u>	<u>169,877</u>
Total liabilities	<u>156,181</u>	<u>182,243</u>
TOTAL EQUITY AND LIABILITIES	<u>335,435</u>	<u>357,601</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7971	0.7779

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statement



PCCS Group Berhad

Company No. 199301026191 (280929-K)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	<----- 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	Treasury shares RM'000	Share option reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000			
As at 1 April 2024	91,453	(1,161)	40	8,160	4,633	68,468	171,593	3,765	175,358
Profit/(Loss) for the period	-	-	-	-	-	6,325	6,325	(339)	5,986
Other comprehensive income for the period	-	-	-	116	-	-	116	-	116
Total comprehensive income/(loss) for the period	-	-	-	116	-	6,325	6,441	(339)	6,102
Dividends	-	-	-	-	-	(2,206)	(2,206)	-	(2,206)
As at 30 June 2024	91,453	(1,161)	40	8,276	4,633	72,587	175,828	3,426	179,254

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2023

	----- Attributable to Equity Holders of the parent ----->							Non- controlling interest RM'000	Total equity RM'000
	----- Non-distributable -----				----- Distributable -----				
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Foreign exchange reserve RM'000	Legal reserve fund RM'000	Retained earnings RM'000	Total RM'000		
As at 1 April 2023	91,453	(1,161)	110	8,202	3,890	64,912	167,406	2,241	169,647
Profit/(Loss) for the period	-	-	-	-	-	1,608	1,608	(314)	1,294
Other comprehensive (loss)/income for the period	-	-	-	(516)	-	-	(516)	45	(471)
Total comprehensive (loss)/income for the period	-	-	-	(516)	-	1,608	1,092	(269)	823
As at 30 June 2023	91,453	(1,161)	110	7,686	3,890	66,520	168,498	1,972	170,470

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	3 months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,751	2,003
Adjustment for:-		
Non-cash items	1,007	(2,190)
Non-operating items (which are investing/financing)	2,745	2,701
Interest expense	2,941	1,349
Interest income	(190)	(210)
Operating profit before changes in working capital	<u>14,254</u>	<u>3,653</u>
Changes in working capital		
Net change in current assets	27,021	15,531
Net change in current liabilities	(16,655)	(8,187)
Interest paid	(2,941)	(1,349)
Tax paid	(762)	(705)
Net cash flows from operating activities	<u>20,917</u>	<u>8,943</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net change in short-term fund	996	386
- Dividend income from short-term fund	13	18
- Purchase of property, plant and equipment	(2,153)	(1,390)
- Proceeds from disposal of property, plant and equipment	18	81
- Interest received	190	210
Net cash flows used in investing activities	<u>(936)</u>	<u>(695)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Net drawdown of block discounting	1,912	2,000
- Net repayment of lease liabilities	(430)	(19)
- Net repayment of short term borrowings	(14,741)	(10,367)
Net cash flows used in financing activities	<u>(13,259)</u>	<u>(8,386)</u>
Net increase in cash and cash equivalents	6,722	(138)
Effects of foreign exchange rate changes	112	(2,107)
Cash and cash equivalents at the beginning of the financial period	<u>45,371</u>	<u>60,618</u>
Cash and cash equivalents at the end of the financial period	<u><u>52,205</u></u>	<u><u>58,373</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	<u>52,205</u>	<u>58,373</u>
	<u><u>52,205</u></u>	<u><u>58,373</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 30 June 2024, 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 2024. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2024, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial period:

Amendments/Improvements to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows

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 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without public Accountability: Disclosure	1 January 2027

Amendments/Improvements to MFRSs

MFRS 7 Financial Instruments: Disclosures	1st January 2026
MFRS 9 Financial Instruments	1st January 2026
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 121 The Effects of Changes in Foreign Exchange Rates	1st January 2025
MFRS 128 Investments in Associates and Joint Ventures	Deferred

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2024 was not qualified.



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3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from operations:				
Apparels	213,135	116,384	213,135	116,384
Credit financing	2,289	2,139	2,289	2,139
Others	643	295	643	295
Total revenue before eliminations	216,067	118,818	216,067	118,818
Eliminations	(43,396)	(21,044)	(43,396)	(21,044)
Total	172,671	97,774	172,671	97,774
Segment Result				
Result from operations:				
Apparels	5,930	(1,345)	5,930	(1,345)
Credit financing	302	394	302	394
Others	(561)	(393)	(561)	(393)
	5,671	(1,344)	5,671	(1,344)
Eliminations	315	2,638	315	2,638
Total	5,986	1,294	5,986	1,294

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

The Board of Directors of the Company had on 31 May 2024, declared a second interim single-tier dividend of 1 sen (30 June 2023: nil) per ordinary share for the financial year ended 31 March 2024. The dividend had been paid on 5 July 2024 to shareholders whose names appear in the Record of Depositors at the close of business on 19 June 2024.



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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 2024.

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 THE COMPOSITION OF THE GROUP

There were no changes in the composition of the group during the current quarter.

11. CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 June 2024 are RM3.5 million for the purchase of machinery, equipment, and renovation.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets during the three months financial period ended on 30 June 2024.

13. SUBSEQUENT EVENTS

The Company successfully concluded the acquisition of an additional 1,200,000 ordinary shares in Southern Auto Capital Sdn. Bhd. ("SAC") on 16 July 2024, thereby securing full ownership with a total cash consideration of RM1,290,000. This strategic move elevated the Company's equity interest in SAC from 95% to 100%.



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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
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	172,671	97,774	74,897	172,671	97,774	74,897
Profit after tax	5,986	1,294	4,692	5,986	1,294	4,692

In the first quarter ended 30 June 2024, the Group reported a remarkable surge in revenue, experiencing an astounding increase of 76.6% to reach RM172.7 million compared to RM97.8 million in the corresponding quarter last year. The substantial growth can be attributed primarily to an unprecedented surge in orders within the Apparel division. Moreover, the Group achieved a significant upswing in profitability, with profit after tax soaring by an impressive 362.6% to RM6.0 million, surpassing last year's figure of RM1.3 million by leaps and bounds. This exceptional rise in profit is mainly attributable to the higher revenue generated from our Apparel division.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue	172,671	110,340	62,331	56.5%
Profit after tax	5,986	5,187	799	15.4%

The latest quarter witnessed a remarkable surge in total revenue, soaring by an impressive 56.5% to reach RM172.7 million, surpassing the preceding quarter's RM110.3 million. This substantial increase can be attributed to the exceptional performance of our Apparel division. Moreover, our after-tax profit experienced a noteworthy rise of RM0.8 million or 15.4%, reaching an impressive RM6.0 million compared to the previous quarter's RM5.2 million. This significant growth in profitability is also attributable to the outstanding achievements of our Apparel division.

16. COMMENTARY ON PROSPECTS

As we approach the upcoming quarter, our apparel business is poised to experience a moderate growth trajectory, influenced by factors such as fluctuations in foreign exchange rates, market saturation, and ongoing adjustments in supply chain and customer inventory management. Anticipated economic uncertainties and evolving consumer preferences are expected to contribute to a more gradual pace of expansion in the near term. Nevertheless, our projections for the full year remain buoyant.

The management of our credit financing division remains steadfast in adopting a prudent approach during the loan approval process, placing significant emphasis on conducting rigorous assessments of credit risks to effectively mitigate market and credit risks while minimizing non-performing loans. Notably, as of July 16th, 2024, the group's equity interest in the credit business has increased from 95% to 100% through the subscription of an additional 1,200,000 ordinary shares. This strategic decision aims to fortify our growth trajectory within this division.



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For the medical segment, management will not only prioritize ongoing self-development and organic growth but also emphasize expanding market presence.

The Group will continue to enhance operational efficiency and implement cost-saving measures to drive improved performance. The Board remains vigilant regarding the overall financial outlook, considering the challenges posed by heightened inflationary pressures and ongoing geopolitical tensions.

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 3 months ended		Cumulative quarter 3 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Included in the profit before tax are the following items:				
Continuing Operations				
Bad debts written off	252	369	252	369
Depreciation and amortisation	2,751	2,559	2,751	2,559
Fixed assets written off	-	199	-	199
Gain on lease modification	-	-	-	(28)
Interest income	(190)	(210)	(190)	(210)
Interest expenses	2,941	1,349	2,941	1,349
Net impairment losses on lease receivables	765	370	765	370
Loss on disposal of property, plant and equipment	30	22	30	22
Realised foreign exchange gain	(94)	(531)	(94)	(531)
Unrealised foreign exchange gain	(10)	(2,929)	(10)	(2,929)

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	371	325	371	325
Foreign income tax	1,394	384	1,394	384
Total income tax expenses	1,765	709	1,765	709

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



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20. CORPORATE PROPOSALS

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

21. GROUP BORROWINGS

	As at 30.6.2024					
	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						
Lease liabilities	-	541	-	173	-	714
Block discounting	-	4,694	-	2,850	-	7,544
Unsecured						
Trust receipt or trade loan - USD	-	-	3,552	16,766	3,552	16,766
Lease liabilities - RM		-		19		19
- USD	1,615	7,624	324	1,529	1,939	9,153
- HKD	365	219	387	232	752	451
- RMB	400	260	372	242	772	502
Revolving credit						
- USD	-	-	500	2,360	500	2,360
- RMB	-	-	44,551	28,958	44,551	28,958
Total		13,338		53,129		66,467



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	As at 31.03.2024					
	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						
Block Discounting	-	4,367	-	1,266	-	5,633
Lease liabilities	-	470	-	146	-	616
Unsecured						
Trust receipt or bill financing						
- USD	-	-	6,889	32,514	6,889	32,514
- RMB	-	-	16,751	10,888	16,751	10,888
Lease liabilities						
- RM	-	-	-	1	-	1
- USD	1,495	7,057	354	1,672	1,849	8,729
- RMB	392	255	372	242	764	497
- HKD	362	217	498	299	860	516
Revolving credit						
- RMB	-	-	29,880	19,422	29,880	19,422
Total		12,366		66,450		78,816

22. CHANGES IN MATERIAL LITIGATION

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

23. DIVIDEND PAYABLE

Other than the dividend paid as disclosed in note 7, no dividend has been proposed by the Board of Directors for the financial period ended 30 June 2024 (30 June 2023: 1 sen per ordinary share).

24. EARNINGS PER SHARE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
a Basic earnings per share				
Profit for the period attributable to equity holders (RM'000)	6,325	1,608	6,325	1,608
Weighted average number of ordinary shares in issue ('000)	223,021	223,021	223,021	223,021
Basic (continued operations) (sen)	<u>2.84</u>	<u>0.72</u>	<u>2.84</u>	<u>0.72</u>
Basic, for profit for the period (sen)	<u>2.84</u>	<u>0.72</u>	<u>2.84</u>	<u>0.72</u>



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b Diluted

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 period 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 3 months ended		Cumulative quarter 3 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period attributable to equity holders (RM'000)	6,325	1,608	6,325	1,608
Weighted average number of ordinary shares in issue ('000)	223,021	223,021	223,021	223,021
Effect of share options	16	(14)	16	(14)
Weighted average number of ordinary shares ('000)	<u>223,037</u>	<u>223,007</u>	<u>223,037</u>	<u>223,007</u>
Diluted, for profit for the period (sen)	<u>2.84</u>	<u>0.72</u>	<u>2.84</u>	<u>0.72</u>

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
26 August 2024