



# PCCS Group Berhad

Company No. 199301026191 (280929-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)
<b>Continuing operations (Note 4)</b>				
Revenue	95,981	56,212	298,275	232,256
Cost of sales	(81,615)	(45,805)	(252,251)	(195,725)
<b>Gross Profit</b>	14,366	10,407	46,024	36,531
Other Income	272	452	2,998	1,313
Interest Income	26	26	95	200
Administrative expenses	(11,496)	(11,600)	(32,885)	(34,417)
Selling and marketing expenses	(3,899)	(1,096)	(12,659)	(4,503)
Finance costs	(607)	(336)	(1,811)	(1,469)
<b>(Loss)/profit before tax</b>	(1,338)	(2,147)	1,762	(2,345)
Income tax expense	(565)	(414)	(1,769)	(1,812)
<b>Loss for the period from continuing operations</b>	(1,903)	(2,561)	(7)	(4,157)
<b>Discontinued operations (Note 4)</b>				
(Loss)/profit for the period from discontinued operations	(1,520)	370	(1,190)	427
<b>Loss for the period</b>	(3,423)	(2,191)	(1,197)	(3,730)
<b>(Loss)/profit attributable to:</b>				
Owners of the Company				
- Continuing operations	(1,098)	(2,498)	2,174	(3,287)
- Discontinued operations	(1,332)	424	(829)	481
	(2,430)	(2,074)	1,345	(2,806)
Non-controlling interests				
- Continuing operations	(805)	(63)	(2,181)	(870)
- Discontinued operations	(188)	(54)	(361)	(54)
	(993)	(117)	(2,542)	(924)
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic (continuing operations)	(0.52)	(1.19)	1.02	(1.56)
Basic (discontinued operations)	(0.63)	0.20	(0.39)	0.23
Basic	(1.15)	(0.99)	0.63	(1.33)
Diluted (continuing operations)	(0.52)	(1.19)	1.02	(1.56)
Diluted (discontinued operations)	(0.63)	0.20	(0.39)	0.23
Diluted	(1.15)	(0.99)	0.63	(1.33)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 THIRD QUARTER ENDED 31 DECEMBER 2021

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)
<b>Loss for the period</b>	(1,903)	(2,561)	(7)	(4,157)
<b>Other comprehensive profit net of tax</b>				
<b>Continuing operations</b>				
Foreign currency translation	46	992	1,922	1,693
<b>Discontinued operations</b>	(1,520)	370	(1,190)	427
<b>Total comprehensive (loss)/profit for the period</b>	<b>(3,377)</b>	<b>(1,199)</b>	<b>725</b>	<b>(2,037)</b>
<b>Total comprehensive (loss)/profit attributable to:</b>				
Owners of the Company				
- Continuing operations	(1,076)	(1,462)	3,957	(1,507)
- Discontinued operations	(1,332)	424	(829)	481
	<b>(2,408)</b>	<b>(1,038)</b>	<b>3,128</b>	<b>(1,026)</b>
Non-controlling interests				
- Continuing operations	(781)	(107)	(2,042)	(957)
- Discontinued operations	(188)	(54)	(361)	(54)
	<b>(969)</b>	<b>(161)</b>	<b>(2,403)</b>	<b>(1,011)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 31 DECEMBER 2021 (UNAUDITED)

	31.12.2021 RM'000 (Unaudited)	31.03.2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	74,508	123,985
Investment Properties	9,925	9,800
Other receivables	170	170
Deferred tax assets	62	561
	<u>84,665</u>	<u>134,516</u>
<b>Current assets</b>		
Inventories	61,831	68,198
Contract assets	1,651	1,848
Trade receivables	47,890	57,888
Other receivables	3,292	3,306
Other current assets	5,508	6,235
Tax Recoverable	-	1,077
Short-term fund	6,076	12,945
Cash and bank balances	60,296	37,696
	<u>186,544</u>	<u>189,193</u>
Assets of disposal group classified as held for sale (Note 4)	78,134	
	<u>264,678</u>	<u>189,193</u>
<b>TOTAL ASSETS</b>	<u>349,343</u>	<u>323,709</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity owners of the parent</b>		
Share capital	86,127	84,709
Other reserves	21,562	18,978
Retained earnings	54,798	56,479
	<u>162,487</u>	<u>160,166</u>
<b>Non-controlling interest</b>	5,810	6,268
<b>Total Equity</b>	<u>168,297</u>	<u>166,434</u>
<b>Non-Current liabilities</b>		
Borrowings	-	21,864
Lease liabilities	8,271	5,129
	<u>8,271</u>	<u>26,993</u>
<b>Current liabilities</b>		
Borrowings	32,555	40,980
Lease liabilities	948	3,350
Trade payables	32,135	42,452
Other payables	35,206	43,500
Tax payables	1,154	-
	<u>101,998</u>	<u>130,282</u>
Liabilities of disposal group classified as held for sale (Note 4)	70,777	-
	<u>172,775</u>	<u>130,282</u>
<b>Total liabilities</b>	<u>181,046</u>	<u>157,275</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>349,343</u>	<u>323,709</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.7568	0.7553

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statement



# PCCS Group Berhad

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

	<----- Attributable to Equity Holders of the parent----->							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	Total 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
Loss for the period	-	-	-	-	-	(2,806)	(2,806)	(924)	(3,730)
Other comprehensive income/(loss) for the period	-	-	1,780	-	-	-	1,780	(87)	1,693
Total comprehensive income/(loss) for the period	-	-	1,780	-	-	(2,806)	(1,026)	(1,011)	(2,037)
Issue of ordinary shares pursuant to ESOS	656	(199)	-	-	-	-	457	-	457
Changes in ownership interest in a subsidiary	-	-	-	-	-	326	326	(1,550)	(1,224)
Subscription of shares by non- controlling interests in subsidiary	-	-	-	-	-	-	-	1,985	1,985
<b>As at 31 December 2020</b>	<b>84,486</b>	<b>914</b>	<b>7,981</b>	<b>6,383</b>	<b>3,006</b>	<b>50,496</b>	<b>153,266</b>	<b>6,698</b>	<b>159,964</b>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

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

	<----- 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			
<b>As at 1 April 2021</b>	84,709	846	8,743	6,383	3,006	56,479	160,166	6,268	166,434
Profit/(loss) for the period	-	-	-	-	-	1,345	1,345	(2,542)	(1,197)
Other comprehensive income for the period	-	-	1,783	-	-	-	1,783	139	1,922
Total comprehensive income/(loss) for the period	-	-	1,783	-	-	1,345	3,128	(2,403)	725
Issue of ordinary shares pursuant to ESOS	1,418	(427)	-	-	-	-	991	-	991
Share option issued	-	344	-	-	-	-	344	-	344
Subscription of shares by non- controlling interests in subsidiaries	-	-	-	-	-	-	-	1,945	1,945
Transfer to legal reserve	-	-	-	-	884	(884)	-	-	-
Dividends	-	-	-	-	-	(2,142)	(2,142)	-	(2,142)
<b>As at 31 December 2021</b>	<u>86,127</u>	<u>763</u>	<u>10,526</u>	<u>6,383</u>	<u>3,890</u>	<u>54,798</u>	<u>164,629</u>	<u>5,810</u>	<u>168,297</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 2021 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

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

	9 months ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation from:		
- Continuing operations	1,762	(2,345)
- Discontinued operations	(974)	427
Profit/(loss) before tax, total	<u>788</u>	<u>(1,918)</u>
Adjustment for:-		
Non-cash items	(430)	5,587
Non-operating items (which are investing/financing)	11,039	11,121
Interest expense	2,892	2,354
Interest income	(130)	(229)
Operating profit before changes in working capital	<u>14,159</u>	<u>16,915</u>
<b>Changes in working capital</b>		
Net change in current assets	(374)	32,530
Net change in current liabilities	4,259	(29,333)
Interest paid	(2,892)	(2,354)
Tax paid	(2,879)	(2,225)
<b>Net cash flows from operating activities</b>	<u>12,273</u>	<u>15,533</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Net change in short-term fund	6,855	-
- Dividend income from short-term fund	99	-
- Purchase of property, plant and equipment	(6,661)	(13,788)
- Proceeds from disposal of property, plant and equipment	1,119	41
- Interest received	130	229
- Acquisition of non-controlling interest	-	(1,224)
<b>Net cash flows from/(used in) investing activities</b>	<u>1,542</u>	<u>(14,742)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Net repayment of hire purchase & lease liabilities	(2,293)	(2,174)
- Net repayment of term loans	(1,397)	(2,583)
- Repayment of short term borrowings	(553)	(13,548)
- Drawdown of term loan & hire purchase	16,975	5,893
- Proceed from ordinary shares issued pursuant to ESOS	991	457
- Subscription of shares in subsidiaries by non-controlling interests	1,945	1,985
- Dividend paid	(2,142)	-
<b>Net cash flows from/(used in) financing activities</b>	<u>13,526</u>	<u>(9,970)</u>
Net increase/(decrease) in cash and cash equivalents	27,341	(9,179)
Effects of exchange rate changes	71	3,979
Cash and cash equivalents at beginning of financial period	37,696	65,031
Less: Cash and cash equivalents of disposal group classified as held for sale (Note 4)	<u>(6,762)</u>	<u>(7,360)</u>
Cash and cash equivalents at end of financial period	<u>58,346</u>	<u>52,471</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	60,296	52,471
Bank overdrafts	(1,950)	-
Cash and cash equivalents	<u>58,346</u>	<u>52,471</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 31 December 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 2021. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2021, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year:

#### **Amendments/Improvements to MFRSs**

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
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 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16	Leases	1 January 2022 <sup>^</sup>
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023



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	Effective for financial periods beginning on or after
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023 #
MFRS 119 Employee Benefits	1 January 2023 #
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 #
MFRS 132 Financial instruments: Presentation	1 January 2023 #
MFRS 136 Impairment of Assets	1 January 2023 #
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138 Intangible Assets	1 January 2023#
MFRS 140 Investment Property	1 January 2023 #
MFRS 141 Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

# 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 2021 was not qualified.

## 3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)	31.12.2021 RM'000	31.12.2020 RM'000 (RESTATED)
<b>Segment Revenue</b>				
Revenue from operations:				
Apparels	112,742	60,419	358,542	266,392
Label & Packaging	15,786	16,417	48,272	45,388
Others	18,395	6,546	18,463	16,672
Total revenue before eliminations	146,923	83,382	425,277	328,452
Discontinued operations	(14,520)	(15,081)	(44,689)	(41,636)
Eliminations	(36,422)	(12,089)	(82,313)	(54,560)
Total	95,981	56,212	298,275	232,256
<b>Segment Result</b>				
Result from operations:				
Apparels	(426)	990	4,415	5,385
Label & Packaging	46	(764)	(560)	(2,568)
Others	17,459	(469)	15,766	(1,276)
	17,079	(243)	19,621	1,541
Discontinued operations	(1,520)	370	(1,190)	427
Eliminations	(18,982)	(2,318)	(19,628)	(5,698)
Total	(3,423)	(2,191)	(1,197)	(3,730)





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

On 21 December 2021, the Board of Directors announced that the Group entered into a conditional share sale agreement (“SSA”) with Chan Capital Sdn. Bhd. (“CCSB”) for the disposal of the 8,000,000 ordinary shares in Mega Label (Malaysia) Sdn. Bhd. (“MLMSB”) representing the entire equity interest in MLMSB, together with Mega Label (Penang) Sdn. Bhd. (“MLPSB”), A 51%-owned subsidiary of MLMSB, to CCSB for a total cash consideration of RM8.5 million. The assets and liabilities related to MLMSB and MLPSB have been presented as held for sale.

Impact on unaudited Consolidated Statement of Financial Position as at 31 December 2021

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	127,384	(52,876)	74,508
Investment Properties	9,925		9,925
Other receivables	170		170
Deferred tax assets	501	(439)	62
	<u>137,980</u>	<u>(53,315)</u>	<u>84,665</u>
<b>Current assets</b>			
Inventories	65,439	(3,608)	61,831
Contract assets	1,651		1,651
Trade receivables	60,042	(12,152)	47,890
Other receivables	3,309	(17)	3,292
Other current assets	7,788	(2,280)	5,508
Tax Recoverable	-		-
Short-term fund	6,076		6,076
Cash and bank balances	67,058	(6,762)	60,296
	<u>211,363</u>	<u>(24,819)</u>	<u>186,544</u>
Assets of disposal group classified as held for sale	-	78,134	78,134
	<u>211,363</u>	<u>53,315</u>	<u>264,678</u>
<b>TOTAL ASSETS</b>	<u>349,343</u>	<u>-</u>	<u>349,343</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity owners of the parent</b>			
Share capital	86,127		86,127
Other reserves	21,562		21,562
Retained earnings	54,798		54,798
	<u>162,487</u>	<u>-</u>	<u>162,487</u>
<b>Non-controlling interest</b>	5,810	-	5,810
<b>Total Equity</b>	<u>168,297</u>	<u>-</u>	<u>168,297</u>
<b>Non-Current liabilities</b>			
Borrowings	34,251	(34,251)	-
Lease liabilities	11,557	(3,286)	8,271
	<u>45,808</u>	<u>(37,537)</u>	<u>8,271</u>
<b>Current liabilities</b>			
Borrowings	44,593	(12,038)	32,555
Lease liabilities	2,514	(1,566)	948
Trade payables	36,810	(4,675)	32,135
Other payables	52,673	(17,467)	35,206
Tax payables	(1,352)	2,506	1,154
	<u>135,238</u>	<u>(33,240)</u>	<u>101,998</u>
Liabilities of disposal group classified as held for sale	-	70,777	70,777
	<u>135,238</u>	<u>37,537</u>	<u>172,775</u>
<b>Total liabilities</b>	<u>181,046</u>	<u>-</u>	<u>181,046</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>349,343</u>	<u>-</u>	<u>349,343</u>



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Impact on unaudited Consolidated Income Statements as at 31 December 2021

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
<b>Continuing Operations</b>			
Revenue	342,965	(44,690)	298,275
Cost of sales	(288,177)	35,926	(252,251)
<b>Gross Profit</b>	54,788	(8,764)	46,024
Other Income	3,778	(780)	2,998
Interest Income	130	(35)	95
Administrative expenses	(41,163)	8,278	(32,885)
Selling and marketing expenses	(13,852)	1,193	(12,659)
Finance costs	(2,893)	1,082	(1,811)
<b>Profit before tax</b>	788	974	1,762
Income tax expense	(1,985)	216	(1,769)
<b>(Loss)/profit for the period from continuing operations</b>	(1,197)	1,190	(7)
<b>Discontinued Operations</b>			
Loss for the period from discontinued operations	-	(1,190)	(1,190)
<b>Loss for the period</b>	(1,197)	-	(1,197)
Attributable to:			
Equity holders of the parent			
- Continuing Operations	1,345	829	2,174
- Discontinued Operations	-	(829)	(829)
	1,345	-	1,345
Non-controlling interest			
- Continuing Operations	(2,542)	361	(2,181)
- Discontinued Operations	-	(361)	(361)
	(2,542)	-	(2,542)
	(1,197)	-	(1,197)

## 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.



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## 7. DIVIDENDS PAID

Details of the single-tier interim dividend declared were as follows:

Interim dividend for the financial year	31 March 2022
Payment date	1 November 2021
Dividend per share (single tier)	1.00 sen
Entitlement to dividend based on Record of Depositors as at	6 October 2021
Number of ordinary shares	214,199,407
Dividend paid	RM2,141,994.07

## 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 2021.

## 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

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 31 December 2021 are RM1.4million 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 nine months financial period ended 31 December 2021.

## 13. SUBSEQUENT EVENTS

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



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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 31.12.2021	Preceding Year Corresponding Quarter 31.12.2020	Changes	Current Year To-date 31.12.2021	Preceding Year Corresponding Period 31.12.2020	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>						
Revenue	95,981	56,212	39,769	298,275	232,256	66,019
Loss after tax	(1,903)	(2,561)	658	(7)	(4,157)	4,150
<b>Discontinued Operations</b>						
(Loss)/profit after tax	(1,520)	370	(1,890)	(1,190)	427	(1,617)
Loss after tax for the period	(3,423)	(2,191)	(1,232)	(1,197)	(3,730)	2,533

The Group registered revenue from Continuing Operations of RM95.98 million for the current quarter ended 31 December 2021. This was RM39.77 million or 70.75% higher than the RM56.21 million recorded in the same quarter last year. The after-tax loss from Continuing Operations decreased by approximately RM658 thousand. The higher revenue and lower loss were mainly due to China Apparels' overall business performance, which has delivered a strong performance compared to the corresponding quarter of the preceding year. However, the dilemmas of labor shortages and elevated inflation have hampered our overall performance in the Apparels segment.

On a nine-month basis, the Group recorded higher revenue from Continuing Operations of RM298.28 million as compared to RM232.26 million achieved in the previous corresponding period. The after-tax loss of the Continuing Operations decreased by RM4.15 million to an after-tax loss of RM7 thousand. These were due mainly to the China Apparels have benefited from the relatively early economic recovery. Nonetheless, we are still not able to reverse the loss due to the Cambodian government announced a total lockdown for a period of 3 weeks from 15 April 2021 to 5 May 2021. And following the Cambodian Ministry of Health's Covid-19 screening at the Cambodia Apparel plant, the factory was ordered to cease operation for two weeks from 31 May 2021 to 13 June 2021. Furthermore, during the above-mentioned period, Cambodian workers or staff working were paid 150% above the base wage and 50% of the base wage for those not working. The confinement in the Cambodian plant, cost pressure from inflation, and sewer recruitment and retention in Apparels segment had affected our performance.

The Group posted a loss after-tax from Discontinued Operations of RM1.2 million for the period ended 31 December 2021 as compared to a profit of RM427 thousand in the previous corresponding period. These were due to the higher material costs and professional fees. Professional fees of approximately RM700 thousand were recognized in Discontinued Operations following the release of the new loan during the quarter under review.



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

	<b>3 months ended</b>	
	<b>30.12.2021</b>	<b>30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>RESTATED</b>
<b>Segment Revenue</b>		
Revenue from operations:		
Apparels	112,742	123,367
Label & Packaging	15,786	16,707
Others	18,395	68
Total revenue before eliminations	<u>146,923</u>	<u>140,142</u>
Discontinued operations	(14,520)	(15,172)
Eliminations	<u>(36,422)</u>	<u>(22,177)</u>
Total	<u><u>95,981</u></u>	<u><u>102,793</u></u>
<b>Segment Result</b>		
Result from operations:		
Apparels	(426)	2,219
Label & Packaging	46	(126)
Others	17,459	(968)
	<u>17,079</u>	<u>1,125</u>
Discontinued operations	(1,520)	(27)
Eliminations	<u>(18,982)</u>	<u>71</u>
Total	<u><u>(3,423)</u></u>	<u><u>1,169</u></u>

Total revenue in the third quarter eased 6.6 percent to RM95.98 million from RM102.79 million in the second quarter. This was due to the decline in the Cambodia revenue, the pandemic outbreak in Vietnam had disrupted our fabric supply chain. The loss after tax of the Group was recorded at RM3.42 million as opposed to an after-tax profit of RM1.17 million recorded for the preceding quarter. Despite the supply chain issue, Covid-19 disruptions, labor shortages, and high inflation have been a drag on our performance. Recruiting and retaining sewers are our biggest challenges right now.

## 16. COMMENTARY ON PROSPECTS

### Apparels segment

As reported in the previous quarter's quarterly financial results, almost 100% of employees in every plant we operate have been fully immunized. At the same time, the company is also encouraging employees to actively receive the third booster vaccine. This will reduce the risk of future production being halted by the relevant authorities due to the employee's diagnosis of COVID- 19 or Omicron. Most of the countries around the world are opening their borders. Provided there are no major events, the demand of the overall apparel industry should return to the pre-COVID 19 pandemic stage in the next few months.



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## Label and Packaging segment

Cambodian companies in this segment will continue to operate in the form of trade, but it is not going to be accounted for the important core business of the group as before. As for the Malaysian business being sold off, it is expected to complete the transaction no later than the end of June 2022.

## Other segments

The global economy is projected to grow at 5.9% in 2021 and 4.9% in 2022 amid uncertainties created by the resurging COVID-19 pandemic. (Source: International Monetary Fund) During the Twelfth Malaysia Plan from 2021 to 2025 ("12MP"), the global economy is expected to recover from the COVID-19 pandemic and grow at 5.3% per annum while the Malaysian economy is expected to grow between 4.5% to 5.5% per annum. In view of this, in the medical field, in addition to steady self-development or organic growth, the company will also explore Mergers and Acquisitions (M&A) opportunities in this uncertain period. On the other hand, our hire purchase loan book size is expected to increase over time from this stage of the gradual recovery of the pandemic.

With a solid financial position, the Board is confident that the group can smoothly pass through the uncertain economic environment. The Board is of the view that the company should remain vigilant on our prospects and utilize our existing plants' capacities. At the same time seize opportunities from market instability and seek breakthroughs to consolidate its long-term advantages.

## 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 9 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Included in the (loss)/profit before tax are the following items:				
<b>Continuing Operations</b>				
Interest income	(26)	(26)	(95)	(200)
Interest expenses	607	336	1,811	1,469
Depreciation	3,474	3,393	10,465	10,166
Provision for doubtful debts	-	(1)	-	7
Fixed assets written off	-	27	-	37
Bad debts written off	1	-	1	5
Provision for slow moving stock	-	64	-	(23)
Reversal of impairment loss on property, plant and equipment	-	-	(16)	-
(Gain)/Loss on disposal of property, plant and equipment	(18)	(9)	331	119
Realised foreign exchange (gain)/loss	(67)	391	(152)	183
Unrealised foreign exchange (gain)/loss	412	2,546	(430)	5,598
Loss on disposal of shares	-	-	945	-



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## 19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
<b>Continuing operations</b>				
Malaysian income tax	19	16	18	36
Foreign income tax	546	398	1,751	1,776
Income tax expense	<u>565</u>	<u>414</u>	<u>1,769</u>	<u>1,812</u>
<b>Discontinued operations</b>				
Malaysian income tax	-	-	236	-
Income tax expense	<u>-</u>	<u>-</u>	<u>236</u>	<u>-</u>
<b>Total income tax expenses</b>	<u>565</u>	<u>414</u>	<u>2,005</u>	<u>1,812</u>

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

## 20. STATUS OF CORPORATE PROPOSALS

The proposed disposal of the subsidiary set out in Note 4 is pending the conditions precedents inter-alia approvals from the existing financiers of MLMSB on the change in control of the shareholdings and the approval, authorization, permission, order, and exemption from the local government or other quasi-governmental entity established to perform any of such functions or regulatory authorities or other third parties which are necessary in connection with the execution and performance of the SSA and any of the transactions contemplated under the SSA. The approval by the shareholders of the sale, MLMSB, and MLPSB, was obtained on 25 February 2022.



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## 21. GROUP BORROWINGS

	As at 31.12.2021					
	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>Continuing operations</b>						
<b>Secured</b>						
<b>Lease liabilities</b>	-	-	-	15	-	15
<b>Unsecured</b>						
<b>Overdraft</b>						
- RMB	-	-	3,000	1,950	3,000	1,950
<b>Trust receipt or trade loan</b>						
- USD	-	-	2,694	11,235	2,694	11,235
<b>Lease liabilities</b>						
- RM		334		82		416
- USD	1,849	7,712	203	845	2,052	8,557
- RMB	346	225	9	6	355	231
<b>Revolving credit</b>						
- RMB	-	-	29,800	19,370	29,800	19,370
<b>Sub-total</b>		<b>8,271</b>		<b>33,503</b>		<b>41,774</b>
<b>Discontinued operations</b>						
<b>Secured</b>						
<b>Banker's acceptance</b>						
- RM	-	-	-	6,330	-	6,330
<b>Term loan</b>	-	34,251	-	5,708	-	39,959
<b>Lease liabilities</b>	-	3,286	-	1,449	-	4,735
<b>Unsecured</b>						
<b>Lease liabilities</b>						
- RM	-	-	-	116	-	116
<b>Sub-total</b>		<b>37,537</b>		<b>13,603</b>		<b>51,140</b>
<b>Total</b>	-	<b>45,808</b>		<b>47,106</b>		<b>92,914</b>





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	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>	-	21,864	-	3,492	-	25,356
<b>Lease liabilities</b>	-	3,290	-	1,678	-	4,968
<b>Unsecured</b>						
<b>Trust receipt or trade loan</b>						
- USD	-	-	1,987	8,248	1,987	8,248
- RMB	-	-	8,951	5,639	8,951	5,639
<b>Lease liabilities</b>						
- RM		100		141		241
- USD	368	1,529	282	1,172	650	2,701
- RMB	333	210	348	219	681	429
- HKD			264	140	264	140
<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>		26,993		44,330		71,323

## 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.



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## 24. EARNINGS PER SHARE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
<b>a Basic earnings per share</b>				
(Loss)/profit for the period attributable to equity holders (continuing operation) (RM'000)	(1,098)	(2,498)	2,174	(3,287)
(Loss)/profit for the period attributable to equity holders (discontinuing operation) (RM'000)	(1,332)	424	(829)	481
Weighted average number of ordinary shares in issue ('000)	212,263	210,469	212,263	210,469
Basic (continuing operation) (sen)	<u>(0.52)</u>	<u>(1.19)</u>	<u>1.02</u>	<u>(1.56)</u>
Basic (discontinuing operation) (sen)	<u>(0.63)</u>	<u>0.20</u>	<u>(0.39)</u>	<u>0.23</u>
Basic, for profit/(loss) for the period (sen)	<u><b>(1.14)</b></u>	<u><b>(0.99)</b></u>	<u><b>0.63</b></u>	<u><b>(1.33)</b></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 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:

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/profit for the period attributable to equity holders (RM'000)	(1,098)	(2,498)	2,174	(3,287)
Loss for the period attributable to equity holders (discontinuing operation) (RM'000)	(1,332)	424	(829)	481
Weighted average number of ordinary shares in issue ('000)	212,056	210,403	212,056	210,403
Effect of share options	(48)	66	207	66
Weighted average number of ordinary shares ('000)	212,008	210,469	212,263	210,469
Diluted, (continuing operations) (sen)	(0.52)	(1.19)	1.02	(1.56)
Diluted, (discontinued operations) (sen)	(0.63)	0.20	(0.39)	0.23
Diluted, for (loss)/profit for the period (sen)	(1.15)	(0.99)	0.63	(1.33)

## 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**  
25 February 2022