



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Quarter	Current Year- To-Date	Preceding Year-To- Date
		31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Revenue	A9	25,276	27,008	90,395	92,721
Cost of sales		(19,029)	(18,984)	(64,729)	(66,502)
Gross profit		6,247	8,024	25,666	26,219
Other Income		750	384	2,434	830
Selling and distribution expenses		(1,681)	(1,489)	(4,794)	(4,233)
Administrative expenses		(2,571)	(2,702)	(8,199)	(6,983)
Finance costs		(40)	(222)	(65)	(675)
Profit before tax	B5	2,705	3,995	15,042	15,158
Income tax expense	B6	(437)	(953)	(3,191)	(3,555)
<b>Profit for the period</b>		2,268	3,042	11,851	11,603
<b>Other comprehensive income, net of tax</b>					
Exchange difference on translation of foreign operation		1	-	2	-
<b>Total comprehensive income for the financial period</b>		2,269	3,042	11,853	11,603
<b>Profit attributable to:</b>					
Owners of the company		2,313	3,081	11,937	11,655
Non-controlling interest		(44)	(39)	(84)	(52)
<b>Profit for the period</b>		2,269	3,042	11,853	11,603
<b>Earnings per share attributable to Owners of the Company<sup>(3)</sup></b>					
- Basic (sen)	B12	1.23	2.20	6.35	8.31
- Diluted (sen)	B12	1.23	N/A	6.35	N/A

**Notes:**

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016, and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	<b>(Unaudited)</b> <b>31.03.2017</b> <b>RM'000</b>	<b>(Audited)</b> <b>30.06.2016</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	50,164	50,270
Other assets	269	269
	<u>50,433</u>	<u>50,539</u>
<b>Current Assets</b>		
Inventories	22,955	19,832
Trade receivables	17,085	23,096
Other receivables, deposits and prepayments	931	1,357
Derivative assets	-	7
Fixed deposits with licensed banks	2,438	26,515
Short term funds	61,459	36,684
Cash and bank balances	25,817	24,405
	<u>130,685</u>	<u>131,896</u>
<b>TOTAL ASSETS</b>	<u><u>181,118</u></u>	<u><u>182,435</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	94,000	94,000
Reserves	67,472	63,055
	<u>161,472</u>	<u>157,055</u>
Non-controlling interest	(80)	(128)
<b>Equity attributable to owners of the Company</b>	<u>161,392</u>	<u>156,927</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	4,944	4,984
	<u>4,944</u>	<u>4,984</u>
<b>Current Liabilities</b>		
Trade payables	11,668	16,343
Other payables and accruals	1,740	2,474
Amount owing to directors	329	370
Derivative liabilities	1	-
Provision for taxation	1,044	1,337
	<u>14,782</u>	<u>20,524</u>
<b>Total Liabilities</b>	<u>19,726</u>	<u>25,508</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>181,118</u></u>	<u><u>182,435</u></u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>85.85</u>	<u>83.47</u>

*Notes:*

*(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016.*



**PECCA GROUP BERHAD**(Company No. 909531-D)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 31 MARCH 2017**

	←————— Attributable to owners of the Company —————→							
	←————— Non-Distributable —————→			—————→ Distributable				
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 01.07.2016</b>	94,000	10,899	(60,822)	41,702	71,276	157,055	(128)	156,927
Issuance of new shares	-	-	-	-	-	-	132	132
Dividend paid	-	-	-	-	(7,520)	(7,520)	-	(7,520)
Total comprehensive income for the period	-	-	-	-	11,937	11,937	(84)	11,853
<b>At 31.03.2017</b>	<u>94,000</u>	<u>10,899</u>	<u>(60,822)</u>	<u>41,702</u>	<u>75,693</u>	<u>161,472</u>	<u>(80)</u>	<u>161,392</u>

**Notes:**

(1) The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

	<b>9 months ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Profit before tax	15,042	15,158
Adjustments for:		
Depreciation of property, plant and equipment	3,056	2,623
(Gain) /loss on disposal of property, plant and equipment	(133)	(99)
(Gain) /loss on unrealised foreign exchange	(394)	(391)
Interest expense	-	646
Interest income	(2,113)	(544)
<b>Operating profit before working capital changes</b>	<u>15,458</u>	<u>17,393</u>
Changes in working capital:		
Inventories	(3,123)	2,958
Trade and other receivables	6,470	7,484
Trade and other payables	(5,297)	(1,912)
Cash from operations	<u>13,508</u>	<u>25,923</u>
Interest paid	-	(646)
Income tax paid	(3,526)	(4,608)
<b>Net cash from/ (for) operating activities</b>	<u>9,982</u>	<u>20,669</u>
<b>Cash flows from/ (for) investing activities</b>		
Proceeds from disposal of plant and equipment	152	104
Purchase of plant and equipment	(2,969)	(2,705)
Interest received	2,113	544
Net withdrawal/(placement) of fixed deposits with licensed banks	24,078	(13,559)
<b>Net cash from/ (for) investing activities</b>	<u>23,374</u>	<u>(15,616)</u>
<b>Cash flows from/ (for) financing activities</b>		
Net repayment of term loans	-	(835)
Repayment of hire purchase	-	(63)
Drawdown of bankers' acceptance	-	700
Proceeds from issuance of shares	64	#
Advance from a Director	-	150
Dividend paid	(7,520)	-
<b>Net cash from/ (for) investing activities</b>	<u>(7,456)</u>	<u>(48)</u>
<b>Net increase in cash and cash equivalents</b>	25,900	5,005
Effect of foreign exchange translation	287	(406)
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>61,089</u>	<u>19,769</u>
<b>Cash and cash equivalents at the end of financial period</b>	<u><u>87,276</u></u>	<u><u>24,368</u></u>

*Notes:*

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016.

# - Represent RM1.00



## **A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

### **A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016.

### **A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2016. The Group has not applied in advance the following accounting standards (including the consequential amendments, if any that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

<b>MFRSs (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018

### **A3. Auditors' Report**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2016.

### **A4. Seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

### **A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

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

### **A6. Changes in estimates**

There were no changes in estimates that have a material effect in the current financial quarter under review.



#### A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review.

#### A8. Dividend paid

The final single tier dividend of 2.0 sen per ordinary share amounting to RM3.76 million in respect of the financial year ended 30 June 2016 was approved by the shareholders during the Annual General Meeting on 23 November 2016 and paid on 27 December 2016.

An interim single tier dividend of 2.0 sen per ordinary share totalling RM3.76 million in respect of the financial year ending 30 June 2017 has been paid on 28 March 2017.

#### A9. Segmental information

##### a) Operating segments

The Group's current business activities comprised of two segments namely automotive and aviation segments. Automotive segment focus on the styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers; whereas aviation segment is involved in the manufacturing, repair, refurbishment, distribution and installation of aircraft seat covers, parts refurbishment and other leather related products. Breakdown of the Group's total revenue by business activities and products as follows:-

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
<b><u>AUTOMOTIVE</u></b>				
Car seat covers				
- OEM	9,189	11,539	41,522	47,530
- REM	6,277	5,106	18,663	14,379
- PDI	3,295	4,085	12,216	13,934
Sub-total for car seat covers	18,761	20,730	72,401	75,843
Leather cut pieces supply	5,215	5,045	14,018	12,703
<b><u>Others</u></b>				
- Supply of door trim covers	17	141	81	887
- Sewing of fabric car seat covers	27	308	179	613
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers , provision of wrapping and stitching services and supply of raw materials	1,147	784	3,435	2,421
Sub-total for others	1,191	1,233	3,695	3,921
	25,167	27,008	90,114	92,467
<b><u>AVIATION</u></b>				
Interior refurbishment	109	-	281	254
<b>Grand Total</b>	<b>25,276</b>	<b>27,008</b>	<b>90,395</b>	<b>92,721</b>



**b) Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	<b>Current</b>		<b>Cumulative</b>	
	<b>Quarter Ended</b>		<b>Quarter Ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	19,307	22,540	72,706	80,864
Rest of Asia	3,190	880	9,464	2,172
Europe	846	1,494	2,584	4,026
North America	663	400	1,716	1,423
Oceania	1,270	1,694	3,913	4,192
Africa	-	-	12	44
<b>Grand Total</b>	<b>25,276</b>	<b>27,008</b>	<b>90,395</b>	<b>92,721</b>

*Note:*

*OEM – Original Equipment Manufacturer*

*REM – Replacement Equipment Manufacturer*

*PDI – Pre-delivery Inspection*

**A10. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

**A11. Capital commitments**

Authorised capital commitment not provided for as at 31 March 2017 were as follows: -

	<b>RM'000</b>
Construction of an additional storey of production floor area on the existing factory building	<u>4,785</u>

**A12. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter under review.

**A13. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets as at the date of this report.

**A14. Materials events subsequent to the end of the quarter**

There were no other materials events subsequent to the end of current quarter that have not been reflected in this interim financial report.



**A15. Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative quarter ended 31 March 2017 are as follows:

	<b>Current Quarter Ended 31.03.2017 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2017 RM'000</b>
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	54	162

*Note:*

*The related party is a company in which certain Directors and substantial shareholders of the Company have interests.*





**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B1. Review of performance**

For the current quarter under review, the Group recorded a revenue of RM25.28 million and profit before taxation of RM2.71 million.

Revenue from leather car seat covers contributed approximately 74.22% of total revenue followed by leather cut pieces supply which accounted for approximately 20.63% of total revenue during the quarter under review.

OEM leather car seat remained the largest contributor segment accounted for approximately 48.98% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 33.46% and 17.56% respectively.

The lower revenue for the current quarter of RM25.28 million compare to the preceding year quarter of RM27.01 million was mainly due to lower car seat cover sales in the local OEM and PDI segment.

**B2. Material changes in the quarterly results compared to the immediate preceding quarter**

The Group's revenue of RM25.28 million in the current quarter was 25.32% lower than RM33.85 million recorded in the immediate preceding quarter. This was mainly due to lower vehicle total industry volume (TIV) in the current quarter compared to the preceding quarter due to the promotions and offers by car companies in the preceding quarter compounded by the short working period in this quarter due to Chinese New Year festival holidays.

The profit before tax for the Group was lower at RM2.71 million compared to preceding quarter of RM6.75 million in line with the lower revenue and sales mix.

**B3. Prospect**

Despite the weak sentiment surrounding automotive market, the Board remains optimistic of the Group's performance going forward in view of the recovery of TIV in recent months coupled with the higher volume anticipated for upcoming months in conjunction with the Hari Raya promotion activities by car manufacturers. Further, the sales contribution from export segment increased commendably by 33.59% compared to the preceding quarter and the Board expects the export segment to sustain its growth momentum in the forthcoming quarters.

**B4. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation or announcement.



**B5. Profit before taxation**

The profit before taxation is stated after charging/(crediting):-

	<b>Current Quarter Ended 31.03.2017 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2017 RM'000</b>
Interest income	(648)	(2,113)
Depreciation and amortisation	1,049	3,056
Gain on disposal of property, plant & equipment	-	(133)
Realised foreign exchange loss/(gain)	(67)	356
Unrealised foreign exchange loss/(gain)	(22)	(394)

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

**B6. Taxation**

	<b>Current Quarter Ended 31.03.2017 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2017 RM'000</b>
Current tax expense	(437)	(3,191)

The effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due tax exempt interest income.

**B7. Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at the date of this report.



**B8. Utilization of Proceeds**

The status of utilization of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as at 31 March 2017 is as follows:

	Purposes	Estimated Timeframe for utilisation	Amount (RM'000)	Actual Utilization (RM'000)	Deviation (RM'000)
a)	Working capital	Within 12 months	26,970	(26,970)	-
b)	Repayment of bank borrowings	Within 6 months	17,100	(16,967)	133
c)	Purchase of new machineries for the production of car leather seat covers	Within 24 months	7,550	(2,663)	-
d)	Construction of an additional storey of production floor area on the existing factory building	Within 24 months	5,000	(261)	-
e)	Opening of retail outlets	Within 24 months	3,750	-	-
f)	Establishment of market presence in Thailand	Within 24 months	1,500	(26)	-
g)	Expansion of aviation business	Within 24 months	1,000	(194)	-
h)	Estimated listing expenses	Immediate	5,000	(4,111)	889
	<b>Total Public Issue Proceeds</b>		<b>67,870</b>	<b>(51,192)</b>	<b>1,022</b>

*Note:*

*The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 March 2016.*

**B9. Group borrowings (secured)**

The Group had fully settled all the bank borrowings with the proceeds from IPO as disclosed in Note B8 above.

**B10. Material litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

**B11. Dividend**

No dividend was declared or recommended for payment by the Company during the quarter under review.



**B12. Earnings Per Share ("EPS")**

a) Basic earnings per share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	<b>Current Quarter Ended 31.03.2017 RM'000</b>	<b>Cumulative Quarter Ended 31.03.2017 RM'000</b>
Profit attributable to equity holders	<u>2,313</u>	<u>11,937</u>
Weighted average number of ordinary shares in issue	<u>188,000</u>	<u>188,000</u>
Basic earnings per shares (sen)	<u>1.23</u>	<u>6.35</u>
Diluted earnings per shares (sen)	<u>1.23</u>	<u>6.35</u>

(b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 March 2017.

**B13. Realised and unrealised profits/(losses)**

	<b>As at 31.03.2017 RM'000</b>	<b>As at 30.06.2016 RM'000</b>
Total retained profits / (accumulated losses) of the Group and of the Company:		
- realised	77,880	72,731
- unrealised	<u>(1,935)</u>	<u>(1,287)</u>
	75,945	71,444
Less: Consolidated adjustments	<u>(252)</u>	<u>(168)</u>
	<u>75,693</u>	<u>71,276</u>

**BY ORDER OF THE BOARD  
22 MAY 2017**