



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Quarter <sup>(2)</sup>	Current Year- To-Date	Preceding Year-To- Date <sup>(2)</sup>
		30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	A9	31,273	N/A	31,273	N/A
Cost of sales		(22,550)	N/A	(22,550)	N/A
Gross profit		8,723	N/A	8,723	N/A
Other Income		785	N/A	785	N/A
Selling and distribution expenses		(1,559)	N/A	(1,559)	N/A
Administrative expenses		(2,347)	N/A	(2,347)	N/A
Finance costs		(12)	N/A	(12)	N/A
Profit before tax	B5	5,590	N/A	5,590	N/A
Income tax expense	B6	(1,187)	N/A	(1,187)	N/A
<b>Profit for the period</b>		4,403	N/A	4,403	N/A
<b>Other comprehensive income, net of tax</b>		-	N/A	-	N/A
<b>Total comprehensive income for the financial period</b>		4,403	N/A	4,403	N/A
<b>Profit attributable to:</b>					
Owners of the company		4,428	N/A	4,428	N/A
Non-controlling interest		(25)	N/A	(25)	N/A
<b>Profit for the period</b>		4,403	N/A	4,403	N/A
<b>Earnings per share attributable to Owners of the Company <sup>(3)</sup></b>					
- Basic (sen)	B12	2.36	N/A	2.36	N/A
- Diluted (sen)	B12	2.36	N/A	2.36	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.

(2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

N/A - Not applicable.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2016**

	<b>30.09.2016</b>	<b>30.09.2015 <sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	50,757	N/A
Other investment	269	N/A
Intangible assets	#	N/A
	<u>51,026</u>	<u>N/A</u>
<b>CURRENT ASSETS</b>		
Inventories	20,804	N/A
Trade receivables	24,147	N/A
Other receivables, deposits and prepayments	1,092	N/A
Fixed deposits with licensed banks	19,712	N/A
Short term funds	53,612	N/A
Cash and bank balances	15,719	N/A
	<u>135,086</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<u>186,112</u>	<u>N/A</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	94,000	N/A
Share premium	41,702	N/A
Retained profits	75,704	N/A
Merger deficit	(60,822)	N/A
Revaluation reserve	10,899	N/A
	<u>161,483</u>	<u>N/A</u>
Non-controlling interest	(153)	N/A
<b>Equity attributable to owners of the Company</b>	<u>161,330</u>	<u>N/A</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	4,971	N/A
	<u>4,971</u>	<u>N/A</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	16,861	N/A
Other payables and accruals	1,031	N/A
Amount owing to directors	400	N/A
Derivative liabilities	4	N/A
Provision for taxation	1,515	N/A
	<u>19,811</u>	<u>N/A</u>
<b>TOTAL LIABILITIES</b>	<u>24,782</u>	<u>N/A</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>186,112</u>	<u>N/A</u>
<b>Net assets per share attributable to owners of the Company (sen) <sup>(3)</sup></b>	<u>85.81</u>	<u>N/A</u>

*Notes:*

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

(2) No comparative figures for the preceding year are available as this is the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(3) Based on issued and paid-up share capital of 188,000,000 ordinary shares (par value of RM0.50) as at 30 September 2016.

# Represent RM3.00

N/A – Not applicable



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2016**

	← Attributable to owners of the Company →					Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Share Premium RM'000	Retained Earnings RM'000			
<b>At 01.07.2016</b>	94,000	10,899	(60,822)	41,702	71,276	157,055	(128)	156,927
Total comprehensive income for the period	-	-	-	-	4,428	4,428	(25)	4,403
<b>At 30.09.2016</b>	94,000	10,899	(60,822)	41,702	75,704	161,483	(153)	161,330

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.

(2) No comparative figures for the preceding financial year are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	<b>3 months ended 30.09.2016 RM'000</b>	<b>3 months ended 30.09.2015 <sup>(2)</sup> RM'000</b>
<b>Cash flows from/ (for) operating activities</b>		
Profit before tax	5,590	N/A
Adjustments for:		
Depreciation of property, plant and equipment	977	N/A
(Gain) /loss on disposal of property, plant and equipment	(43)	N/A
(Gain) /loss on unrealised foreign exchange	(125)	N/A
Interest income	(681)	N/A
<b>Operating profit before working capital changes</b>	<b>5,718</b>	<b>N/A</b>
Changes in working capital:		
Inventories	(972)	N/A
Trade and other receivables	(741)	N/A
Trade and other payables	(948)	N/A
Cash from operations	3,057	N/A
Income tax paid	(1,022)	N/A
<b>Net cash from/ (for) operating activities</b>	<b>2,035</b>	<b>N/A</b>
<b>Cash flows from/ (for) investing activities</b>		
Proceeds from disposal of plant and equipment	43	N/A
Purchase of plant and equipment	(1,464)	N/A
Interest received	681	N/A
Net withdrawal of fixed deposits with licensed banks	6,803	N/A
<b>Net cash from/ (for) investing activities</b>	<b>6,063</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	8,098	N/A
Effect of foreign exchange translation	144	N/A
<b>Cash and cash equivalents at beginning of the financial period</b>	61,089	N/A
<b>Cash and cash equivalents at the end of financial period</b>	<b>69,331</b>	<b>N/A</b>

*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.*

*(2) No comparative figures for the preceding financial year are available as this is the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

*N/A - Not applicable*



## **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 are the fourth interim financial report on the consolidated results for the first quarter ended 30 September 2016 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

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
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017



### **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**

An interim single tier dividend of 2.0 sen per ordinary share totalling RM3.76 million in respect of the financial year ended 30 June 2016 has been paid on 28 June 2016.

### **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	
	30.09.2016	30.09.2015 (1)	30.09.2016	30.09.2015 (1)
	RM'000	RM'000	RM'000	RM'000
<b><u>AUTOMOTIVE</u></b>				
Car seat covers				
- OEM	15,192	N/A	15,192	N/A
- REM	5,848	N/A	5,848	N/A
- PDI	4,348	N/A	4,348	N/A
Sub-total for car seat covers	25,388	N/A	25,388	N/A
Leather cut pieces supply	4,610	N/A	4,610	N/A
<b><u>Others</u></b>				
- Supply of door trim covers	51	N/A	51	N/A
- Sewing of fabric car seat covers	80	N/A	80	N/A
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers , provision of wrapping and stitching services and supply of raw materials	1,113	N/A	1,113	N/A
Sub-total for others	1,244	N/A	1,244	N/A
	31,242	N/A	31,242	N/A
<b><u>AVIATION</u></b>				
Interior refurbishment	31	N/A	31	N/A
<b>Grand Total</b>	<b>31,273</b>	<b>N/A</b>	<b>31,273</b>	<b>N/A</b>

**b) Geographical segments**

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

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	30.09.2016	30.09.2015 (1)	30.09.2016	30.09.2015 (1)
	RM'000	RM'000	RM'000	RM'000
Malaysia	25,792	N/A	25,792	N/A
Rest of Asia	2,771	N/A	2,771	N/A
Europe	808	N/A	808	N/A
North America	607	N/A	607	N/A
Oceania	1,288	N/A	1,288	N/A
Africa	7	N/A	7	N/A
<b>Grand Total</b>	<b>31,273</b>	<b>N/A</b>	<b>31,273</b>	<b>N/A</b>

**Note:**

(1) No comparative figures for the preceding year's corresponding period are available as this is the fourth interim financial report for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.



*OEM – Original Equipment Manufacturer*  
*REM – Replacement Equipment Manufacturer*  
*PDI – Pre-delivery Inspection*  
*N/A – Not applicable*

**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**

There were no material capital commitments for the current quarter under review.

**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. Subsequent to this quarter, Pecca Leather (Thailand) Limited, a new subsidiary has been incorporated in Thailand on 25 October 2016.

**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 30 September 2016 are as follows:

	<b>Current Quarter Ended 30.09.2016 RM'000</b>	<b>Cumulative Quarter Ended 30.09.2016 RM'000</b>
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	54	54

*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 RM31.27 million and profit before taxation of RM5.59 million.

Revenue from leather car seat covers remains the largest contributor and accounted for approximately 81.18% of total revenue recorded followed by leather cut pieces supply which accounted for approximately 14.74% of total revenue during the quarter under review.

Revenue derived from OEM leather car seat covers continue to dominate and was the largest contributor segment accounted for approximately 59.84% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 23.03% and 17.13% respectively.

No comparative figures are presented for the preceding year's corresponding periods as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

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

The Group's revenue of RM31.27 million in the current quarter was 6.85% lower than the RM33.57 million recorded in the preceding quarter. This was mainly due to the normalization of volume from supply of leather cut pieces for selected new models in the current quarter after the volume surge in the preceding quarter during the commencement of mass production.

Despite the lower revenue for the current quarter, the profit before tax for the Group is higher at RM5.59 million compared to preceding quarter of RM4.11 million mainly due to the one-off listing expenses incurred in the previous quarter.

**B3. Prospect**

The Board is cautiously optimistic of the Group's performance going forward in view of the soft domestic automotive market condition and will be looking towards expanding our export market segment which has recorded a commendable growth during the last one year.

**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):-

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2016	30.09.2015 (1)	30.09.2016	30.09.2015 (1)
	RM'000	RM'000	RM'000	RM'000
Interest income	(681)	N/A	(681)	N/A
Depreciation and amortisation	977	N/A	977	N/A
Gain on disposal of property, plant & equipment	(43)	N/A	(43)	N/A
Realised foreign exchange loss/(gain)	(58)	N/A	(58)	N/A
Unrealised foreign exchange loss/(gain)	(125)	N/A	(125)	N/A

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.

Note:

(1) No comparative figures for the preceding year's corresponding periods are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

N/A – Not applicable

**B6. Taxation**

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2016	30.09.2015 (1)	30.09.2016	30.09.2015 (1)
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(1,187)	N/A	(1,187)	N/A

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

Note:

(1) No comparative figures for the preceding year's corresponding periods are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

N/A – Not applicable

**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 30 September 2016 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	(1,582)	-
d)	Construction of an additional storey of production floor area on the existing factory building	Within 24 months	5,000	(60)	-
e)	Opening of retail outlets	Within 24 months	3,750	-	-
f)	Establishment of market presence in Thailand	Within 24 months	1,500	-	-
g)	Expansion of aviation business	Within 24 months	1,000	(153)	-
h)	Estimated listing expenses	Immediate	5,000	(4,111)	889
	<b>Total Public Issue Proceeds</b>		<b>67,870</b>	<b>(49,843)</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

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 30 June 2016 of 2.0 sen per share on 188,000,000 ordinary shares, amounting to a dividend payable of approximately RM3.76 million will be proposed for shareholders' approval.



## 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:

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2016	30.09.2015 (1)	30.09.2016	30.09.2015 (1)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	4,428	N/A	4,428	N/A
Weighted average number of ordinary shares in issue	188,000	N/A	188,000	N/A
Basic earnings per shares (sen)	2.36	N/A	2.36	N/A
Diluted earnings per shares (sen)	2.36	N/A	2.36	N/A

Note:

(1) No comparative figures for the preceding year's corresponding periods are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

N/A – Not applicable

### (b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 September 2016.

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

	As at 30.09.2016 RM'000	As at 30.09.2015 <sup>(1)</sup> RM'000
Total retained profits / (accumulated losses) of the Group and of the Company:		
- realised	77,315	N/A
- unrealised	(1,418)	N/A
	75,897	N/A
Less: Consolidated adjustments	(193)	N/A
	75,704	N/A

Note:

(1) No comparative figures for the preceding year are available as these are the fourth interim financial statements on the consolidated results for the first quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

N/A – Not applicable