



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	168,236	90,785	297,626	174,417
Cost of sales	(149,277)	(80,431)	(261,857)	(157,990)
Gross Profit	18,959	10,354	35,769	16,427
Other Income	2,972	1,060	3,941	1,608
Interest Income	27	16	55	40
Administrative expenses	(11,463)	(9,867)	(24,699)	(21,768)
Selling and marketing expenses	(6,102)	(2,915)	(10,403)	(5,800)
Finance costs	(1,394)	(875)	(2,455)	(1,737)
Profit/(loss) before tax	2,999	(2,227)	2,208	(11,230)
Income tax expense	(360)	(270)	(443)	(311)
Profit/(loss) for the period	2,639	(2,497)	1,765	(11,541)
Attributable to:				
Equity holders of the parent	4,003	(2,861)	3,146	(11,645)
Non-controlling interest	(1,364)	364	(1,381)	104
	2,639	(2,497)	1,765	(11,541)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	4.40	(4.16)	2.94	(19.23)
Diluted	Not applicable		Not applicable	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Profit/(loss) for the period	2,639	(2,497)	1,765	(11,541)
Other comprehensive income/(loss) net of tax				
Foreign currency translation	3,761	(844)	3,366	(1,361)
Total comprehensive income/(loss) for the period	6,400	(3,341)	5,131	(12,902)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	7,454	(3,705)	6,212	(13,006)
Non-controlling interest	(1,054)	364	(1,081)	104
	6,400	(3,341)	5,131	(12,902)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015 (UNAUDITED)

	30.09.2015 RM'000 (Unaudited)	31.03.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	77,893	73,250
Investment Properties	11,706	11,004
Prepaid lease payments	3,026	2,877
Deferred tax assets	486	412
	<u>93,111</u>	<u>87,543</u>
Current assets		
Inventories	51,941	53,926
Trade receivables	118,484	68,374
Other receivables	4,332	3,515
Other current assets	3,807	7,106
Cash and bank balances	40,497	19,755
	<u>219,061</u>	<u>152,676</u>
TOTAL ASSETS	<u>312,172</u>	<u>240,219</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	9,470	6,404
Retained earnings	42,378	39,232
	<u>111,864</u>	<u>105,652</u>
Non-controlling interest	<u>1,426</u>	<u>655</u>
Total Equity	<u>113,290</u>	<u>106,307</u>
Non-Current liabilities		
Borrowings	3,401	4,251
	<u>3,401</u>	<u>4,251</u>
Current liabilities		
Borrowings	114,090	60,446
Trade payables	45,279	41,765
Other payables	32,859	25,257
Tax payables	3,253	2,193
	<u>195,481</u>	<u>129,661</u>
Total liabilities	<u>198,882</u>	<u>133,912</u>
TOTAL EQUITY AND LIABILITIES	<u>312,172</u>	<u>240,219</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.8640	1.7605

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	<----- Attributable to Equity Holders of the parent----->						Non-Controlling Interest RM'000	Total Equity RM'000
	----- Non-distributable -----			----- Distributable -----				
	Share Capital RM'000	Share premium RM'000	Foreign Exchange Reserves RM'000	Legal Reserves RM'000	Retained Earnings RM'000	Total RM'000		
As at 1 April 2014	60,012	4	2,681	326	56,697	119,720	507	120,227
Total comprehensive (loss)/income for the period	-	-	(1,361)	-	(11,645)	(13,006)	104	(12,902)
As at 30 September 2014	<u>60,012</u>	<u>4</u>	<u>1,320</u>	<u>326</u>	<u>45,052</u>	<u>106,714</u>	<u>611</u>	<u>107,325</u>
As at 1 April 2015	60,012	4	6,078	326	39,232	105,652	655	106,307
Total comprehensive income/(loss) for the period	-	-	3,066	-	3,146	6,212	(1,081)	5,131
Issuance of shares of subsidiary	-	-	-	-	-	-	1,852	1,852
As at 30 September 2015	<u>60,012</u>	<u>4</u>	<u>9,144</u>	<u>326</u>	<u>42,378</u>	<u>111,864</u>	<u>1,426</u>	<u>113,290</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

	6 months ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
- Continuing operations	2,208	(11,230)
Adjustment for: -		
Non-cash items	(4,113)	915
Non-operating items (which are investing/financing)	5,650	5,637
Interest expense	2,455	1,737
Interest income	(55)	(40)
Operating profit/(loss) before changes in working capital	<u>6,145</u>	<u>(2,981)</u>
Changes in working capital		
Net change in current assets	(41,531)	(17,224)
Net change in current liabilities	11,117	524
Interest paid	(2,455)	(1,737)
Tax paid	543	4
Net cash used in operating activities	<u>(26,181)</u>	<u>(21,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(9,117)	(2,738)
- Proceed from disposal of unit trust	-	76
- Proceeds from issuance of shares of subsidiary	1,852	-
- Proceeds from disposal of property, plant and equipment	3,737	279
- Interest received	55	40
Net cash used in investing activities	<u>(3,473)</u>	<u>(2,343)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(641)	(542)
- Repayment of term loans	(2,035)	(2,019)
- Increase in short term borrowings	56,050	16,973
- Drawdown of HP & lease financing	1,041	636
- Drawdown of term loan	-	3,803
Net cash generated from financing activities	<u>54,415</u>	<u>18,851</u>
Net increase/(decrease) in cash and cash equivalents	24,761	(4,906)
Effects of exchange rate changes	(2,398)	341
Cash and cash equivalents at beginning of financial period	<u>15,940</u>	<u>28,023</u>
Cash and cash equivalents at end of financial period	<u><u>38,303</u></u>	<u><u>23,458</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	40,497	27,240
Bank overdrafts	(1,717)	(3,427)
Deposits pledged to banks	(477)	(355)
	<u><u>38,303</u></u>	<u><u>23,458</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 30 September 2015, 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 2015. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2015, except for the adoption of the following Amendments: -

Effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 119 : Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of the above mentioned Amendments to MFRSs and IC Interpretations did not have any material impact on the financial statements of the Group.

Standards issued but not yet effective

At the date of authorization of these interim financial statements, the followings standards were issued but not yet effective and have not been applied by the Group.

Annual Improvements to MFRSs 2012-2014 Cycle	Effective 1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	Effective 1 January 2016
Amendments to MFRS 141 Agriculture: Bearer Plants	Effective 1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective 1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Effective 1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	Effective 1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	Effective 1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	Effective 1 January 2016
MFRS 14 Regulatory Deferral Accounts	Effective 1 January 2016
MFRS 15 Revenue from Contracts with Customers	Effective 1 January 2017
MFRS 9 Financial Instruments	Effective 1 January 2018

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	226,080	120,777	392,720	237,278
Non-apparels	19,007	19,746	40,029	36,332
Total revenue before eliminations	245,087	140,523	432,749	273,610
Eliminations	(76,850)	(49,738)	(135,122)	(99,193)
Total	168,237	90,785	297,627	174,417
Segment Result				
Result from continuing operations:				
Apparels	695	(2,737)	379	(9,482)
Non-apparels	(2,433)	1,492	(1,994)	(908)
Eliminations	4,737	(982)	3,823	(840)
Total	2,999	(2,227)	2,208	(11,230)

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

There were no dividends paid for the current quarter.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 2015.

9. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year to date.

10. CHANGES IN COMPOSITION OF THE GROUP

On 7 July 2015, PCCS had incorporated a 51% owned subsidiary company in Cambodia under the name of Perfect Seamless Garments (Cambodia) Limited ("PSG"). The registered capital of USD1,000,000.00, comprising of the investment from PCCS of USD510,000.00 and Mr. Huang Wei of USD490,000.00. The principal activity of PSG is manufacture of garment accessories.

11. CAPITAL COMMITMENTS

The amount of commitments for the capital expenditure not provided for in the financial statements as at 30 September 2015 is as follows:

Approved and contracted for RM600 thousand.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM125 million given to licensed banks in respect of bank facilities granted to subsidiaries during the six months financial period ended 30 September 2015.

13. SUBSEQUENT EVENTS

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



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. PERFORMANCE REVIEW

During the period ended 30 September 2015, the Group recorded higher revenue of RM297.6 million as compare with RM174.4 million achieved in the previous corresponding period. The increase in Group revenue was mainly due to higher revenue from apparel division. The pre-tax profit of the Group for the period under review recorded at RM2.2 million as compared with a pre-tax loss of RM11.2 million recorded for the corresponding period. The improved performance was mainly due to better productivity and cost control coupled with the effect of appreciation of US Dollar against Ringgit Malaysia.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increase from RM129.4 million recorded in the preceding quarter to RM168.2 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM3.0 million as compare with a pre-tax loss RM791 thousand recorded for the preceding quarter. The increase in profit was mainly due to higher revenue and better cost control coupled with the effect of appreciation of US Dollar against Ringgit Malaysia.

16. COMMENTARY ON PROSPECTS

The Group will continue to consolidate and centralize the operation to further reduce operating cost. Management will continue to focus on improving operational efficiencies and controlling its operation expenses to remain competitive in this challenging environment.

Barring unforeseen circumstances, the management will endeavour to achieve a satisfactory result for next quarter.

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 6 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000

Included in the profit/(loss) before tax are the following items:

Interest income	(27)	(16)	(55)	(40)
Interest expenses	1,394	875	2,455	1,737
Depreciation	3,224	2,411	5,909	5,098
(Gain)/loss on disposal of property, plant and equipment	(109)	(31)	(259)	522
Foreign exchange (gain)/ loss	(2,369)	892	(2,643)	915



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Malaysian income tax	(3)	210	20	217
Foreign income tax	363	60	423	94
Total income tax expense	<u>360</u>	<u>270</u>	<u>443</u>	<u>311</u>

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

20. CORPORATE PROPOSALS

a) Status of Corporate Proposals

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

b) Status of Utilisation of Proceeds

Not applicable.

21. GROUP BORROWINGS

	As at 30 Sep 15 RM'000	As at 30 Sep 14 RM'000
Short term borrowings		
- Bank overdrafts	1,717	3,385
- Bankers' acceptance	3,523	2,834
- Trade loan/Trust receipts/Export bill financing	76,908	50,741
- Term loans	3,398	3,338
- Revolving credit	27,798	21,465
- Hire purchase and lease payables	746	1,080
	<u>114,090</u>	<u>82,843</u>
Long term borrowings		
- Hire purchase and lease payables	1,011	782
- Term loans	2,390	4,171
	<u>3,401</u>	<u>4,953</u>
Total	<u>117,491</u>	<u>87,796</u>



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	16,267	68,485
- Hong Kong Dollars ("HKD")	1,731	935
- Chinese, Yuan Renminbi ("RMB")	54,082	35,694
		<u>105,114</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 30 September 2015 is analysed as follows:

	As at 30 Sep 15 RM'000	As at 30 Sep 14 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	15,638	38,300
- Unrealised	301	(338)
	<u>15,939</u>	<u>37,962</u>
Less: Consolidation adjustments	26,439	7,090
Total group retained earnings as per consolidated financial statements	<u>42,378</u>	<u>45,052</u>

23. CHANGES IN MATERIAL LITIGATION

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

24. DIVIDEND PAYABLE

No interim dividend has been declared for the financial period ended 30 September 2015 (30 September 2014: Nil).

25. EARNINGS PER SHARE

a Basic

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue of 60,012,002 during the reporting year.

b Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 September 2015.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

26. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 18 November 2015.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
20 November 2015