



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	98,436	95,110	310,035	250,043
Cost of sales	(81,628)	(79,493)	(260,268)	(211,276)
Gross Profit	16,808	15,617	49,767	38,767
Other Income	846	1,374	3,402	4,147
Interest Income	7	5	20	28
Administrative expenses	(10,806)	(10,882)	(31,882)	(31,612)
Selling and marketing expenses	(4,608)	(2,862)	(13,319)	(8,687)
Finance costs	(1,238)	(918)	(3,377)	(3,211)
Profit/(loss) before tax	1,009	2,334	4,611	(568)
Income tax expense	(526)	(1,657)	(2,009)	(2,598)
Profit/(loss) for the period	483	677	2,602	(3,166)
Attributable to:				
Equity holders of the parent	799	677	2,489	(3,166)
Non-controlling interest	(316)	-	113	-
	483	677	2,602	(3,166)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	0.80	1.13	4.34	(5.28)
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 2013 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

Company No. 280929-K
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Profit/(loss) for the period	483	677	2,602	(3,166)
Other comprehensive income net of tax				
Foreign currency translation	359	(1,604)	1,019	(830)
Total comprehensive income for the period	842	(927)	3,621	(3,996)
Total comprehensive income attributable to:				
Owners of the Parent	1,158	(927)	3,508	(3,996)
Non-controlling interest	(316)	-	113	-
	842	(927)	3,621	(3,996)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (UNAUDITED)

	31.12.2013 RM'000 (Unaudited)	31.03.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	82,265	85,490
Investment Properties	870	880
Prepaid lease payments	2,655	2,600
Other investment	70	70
	<u>85,860</u>	<u>89,040</u>
Current assets		
Inventories	44,221	52,674
Trade receivables	76,703	51,374
Other receivables	9,418	10,465
Other current assets	5,746	5,467
Tax Recoverable	3,373	2,452
Cash and bank balances	21,692	18,989
	<u>161,153</u>	<u>141,421</u>
TOTAL ASSETS	<u>247,013</u>	<u>230,461</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	2,844	1,825
Retained earnings	54,479	51,990
	<u>117,339</u>	<u>113,831</u>
Non-controlling interest	<u>113</u>	<u>-</u>
Total Equity	<u>117,452</u>	<u>113,831</u>
Non-Current liabilities		
Borrowings	4,663	7,322
Deferred tax liabilities	609	611
	<u>5,272</u>	<u>7,933</u>
Current liabilities		
Borrowings	79,144	64,594
Trade payables	25,428	28,123
Other payables	19,717	15,980
	<u>124,289</u>	<u>108,697</u>
Total liabilities	<u>129,561</u>	<u>116,630</u>
TOTAL EQUITY AND LIABILITIES	<u>247,013</u>	<u>230,461</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9553	1.8968

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2013

	<----- 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 2012 (restated)	60,012	4	1,342	216	59,038	120,612	-	120,612
Total comprehensive income for the period	-	-	(830)	-	(3,166)	(3,996)	-	(3,996)
As at 31 December 2012	<u>60,012</u>	<u>4</u>	<u>512</u>	<u>216</u>	<u>55,872</u>	<u>116,616</u>	<u>-</u>	<u>116,616</u>
As at 1 April 2013	60,012	4	1,499	326	51,990	113,831	-	113,831
Total comprehensive income for the period	-	-	1,019	-	2,489	3,508	113	3,621
As at 31 December 2013	<u>60,012</u>	<u>4</u>	<u>2,518</u>	<u>326</u>	<u>54,479</u>	<u>117,339</u>	<u>113</u>	<u>117,452</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 2013 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2013

	9 months ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
- Continuing operations	4,611	(568)
Adjustment for:-		
Non-cash items	(2,320)	514
Non-operating items (which are investing/financing)	9,432	9,041
Interest expense	3,377	3,210
Interest income	(20)	(28)
Operating profit before changes in working capital	<u>15,080</u>	<u>12,169</u>
Changes in working capital		
Net change in current assets	(13,787)	(20,196)
Net change in current liabilities	1,038	28,128
Interest paid	(3,377)	(3,210)
Tax paid	(2,932)	(2,658)
Net cash (used in)/generated from operating activities	<u>(3,978)</u>	<u>14,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net cash inflow on disposal of subsidiaries	-	237
- Purchase of property, plant and equipment	(3,315)	(13,329)
- Proceeds from disposal of property, plant and equipment	175	2,631
- Interest received	20	28
Net cash used in investing activities	<u>(3,120)</u>	<u>(10,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(1,230)	(1,841)
- Repayment of term loans	(2,209)	(2,358)
- Increase/(decrease) in short term borrowings	15,374	(3,338)
- Drawdown of HP & lease financing	60	100
- Drawdown of term loan	-	3,050
Net cash generated from/(used in) financing activities	<u>11,995</u>	<u>(4,387)</u>
Net increase/(decrease) in cash and cash equivalents	4,897	(587)
Effects of exchange rate changes	(2,092)	(1,443)
Cash and cash equivalents at beginning of financial period	<u>18,256</u>	<u>19,350</u>
Cash and cash equivalents at end of financial period	<u><u>21,061</u></u>	<u><u>17,320</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	21,692	18,412
Bank overdrafts	<u>(631)</u>	<u>(1,092)</u>
	<u><u>21,061</u></u>	<u><u>17,320</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 2013 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 2013, 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 2013. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2013, except for the adoption of the following Amendments: -

Effective for annual periods beginning on or after 1 July 2012

MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

Effective for annual periods beginning on or after 1 January 2013

Amendments to MFRS 101	: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
MFRS 3	: Business Combination (<i>IFRS 3 Business Combinations issued by IASB in March 2004</i>)
MFRS 10	: Consolidated Financial Statements
MFRS 11	: Joint Arrangements
MFRS 12	: Disclosure of Interests of Other Entities
MFRS 13	: Fair Value Measurement
MFRS 119	: Employee Benefits
MFRS 127	: Separate Financial Statements
MFRS 128	: Investment in Associate and Joint Ventures
MFRS 127	: Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
Amendment to IC Interpretation 20	: Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)
IC Interpretation 20	: Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 7	: Disclosures-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	: First-time Adoption of Malaysian Financial Reporting Standards-Government Loans
Amendments to MFRS 1	: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116	: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132	: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134	: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10	: Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	: Joint Arrangements: Transition Guidance

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2013 was not qualified.



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3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	149,923	133,285	473,919	358,625
Non-apparels	18,945	16,159	53,336	46,577
Total revenue before eliminations	168,868	149,444	527,255	405,202
Eliminations	(70,432)	(54,334)	(217,220)	(155,159)
Total	98,436	95,110	310,035	250,043

Segment Result

Result from continuing operations:				
Apparels	288	2,073	3,826	(721)
Non-apparels	944	911	1,768	13
	1,232	2,984	5,594	(708)
Eliminations	(223)	(650)	(983)	140
Total	1,009	2,334	4,611	(568)

Apparels segment:

The apparels segment's revenue for the quarter ended 31 December 2013 increased by 12.5% or RM16.6 million to RM149.9 million from RM133.3 million recorded in the preceding year corresponding quarter. The increase was due to the increase of sales orders from Cambodia operation.

Non-apparels segment:

The non-apparels segment's revenue for the quarter ended 31 December 2013 increased by 17.2% or RM2.7 million to RM18.9 million from RM16.2 million recorded in the preceding year corresponding quarter. The increase in revenue was mainly attributable to higher sales volume from printing, labelling and knitting business in Cambodia.

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.



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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.

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 2013.

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

There are no material capital commitments as at 31 December 2013.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM88 million given to licensed banks in respect of bank facilities granted to subsidiaries during the nine months financial period ended 31 December 2013.

13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period that have 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

During the period ended 31 December 2013, the Group recorded a higher turnover of RM98.4 million compared to RM95.1 million achieved in the previous corresponding period. The increase in Group revenue during the current year was mainly due to the increase of sales from Cambodia apparel. The pre-tax profit of the Group for the period under review recorded at RM1.0 million compared to a pre-tax profit of RM2.3 million recorded for the preceding period. The decrease in profit was mainly due to intense price competition in the garment industry.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover decrease from RM112.0 million recorded in the preceding quarter to RM98.4 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM1.0 million compared to a pre-tax profit RM2.5 million recorded for the preceding quarter. The decrease in revenue and pre-tax profit for the current quarter was mainly attributable to decrease in sales volume for the current quarter compared with the preceding quarter.

16. COMMENTARY ON PROSPECTS

The business environment for the next quarter remains challenging due to the prevailing global economic condition. The Group will continue to implement action plans to diversify the source of revenue coupled with improvement in efficiency and productivity. Total revenue earned from apparels division is expected to be stable and the non-apparels business is expected to be enhanced. The Group is thus reasonably optimistic on the overall performance of the next quarter results.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group as no profit forecast or profit guarantee was published.



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18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before tax				
Included in the profit before tax are the following items:				
Interest income	(7)	(5)	(20)	(28)
Interest expenses	1,238	917	3,377	3,210
Depreciation	2,992	2,990	9,424	9,267
Provision for doubtful debts	-	-	-	468
Impairment loss of other investment	-	-	-	3
Fixed assets written off	1	-	1	-
Goodwill written off	-	-	-	19
Gain on disposal of property, plant and equipment	37	143	(7)	8
Net foreign exchange (gain)/loss	(228)	670	(2,320)	27

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	157	1,149	823	1,497
Foreign income tax	369	508	1,186	1,101
Total income tax expense	526	1,657	2,009	2,598

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.



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21. GROUP BORROWINGS

	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
Short term borrowings		
- Bank overdrafts	632	1,092
- Bankers' acceptance	3,770	3,301
- Trade loan/Trust receipts/Export bill financing	48,981	35,231
- Term loans	2,935	3,610
- Revolving credit	21,389	20,255
- Hire purchase and lease payables	1,437	2,330
	<u>79,144</u>	<u>65,819</u>
	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
Long term borrowings		
- Hire purchase and lease payables	1,088	2,464
- Term loans	3,575	5,764
	<u>4,663</u>	<u>8,228</u>
Total	<u>83,807</u>	<u>74,047</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	15,866	51,405
- Chinese, Yuan Renminbi ("RMB")	40,878	<u>21,666</u>
		<u>73,071</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 December 2013 is analysed as follows:

	As at 31 Dec'13 RM'000	As at 31 Dec'12 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	59,208	62,934
- Unrealised	(715)	(648)
	<u>58,493</u>	<u>62,286</u>
Less: Consolidation adjustments	(4,014)	(6,414)
Total group retained earnings as per consolidated financial statements	<u>54,479</u>	<u>55,872</u>



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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 31 December 2013 (31 December 2012: 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 period.

b Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 March 2013.

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 20 February 2014.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
20 February 2014