



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Revenue	90,785	112,005	174,417	211,599
Cost of sales	(80,431)	(95,040)	(157,990)	(178,640)
Gross Profit	10,354	16,965	16,427	32,959
Other Income	1,060	1,832	1,608	2,556
Interest Income	16	10	40	13
Administrative expenses	(9,867)	(10,835)	(21,768)	(21,076)
Selling and marketing expenses	(2,915)	(4,316)	(5,800)	(8,711)
Finance costs	(875)	(1,188)	(1,737)	(2,139)
(Loss)/profit before tax	(2,227)	2,468	(11,230)	3,602
Income tax expense	(270)	(924)	(311)	(1,483)
(Loss)/profit for the period	(2,497)	1,544	(11,541)	2,119
Attributable to:				
Equity holders of the parent	(2,861)	1,196	(11,645)	1,690
Non-controlling interest	364	348	104	429
	(2,497)	1,544	(11,541)	2,119
Earnings per share attributable to equity holders of the parent (sen):				
Basic	(4.16)	2.57	(19.23)	3.53
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 2014 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 SECOND QUARTER ENDED 30 SEPTEMBER 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
(Loss)/profit for the period	(2,497)	1,544	(11,541)	2,119
Other comprehensive income net of tax				
Foreign currency translation	(844)	1,761	(1,361)	660
Total comprehensive income for the period	(3,341)	3,305	(12,902)	2,779
Total comprehensive income attributable to:				
Owners of the Parent	(3,705)	2,957	(13,006)	2,350
Non-controlling interest	364	348	104	429
	(3,341)	3,305	(12,902)	2,779

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (UNAUDITED)

	30.09.2014 RM'000 (Unaudited)	31.03.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	72,240	76,912
Investment Properties	2,896	3,009
Prepaid lease payments	2,552	2,652
Other investment	-	70
	<u>77,688</u>	<u>82,643</u>
Current assets		
Inventories	45,632	45,821
Trade receivables	68,443	55,555
Other receivables	6,284	5,832
Other current assets	9,947	6,790
Tax Recoverable	346	658
Cash and bank balances	27,240	29,229
	<u>157,892</u>	<u>143,885</u>
TOTAL ASSETS	<u>235,580</u>	<u>226,528</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	1,646	3,007
Retained earnings	45,052	56,697
	<u>106,714</u>	<u>119,720</u>
Non-controlling interest	<u>611</u>	<u>507</u>
Total Equity	<u>107,325</u>	<u>120,227</u>
Non-Current liabilities		
Borrowings	4,953	3,868
Deferred tax liabilities	234	231
	<u>5,187</u>	<u>4,099</u>
Current liabilities		
Borrowings	82,843	62,501
Trade payables	18,334	25,090
Other payables	21,891	14,611
	<u>123,068</u>	<u>102,202</u>
Total liabilities	<u>128,255</u>	<u>106,301</u>
TOTAL EQUITY AND LIABILITIES	<u>235,580</u>	<u>226,528</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.7782	1.9949

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 SECOND QUARTER ENDED 30 SEPTEMBER 2014

	<----- 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 2013	60,012	4	1,499	326	51,990	113,831	-	113,831
Total comprehensive income for the period	-	-	660	-	1,690	2,350	429	2,779
As at 30 September 2013	<u>60,012</u>	<u>4</u>	<u>2,159</u>	<u>326</u>	<u>53,680</u>	<u>116,181</u>	<u>429</u>	<u>116,610</u>
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>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 CASH FLOWS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

	6 months ended	
	30.09.2014	30.09.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation from:		
- Continuing operations	(11,230)	3,602
Adjustment for:-		
Non-cash items	915	(2,088)
Non-operating items (which are investing/financing)	5,637	6,388
Interest expense	1,737	2,139
Interest income	(40)	(13)
Operating (loss)/profit before changes in working capital	<u>(2,981)</u>	<u>10,028</u>
Changes in working capital		
Net change in current assets	(17,224)	(21,910)
Net change in current liabilities	524	3,469
Interest paid	(1,737)	(2,139)
Tax paid	4	(2,530)
Net cash used in operating activities	<u>(21,414)</u>	<u>(13,082)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(2,738)	(2,470)
- Proceed from disposal of unit trust	76	-
- Proceeds from disposal of property, plant and equipment	279	129
- Interest received	40	13
Net cash used in investing activities	<u>(2,343)</u>	<u>(2,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(542)	(711)
- Repayment of term loans	(2,019)	(1,453)
- Increase in short term borrowings	16,973	29,609
- Drawdown of HP & lease financing	636	-
- Drawdown of term loan	3,803	-
Net cash generated from financing activities	<u>18,851</u>	<u>27,445</u>
Net (decrease)/increase in cash and cash equivalents	(4,906)	12,035
Effects of exchange rate changes	341	(1,628)
Cash and cash equivalents at beginning of financial period	28,023	18,256
Cash and cash equivalents at end of financial period	<u>23,458</u>	<u>28,663</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	27,240	29,834
Bank overdrafts	(3,427)	(812)
Deposits pledged to banks	(355)	(359)
	<u>23,458</u>	<u>28,663</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.



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Company No. 280929-K
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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 30 September 2014, 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 2014. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2014, except for the adoption of the following Amendments: -

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10	: Consolidated Financial Statements
Amendments to MFRS 12	: Disclosure of Interests of Other Entities
Amendments to MFRS 127	: Consolidated and Separate Financial Statements
Amendments to MFRS 132	: Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	: (Novation of Derivatives and Continuation of Hedge Accounting)
IC Interpretation 21	: Levies

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.

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2014 was not qualified.



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Company No. 280929-K
(Incorporated in Malaysia)

3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	120,777	171,542	237,278	323,996
Non-apparels	19,746	17,162	36,332	34,391
Total revenue before eliminations	140,523	188,704	273,610	358,387
Eliminations	(49,738)	(76,699)	(99,193)	(146,788)
Total	90,785	112,005	174,417	211,599

Segment Result

Result from continuing operations:				
Apparels	(2,737)	1,848	(9,482)	3,538
Non-apparels	1,492	521	(908)	824
	(1,245)	2,369	(10,390)	4,362
Eliminations	(982)	99	(840)	(760)
Total	(2,227)	2,468	(11,230)	3,602

Apparels segment:

The apparels segment's revenue for the quarter ended 30 September 2014 decreased by 29.6% or RM51 million to RM120.8 million from RM171.5 million recorded in the preceding year corresponding quarter. The decrease was due to the decrease of sales orders.

Non-apparels segment:

The non-apparels segment's revenue for the quarter ended 30 September 2014 increased by 15.1% or RM2.6 million to RM19.7 million from RM17.2 million recorded in the preceding year corresponding quarter. The increase in revenue was mainly attributable to higher sales volume from labelling division.

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 2014.

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 30 September 2014.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM92 million given to licensed banks in respect of bank facilities granted to subsidiaries during the six months financial period ended 30 September 2014.

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 30 September 2014, the Group recorded lower revenue of RM90.8 million as compare with RM112.0 million achieved in the previous corresponding period. The decrease in Group revenue during the current year was mainly due to the decrease of sales from Cambodia apparel division. The pre-tax loss of the Group for the period under review recorded at RM2.2 million as compare with a pre-tax profit of RM2.5 million recorded for the preceding period. The decrease in profit was mainly due to lower sales volume together with the rising cost of production.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increase from RM83.6 million recorded in the preceding quarter to RM90.8 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM2 million as compare with a pre-tax loss RM9 million recorded for the preceding quarter. The reduce in losses was mainly due to higher sales volume as well as cost control measures taken by the management.

16. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances, the Group's performance for the forthcoming quarter is expected to be improved. The order received is expected to be increased and the management will continue to focus on improving operational efficiencies and controlling its operation expenses to achieve better performance.

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	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000

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

Interest income	(16)	(10)	(40)	(13)
Interest expenses	875	1,188	1,737	2,139
Depreciation	2,411	3,135	5,098	6,432
(Gain)/Loss on disposal of property, plant and equipment	(31)	(36)	522	(44)
Net foreign exchange loss/(gain)	892	(2,553)	915	(2,092)



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Malaysian income tax	210	512	217	666
Foreign income tax	60	412	94	817
Total income tax expense	<u>270</u>	<u>924</u>	<u>311</u>	<u>1,483</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 14 RM'000	As at 30 Sep 13 RM'000
Short term borrowings		
- Bank overdrafts	3,385	812
- Bankers' acceptance	2,834	2,736
- Trade loan/Trust receipts/Export bill financing	50,741	59,440
- Term loans	3,338	3,254
- Revolving credit	21,465	26,560
- Hire purchase and lease payables	1,080	1,669
	<u>82,843</u>	<u>94,471</u>
	As at 30 Sep 14 RM'000	As at 30 Sep 13 RM'000
Long term borrowings		
- Hire purchase and lease payables	782	1,316
- Term loans	4,171	4,012
	<u>4,953</u>	<u>5,328</u>
Total	<u>87,796</u>	<u>99,799</u>



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	17,795	56,053
- Hong Kong Dollars ("HKD")	1,991	817
- Chinese, Yuan Renminbi ("RMB")	45,822	23,369
		<u>80,239</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 30 September 2014 is analysed as follows:

	As at 30 Sep'14 RM'000	As at 30 Sep'13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	38,300	58,495
- Unrealised	(338)	(715)
	<u>37,962</u>	<u>57,780</u>
Less: Consolidation adjustments	7,090	(4,100)
Total group retained earnings as per consolidated financial statements	<u>45,052</u>	<u>53,680</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 2014 (30 September 2013: 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 30 September 2014.



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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 27 November 2014.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
28 November 2014