



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Revenue	131,950	104,740	502,903	532,871
Cost of sales	(106,627)	(98,961)	(434,043)	(472,336)
Gross Profit	25,323	5,779	68,860	60,535
Other Income	3,965	2,240	5,998	5,498
Interest Income	20	22	95	104
Administrative expenses	(24,609)	(18,820)	(64,719)	(54,412)
Selling and marketing expenses	(1,226)	(2,925)	(9,946)	(18,342)
Finance costs	(1,676)	(2,173)	(5,701)	(5,885)
Profit/(loss) before tax	1,797	(15,877)	(5,413)	(12,502)
Income tax expense	(1,478)	(294)	(2,576)	(214)
Profit/(loss) for the year	319	(16,171)	(7,989)	(12,716)
Attributable to:				
Equity holders of the parent	16	(15,333)	(9,821)	(10,255)
Non-controlling interest	303	(838)	1,832	(2,461)
	319	(16,171)	(7,989)	(12,716)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	0.53	(26.95)	(13.31)	(21.19)
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 2016 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 FOURTH QUARTER ENDED 31 MARCH 2017

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Profit/(loss) for the year	319	(16,171)	(7,989)	(12,716)
Other comprehensive income/(loss) net of tax				
Foreign currency translation	41	(1,778)	(74)	1,701
Total comprehensive income/(loss) for the year	360	(17,949)	(8,063)	(11,015)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	(79)	(17,296)	(9,949)	(8,739)
Non-controlling interest	439	(653)	1,886	(2,276)
	360	(17,949)	(8,063)	(11,015)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 31 MARCH 2017 (UNAUDITED)

	31.03.2017 RM'000 (Unaudited)	31.03.2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	70,471	71,525
Investment Properties	10,981	10,754
Prepaid lease payments	3,031	2,920
Other investment	21	-
Deferred tax assets	-	89
	<u>84,504</u>	<u>85,288</u>
Current assets		
Inventories	62,032	64,801
Trade receivables	109,598	76,971
Other receivables	2,106	3,728
Other current assets	7,476	9,765
Cash and bank balances	36,158	38,034
	<u>217,370</u>	<u>193,299</u>
TOTAL ASSETS	<u>301,874</u>	<u>278,587</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	7,792	7,920
Retained earnings	19,156	28,977
	<u>86,964</u>	<u>96,913</u>
Non-controlling interest	<u>2,117</u>	<u>231</u>
Total Equity	<u>89,081</u>	<u>97,144</u>
Non-Current liabilities		
Borrowings	3,250	2,026
Deferred tax liabilities	513	-
	<u>3,763</u>	<u>2,026</u>
Current liabilities		
Borrowings	97,198	89,951
Trade payables	51,546	45,842
Other payables	56,705	38,224
Tax payables	3,581	5,400
	<u>209,030</u>	<u>179,417</u>
Total liabilities	<u>212,793</u>	<u>181,443</u>
TOTAL EQUITY AND LIABILITIES	<u>301,874</u>	<u>278,587</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.4491	1.6149

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 FOURTH QUARTER ENDED 31 MARCH 2017

	<----- 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 2015	60,012	4	6,078	326	39,232	105,652	655	106,307
Total comprehensive income/(loss) for the year	-	-	1,516	-	(10,255)	(8,739)	(2,276)	(11,015)
Issuance of shares of subsidiary	-	-	-	-	-	-	1,852	1,852
As at 31 March 2016	60,012	4	7,594	326	28,977	96,913	231	97,144
As at 1 April 2016	60,012	4	7,594	326	28,977	96,913	231	97,144
Total comprehensive (loss)/income for the year	-	-	(128)	-	(9,821)	(9,949)	1,886	(8,063)
As at 31 March 2017	60,012	4	7,466	326	19,156	86,964	2,117	89,081

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 FOURTH QUARTER ENDED 31 MARCH 2017

	12 months ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation from:		
- Continuing operations	(5,413)	(12,502)
Adjustment for: -		
Non-cash items	326	(447)
Non-operating items (which are investing/financing)	9,888	11,418
Interest expense	5,701	5,885
Interest income	(95)	(104)
Operating profit before changes in working capital	<u>10,407</u>	<u>4,250</u>
Changes in working capital		
Net change in current assets	(26,273)	(7,661)
Net change in current liabilities	23,048	5,999
Interest paid	(5,701)	(5,885)
Tax (paid)/refunded	(2,694)	812
Net cash flows used in operating activities	<u>(1,213)</u>	<u>(2,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net cash inflow on disposal of subsidiaries	655	-
- Purchase of property, plant and equipment	(7,882)	(7,458)
- Proceeds from issuance of shares of subsidiary	-	1,852
- Proceeds from disposal of property, plant and equipment	1,976	964
- Placement of deposit pledged with bank	-	(20)
- Interest received	95	104
Net cash flows used in investing activities	<u>(5,156)</u>	<u>(4,558)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(585)	(1,126)
- Repayment of term loans	(3,083)	(3,618)
- Increase in short term borrowings	8,331	33,626
- Drawdown of HP & lease financing	3,170	-
Net cash flows from financing activities	<u>7,833</u>	<u>28,882</u>
Net increase in cash and cash equivalents	1,464	21,839
Effects of exchange rate changes	(3,978)	(927)
Cash and cash equivalents at beginning of financial year	36,852	15,940
Cash and cash equivalents at end of financial year	<u><u>34,338</u></u>	<u><u>36,852</u></u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	36,158	38,034
Bank overdrafts	(1,317)	(741)
Deposits pledged to banks	(503)	(441)
	<u><u>34,338</u></u>	<u><u>36,852</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 2016 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 year ended 31 March 2017, 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 2016. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2016, except for the adoption of the following Amendments: -

Effective for annual periods beginning on or after 1 January 2016

Annual Improvements to MFRSs 2012-2014 Cycle

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and 141 Agriculture: Bearer Plants

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Amendments to MFRS 101: Disclosure Initiatives

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

MFRS 14: Regulatory Deferral Accounts

The adoption of the above mentioned Amendments to MFRSs 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.

MFRS 15 Revenue from Contracts with Customers	Effective 1 January 2018
MFRS 9 Financial Instruments	Effective 1 January 2018
MFRS 16 Leases	Effective 1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2016 was not qualified



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	156,288	128,155	590,823	691,770
Labellings	14,438	11,770	53,303	49,658
Others	14,255	6,734	30,622	29,291
Total revenue before eliminations	184,981	146,659	674,748	770,719
Eliminations	(53,031)	(41,919)	(171,845)	(237,848)
Total	131,950	104,740	502,903	532,871
Segment Result				
Result from continuing operations:				
Apparels	4,996	(17,396)	9,264	(18,155)
Labellings	1,537	2,588	4,457	6,225
Others	(2,622)	1,561	(16,581)	(1,319)
	3,911	(13,247)	(2,860)	(13,249)
Eliminations	(2,114)	(2,630)	(2,553)	747
Total	1,797	(15,877)	(5,413)	(12,502)

Apparels segment:

The apparels segment's revenue for the quarter ended 31 March 2017 increased by 21.9% or RM28.1 million to RM156.3 million from RM128.2 million recorded in the preceding year corresponding quarter. The increase was due to the increase of Cambodia and China factories' sales orders.

Labelling segment:

The labelling segment's revenue for the quarter ended 31 March 2017 increased by 22.0% or RM2.6 million to RM14.4 million from RM11.8 million recorded in the preceding year corresponding quarter. The increase was due to the increase of sales orders from Malaysia labelling business.

Others segment:

The others segment's revenue for the quarter ended 31 March 2017 increased by 111.9% or RM7.5 million to RM14.2 million from RM6.7 million recorded in the preceding year corresponding quarter. The increase was due to the increase of sales orders from printing and embroidering business.

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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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.

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 2016.

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 were no material capital commitments as at 31 March 2017.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM105million given to licensed banks in respect of bank facilities granted to subsidiaries during twelve months financial year ended 31 March 2017.

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 current quarter ended 31 March 2017, the Group recorded higher revenue of RM132.0 million as compared to RM104.7 million in the previous corresponding quarter. This was mainly due to the increase in revenue from the Cambodia and China Apparels Division. Accordingly, the pre-tax profit of the Group for the quarter under review was higher at RM1.8 million as compared to pre-tax loss of RM15.9 million in the previous corresponding quarter. The higher profit was mainly due to the improvement in margin controls.

On a year-to-year basis, the Group recorded lower revenue of RM502.9 million as compared to RM532.9 million achieved in the previous corresponding year as the Group continued to streamline and consolidate its Cambodia apparel operations, which caused the decline in revenue of Apparels Division. The pre-tax loss of the Group for the year under review recorded at RM5.4 million as compared to pre-tax loss of RM12.5 million recorded for the corresponding year. As mentioned in the preceding paragraph, this was mainly due to the consolidation of Cambodia apparel factories.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increased from RM127.1 million recorded in the preceding quarter to RM132.0 million for the current quarter. The pre-tax profit of the Group recorded at RM1.8 million as compared to a pre-tax profit RM3.8 million recorded for the preceding quarter mainly due to consolidation of Cambodia apparel factories.

16. COMMENTARY ON PROSPECTS

Since the end of year ended 31 March 2016, the Group has been consolidating its apparel business operations in Cambodia. The Group will continue to focus on profitable companies, such as China apparel division as well as labelling business in Malaysia.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Included in the profit/(loss) before tax are the following items:				
Interest income	(20)	(22)	(95)	(104)
Interest expenses	1,676	2,173	5,701	5,885
Depreciation	2,173	2,177	9,522	11,000
Fixed assets written off	-	496	209	511
Inventories written off	-	170	-	170
Bad debts written off	-	13	-	13
Bad debts recovered	-	12	-	12
Loss/(gain) on disposal of property, plant and equipment	52	79	(49)	(282)
Impairment loss on receivable	-	-	-	19
Foreign exchange loss/(gain) (Reversal)/impairment loss on fixed assets	243	512	326	(3,153)
	(656)	-	662	-

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Malaysian income tax	(467)	32	572	27
Foreign income tax	1,170	83	1,229	8
	<u>703</u>	<u>115</u>	<u>1,801</u>	<u>35</u>
Under/(over) provision of income tax	176	(144)	176	(144)
Deferred tax	599	323	599	323
Total income tax expense	<u>1,478</u>	<u>294</u>	<u>2,576</u>	<u>214</u>

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

20. CORPORATE PROPOSALS

a) Status of Corporate Proposals

Announcement has been made on 5th May 2017 for Proposed Rights Issue of shares with warrants and Proposed Exemption to CCS Capital Sdn. Bhd. under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions. Applications to the relevant authorities in relation to the Proposals are expected to be submitted within 2 months from the date of the announcement.

b) Status of Utilisation of Proceeds

Not applicable.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

21. GROUP BORROWINGS

	As at 31 Mar 17 RM'000	As at 31 Mar 16 RM'000
Short term borrowings		
- Bank overdrafts	1,317	741
- Bankers' acceptance	3,006	2,841
- Trade loan/Trust receipts/Export bill financing	67,493	57,881
- Term loans	276	2,651
- Revolving credit	23,975	25,358
- Hire purchase and lease payables	1,131	479
	<u>97,198</u>	<u>89,951</u>
Long term borrowings		
- Hire purchase and lease payables	2,736	803
- Term loans	514	1,223
	<u>3,250</u>	<u>2,026</u>
Total	<u>100,449</u>	<u>91,977</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	14,012	62,072
- Chinese, Yuan Renminbi ("RMB")	37,822	24,206
		<u>86,278</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2017 is analysed as follows:

	As at 31 Mar 17 RM'000	As at 31 Mar 16 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	(203)	5,032
- Unrealised	(659)	(460)
	<u>(862)</u>	<u>4,572</u>
Add: Consolidation adjustments	20,018	24,405
Total group retained earnings as per consolidated financial statements	<u>19,156</u>	<u>28,977</u>



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 March 2017 (31 March 2016: 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 31 March 2017.

26. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors on the date set forth below.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
31 May 2017