



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue	66,332	54,217	376,367	304,260
Cost of sales	(62,290)	(45,579)	(322,558)	(256,855)
Gross Profit	4,042	8,638	53,809	47,405
Other Income	16,068	860	19,470	4,014
Interest Income	15	2	35	30
Administrative expenses	(14,789)	(9,920)	(46,671)	(41,532)
Selling and marketing expenses	(3,196)	(2,562)	(16,515)	(10,256)
Finance costs	(960)	(829)	(4,337)	(4,040)
Profit/(loss) before tax	1,180	(3,811)	5,791	(4,379)
Income tax expense	1,874	39	(135)	(2,559)
Profit/(loss) for the year	3,054	(3,772)	5,656	(6,938)
Attributable to:				
Equity holders of the parent	2,644	(3,772)	5,133	(6,938)
Non-controlling interest	410	-	523	-
	3,054	(3,772)	5,656	(6,938)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	5.09	(6.29)	9.42	(11.56)
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.



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Company No. 280929-K
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Profit/(loss) for the year	3,054	(3,772)	5,656	(6,938)
Other comprehensive income net of tax				
Foreign currency translation	259	987	1,278	157
Total comprehensive income for the period	3,313	(2,785)	6,934	(6,781)
Total comprehensive income attributable to:				
Owners of the Parent	2,903	(2,785)	6,411	(6,781)
Non-controlling interest	410	-	523	-
	3,313	(2,785)	6,934	(6,781)

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 FINANCIAL POSITION AS AT 31 MARCH 2014 (UNAUDITED)

	31.03.2014 RM'000 (Unaudited)	31.03.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	79,054	85,490
Investment Properties	867	880
Prepaid lease payments	2,652	2,600
Other investment	70	70
	<u>82,643</u>	<u>89,040</u>
Current assets		
Inventories	45,783	52,674
Trade receivables	53,622	51,374
Other receivables	8,619	10,465
Other current assets	7,738	5,467
Tax Recoverable	-	2,452
Cash and bank balances	29,230	18,989
	<u>144,992</u>	<u>141,421</u>
TOTAL ASSETS	<u>227,635</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	3,103	1,825
Retained earnings	57,123	51,990
	<u>120,242</u>	<u>113,831</u>
Non-controlling interest	<u>523</u>	<u>-</u>
Total Equity	<u>120,765</u>	<u>113,831</u>
Non-Current liabilities		
Borrowings	3,969	7,322
Deferred tax liabilities	230	611
	<u>4,199</u>	<u>7,933</u>
Current liabilities		
Borrowings	62,666	64,594
Trade payables	23,525	28,123
Other payables	16,480	15,980
Dividends payable	-	-
	<u>102,671</u>	<u>108,697</u>
Total liabilities	<u>106,870</u>	<u>116,630</u>
TOTAL EQUITY AND LIABILITIES	<u>227,635</u>	<u>230,461</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0036	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 FOURTH QUARTER ENDED 31 MARCH 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 2012	60,012	4	1,342	216	59,038	120,612	-	120,612
Total comprehensive income for the year	-	-	157	-	(6,938)	(6,781)	-	(6,781)
Transfer to legal reserve	-	-	-	110	(110)	-	-	-
As at 31 March 2013	60,012	4	1,499	326	51,990	113,831	-	113,831
As at 1 April 2013	60,012	4	1,499	326	51,990	113,831	-	113,831
Total comprehensive income for the year	-	-	1,278	-	5,133	6,411	523	6,934
As at 31 March 2014	60,012	4	2,777	326	57,123	120,242	523	120,765

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 FOURTH QUARTER ENDED 31 MARCH 2014

	12 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
- Continuing operations	5,791	(4,379)
Adjustment for:-		
Non-cash items	4,583	(19)
Non-operating items (which are investing/financing)	12,958	13,516
Interest expense	4,337	4,040
Interest income	(35)	(30)
	<u>27,634</u>	<u>13,128</u>
Operating profit before changes in working capital		
Changes in working capital		
Net change in current assets	(364)	(5,267)
Net change in current liabilities	(4,831)	16,271
Interest paid	(4,337)	(4,040)
Tax paid	2,666	(1,517)
	<u>20,768</u>	<u>18,575</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(4,255)	(17,355)
- Proceeds from winding up of a subsidiary	-	465
- Proceeds from disposal of property, plant and equipment	987	3,504
- Interest received	35	30
	<u>(3,233)</u>	<u>(13,356)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(1,722)	(2,472)
- Repayment of term loans	(5,598)	(4,224)
- Increase/(decrease) in short term borrowings	1,874	(2,667)
- Drawdown of HP & lease financing	60	-
- Drawdown of term loan	-	3,105
	<u>(5,386)</u>	<u>(6,258)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	12,149	(1,039)
Effects of exchange rate changes	(2,014)	(55)
Cash and cash equivalents at beginning of financial year	18,256	19,350
Cash and cash equivalents at end of financial year	<u>28,391</u>	<u>18,256</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	29,230	18,989
Bank overdrafts	(839)	(733)
	<u>28,391</u>	<u>18,256</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.



PCCS Group Berhad

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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 March 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 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		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	113,484	128,381	587,403	487,006
Non-apparels	18,190	18,251	71,526	64,828
Total revenue before eliminations	131,674	146,632	658,929	551,834
Eliminations	(65,342)	(92,415)	(282,562)	(247,574)
Total	66,332	54,217	376,367	304,260
Segment Result				
Result from continuing operations:				
Apparels	2,473	(3,209)	6,299	(3,930)
Non-apparels	3,060	(6,295)	4,828	(6,282)
	5,533	(9,504)	11,127	(10,212)
Eliminations	(4,353)	5,693	(5,336)	5,833
Total	1,180	(3,811)	5,791	(4,379)

Apparels segment:

The apparels segment's revenue for the quarter ended 31 March 2014 decreased by 11.6% or RM14.9 million to RM113.5 million from RM128.4 million recorded in the preceding year corresponding quarter. The decrease was due to the decrease of sales orders from Cambodia operation.

Non-apparels segment:

The non-apparels segment's revenue for the quarter ended 31 March 2014 reduced by 0.3% or RM61 thousand to RM18.2 million from RM18.3 million recorded in the preceding year corresponding quarter. The decrease in revenue was mainly attributable to lower sales volume from printing and embroidering 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 March 2014.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM71 million given to licensed banks in respect of bank facilities granted to subsidiaries during the financial year ended 31 March 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 year ended 31 March 2014, the Group recorded a higher turnover of RM66.3 million compared to RM54.2 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 China apparel. The pre-tax profit of the Group for the period under review recorded at RM1.2 million compared to a pre-tax loss of RM3.8 million recorded for the preceding period. The increase in profit was mainly due to other income received in Cambodia apparels division.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover decrease from RM98.4 million recorded in the preceding quarter to RM66.3 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM1.2 million compared to a pre-tax profit RM1.0 million recorded for the preceding quarter. The decrease in revenue for the current quarter was mainly attributable to decrease in sales volume of apparels division 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.

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 12 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before tax				
Included in the profit before tax are the following items:				
Interest income	(15)	(2)	(35)	(30)
Interest expenses	960	830	4,337	4,040
Depreciation	2,203	4,588	11,627	13,855
Bad debts written off	-	4	-	4
Impairment loss of other receivable	-	530	-	530
Fixed assets written off	210	-	211	44
Goodwill written off	-	-	-	19
Loss on disposal of property, plant and equipment	1,127	35	1,120	43
Loss on disposal of non-current asset classified as held for sale	-	-	-	20
Provision for doubtful debts	3,646	-	3,646	-
Net foreign exchange (gain)/loss	3,202	(580)	882	(553)
Stocklot written off	55	-	55	-

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	(338)	(132)	485	1,365
Foreign income tax	(1,536)	93	(350)	1,194
Total income tax expense	(1,874)	(39)	135	2,559

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 Mar 14 RM'000	As at 31 Mar 13 RM'000
Short term borrowings		
- Bank overdrafts	839	733
- Bankers' acceptance	3,407	3,254
- Trade loan/Trust receipts/Export bill financing	28,356	31,667
- Term loans	2,605	3,112
- Revolving credit	26,274	23,848
- Hire purchase and lease payables	1,185	1,980
	<u>62,666</u>	<u>64,594</u>
	As at 31 Mar 14 RM'000	As at 31 Mar 13 RM'000
Long term borrowings		
- Hire purchase and lease payables	848	1,715
- Term loans	3,121	5,607
	<u>3,969</u>	<u>7,322</u>
Total	<u>66,635</u>	<u>71,916</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	9,034	29,450
- Chinese, Yuan Renminbi ("RMB")	65,984	<u>27,713</u>
		<u>57,163</u>



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22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2014 is analysed as follows:

	As at 31 Mar'14 RM'000	As at 31 Mar'13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	62,176	55,165
- Unrealised	<u>(338)</u>	<u>(611)</u>
	61,838	54,554
Less: Consolidation adjustments	<u>(4,715)</u>	<u>(2,564)</u>
Total group retained earnings as per consolidated financial statements	<u>57,123</u>	<u>51,990</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 31 March 2014 (31 March 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 31 March 2014.

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 30 May 2014.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
30 May 2014