



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Revenue	125,406	129,390	125,406	129,390
Cost of sales	(112,236)	(112,580)	(112,236)	(112,580)
Gross Profit	13,170	16,810	13,170	16,810
Other Income	539	969	539	969
Interest Income	24	28	24	28
Administrative expenses	(11,448)	(13,236)	(11,448)	(13,236)
Selling and marketing expenses	(4,424)	(4,301)	(4,424)	(4,301)
Finance costs	(1,410)	(1,061)	(1,410)	(1,061)
Loss before tax	(3,549)	(791)	(3,549)	(791)
Income tax expense	(429)	(83)	(429)	(83)
Loss for the period	(3,978)	(874)	(3,978)	(874)
Attributable to:				
Equity holders of the parent	(3,104)	(857)	(3,104)	(857)
Non-controlling interest	(874)	(17)	(874)	(17)
	(3,978)	(874)	(3,978)	(874)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	(6.63)	(1.46)	(6.63)	(1.46)
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.



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Company No. 280929-K
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Loss for the period	(3,978)	(874)	(3,978)	(874)
Other comprehensive loss net of tax				
Foreign currency translation	(151)	(395)	(151)	(395)
Total comprehensive loss for the period	(4,129)	(1,269)	(4,129)	(1,269)
Total comprehensive loss attributable to:				
Owners of the Parent	(3,263)	(1,242)	(3,263)	(1,242)
Non-controlling interest	(866)	(27)	(866)	(27)
	(4,129)	(1,269)	(4,129)	(1,269)

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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016 (UNAUDITED)

	30.06.2016 RM'000 (Unaudited)	31.03.2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	68,979	71,525
Investment Properties	10,530	10,754
Prepaid lease payments	2,845	2,920
Deferred tax assets	15	89
	<u>82,369</u>	<u>85,288</u>
Current assets		
Inventories	49,027	64,801
Trade receivables	89,394	76,971
Other receivables	5,100	3,728
Other current assets	7,896	9,765
Cash and bank balances	26,784	38,034
	<u>178,201</u>	<u>193,299</u>
TOTAL ASSETS	<u>260,570</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	7,761	7,920
Retained earnings	25,873	28,977
	<u>93,650</u>	<u>96,913</u>
Non-controlling interest	<u>(635)</u>	<u>231</u>
Total Equity	<u>93,015</u>	<u>97,144</u>
Non-Current liabilities		
Borrowings	1,637	2,026
	<u>1,637</u>	<u>2,026</u>
Current liabilities		
Borrowings	92,258	89,951
Trade payables	39,011	45,842
Other payables	33,093	38,224
Tax payables	1,556	5,400
	<u>165,918</u>	<u>179,417</u>
Total liabilities	<u>167,555</u>	<u>181,443</u>
TOTAL EQUITY AND LIABILITIES	<u>260,570</u>	<u>278,587</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.5605	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.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2016

	-----> Attributable to Equity Holders of the parent----->					Total RM'000	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			
As at 1 April 2015	60,012	4	6,078	326	39,232	105,652	655	106,307
Total comprehensive loss for the period	-	-	(385)	-	(857)	(1,242)	(27)	(1,269)
As at 30 June 2015	<u>60,012</u>	<u>4</u>	<u>5,693</u>	<u>326</u>	<u>38,375</u>	<u>104,410</u>	<u>628</u>	<u>105,038</u>
As at 1 April 2016	60,012	4	7,594	326	28,977	96,913	231	97,144
Total comprehensive loss for the period	-	-	(159)	-	(3,104)	(3,263)	(866)	(4,129)
As at 30 June 2016	<u>60,012</u>	<u>4</u>	<u>7,435</u>	<u>326</u>	<u>25,873</u>	<u>93,650</u>	<u>(635)</u>	<u>93,015</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 2016 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2016

	3 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation from:		
- Continuing operations	(3,549)	(791)
Adjustment for: -		
Non-cash items	(170)	529
Non-operating items (which are investing/financing)	3,335	2,535
Interest expense	1,410	1,061
Interest income	(24)	(28)
Operating profit before changes in working capital	<u>1,002</u>	<u>3,306</u>
Changes in working capital		
Net change in current assets	4,017	(61,221)
Net change in current liabilities	(11,962)	19,603
Interest paid	(1,410)	(1,061)
Tax (paid) / refunded	(4,199)	865
Net cash flows used in operating activities	<u>(12,552)</u>	<u>(38,508)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(3,018)	(3,780)
- Proceeds from disposal of property, plant and equipment	2,754	2,100
- Interest received	24	28
Net cash flows used in investing activities	<u>(240)</u>	<u>(1,652)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(122)	(258)
- Repayment of term loans	(840)	(1,007)
- (Decrease) / increase in short term borrowings	(1,453)	44,900
Net cash flows (used in) / from financing activities	<u>(2,415)</u>	<u>43,635</u>
Net (decrease) / increase in cash and cash equivalents	(15,207)	3,475
Effects of exchange rate changes	(376)	466
Cash and cash equivalents at beginning of financial period	<u>36,852</u>	<u>15,940</u>
Cash and cash equivalents at end of financial period	<u>21,269</u>	<u>19,881</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	26,784	24,138
Bank overdrafts	(5,055)	(3,844)
Deposits pledged to banks	(460)	(413)
	<u>21,269</u>	<u>19,881</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.



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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the year ended 31 March 2016, 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.

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	Effective 1 January 2017
Amendments to MFRS 107 Disclosure Initiative	Effective 1 January 2017
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



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3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	155,801	166,640	155,801	166,640
Labellings	11,908	12,168	11,908	12,168
Others	5,395	8,854	5,395	8,854
Total revenue before eliminations	173,104	187,662	173,104	187,662
Eliminations	(47,698)	(58,272)	(47,698)	(58,272)
Total	125,406	129,390	125,406	129,390
Segment Result				
Result from continuing operations:				
Apparels	(4,677)	(316)	(4,677)	(316)
Labellings	753	953	753	953
Others	7	(514)	7	(514)
	(3,917)	123	(3,917)	123
Eliminations	368	(914)	368	(914)
Total	(3,549)	(791)	(3,549)	(791)

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.



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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

On 13 June 2016, PCCS Garments (Suzhou) Limited, a wholly-owned subsidiary of PCCS, had incorporated a wholly-owned subsidiary company in China under the name of Yuxing Apparel Suqian Limited ("YASL"), with a registered capital of RMB12,000,000. The principal activity of YASL is manufacturing and trading of apparels, fashion accessories, fabric materials and other products.

11. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 June 2016.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM95 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2016.

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 current quarter ended 30 June 2016, the Group recorded a lower revenue of RM125.4 million for the current quarter as compared to RM129.4 million in the previous corresponding quarter. Accordingly, the pre-tax loss of the Group for the quarter under review is higher at RM3.55 million as compared to RM0.79 million in the previous corresponding quarter. The higher loss incurred was mainly due to lower margin achieved in Malaysia & Cambodia apparel division.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increased from RM104.7 million recorded in the preceding quarter to RM125.4 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM3.5 million as compared with a pre-tax loss RM15.9 million recorded for the preceding quarter mainly due to higher revenue and better cost control.

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 the financial year ending 31 March 2017.

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 3 months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Included in the loss before tax are the following items:				
Interest income	(24)	(28)	(24)	(28)
Interest expenses	1,410	1,061	1,410	1,061
Depreciation	2,480	2,685	2,480	2,685
Fixed assets written off	69	-	69	-
Gain on disposal of property, plant and equipment	(37)	(150)	(37)	(150)
Foreign exchange (gain)/ loss	(170)	529	(170)	529
Impairment loss on fixed assets	822	-	822	-



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Malaysian income tax	359	23	359	23
Foreign income tax	70	60	70	60
Total income tax expense	429	83	429	83

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

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 Jun 16 RM'000	As at 30 Jun 15 RM'000
Short term borrowings		
- Bank overdrafts	5,055	3,845
- Bankers' acceptance	2,392	3,393
- Trade loan/Trust receipts/Export bill financing	58,060	69,153
- Term loans	2,085	3,470
- Revolving credit	24,194	24,800
- Hire purchase and lease payables	472	711
	92,258	105,372
Long term borrowings		
- Hire purchase and lease payables	688	387
- Term loans	949	3,015
	1,637	3,402
Total	93,895	108,774



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	12,324	49,297
- Hong Kong Dollars ("HKD")	1,894	985
- Chinese, Yuan Renminbi ("RMB")	53,973	32,384
		<u>82,666</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 30 June 2016 is analysed as follows:

	As at 30 Jun 16 RM'000	As at 30 Jun 15 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	358	17,708
- Unrealised	(60)	301
	<u>298</u>	<u>18,009</u>
Add: Consolidation adjustments	25,575	20,366
Total group retained earnings as per consolidated financial statements	<u>25,873</u>	<u>38,375</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 June 2016 (30 June 2015: 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 June 2016.



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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 26 August 2016.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
29 August 2016